



Ireland's EU Structural Funds
Programmes 2007 - 2013

Co-funded by the Irish Government
and the European Union



“Investing in your future”

PROCEDURES MANUAL

FOR

**ROYAL COLLEGE OF SURGEONS IN IRELAND
(RCSI)**

**EUROPEAN REGIONAL DEVELOPMENT FUND
FOR ENTERPRISE IRELAND FUNDED PROJECTS**

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PART ONE: MANUAL OBJECTIVES AND REGULATORY BACKGROUND

1.1 Objectives of this manual

This manual sets out the role of RCSI relating to the implementation of the European Union Structural Funds Programmes 2007-2013 under Ireland's National Strategic Reference Framework (NSRF). The NSRF has two themes the European Social Fund (ESF) and the European Regional Development Fund (ERDF). This procedures manual details the role of Public Beneficiary Body (PBB) under the Innovation and Knowledge Economy Priority of the ERDF funded Southern & Eastern and the Border Midland & Western Regional Operational Programmes 2007-2013. RCSI is the Public Beneficiary Body under the Operational Programme. The programmes supported under the Innovation and Knowledge Economy Priority are the Campus Incubation scheme, the Applied Research Enhancement scheme and the Commercialisation Fund incorporating Proof of Concept, Technology Development and the Commercialisation Plus schemes. Expenditure declarations (claims) are returned by RCSI (the PBB) to Enterprise Ireland the Intermediate Body (IB). All schemes are funded under both the Border Midland and Western Regional Operational Programme 07-13 and the Southern and Eastern Regional Operational Programme 07-13.

The Bodies involved in the day to day management of the programme are responsible, in the first instance, for the declaration process. A reporting format (the Form B1, B2, B3) process was introduced to ensure that sound and efficient financial management and control procedures are in place and that an adequate audit trail exists. There are four function levels involved in this process:

- Public Beneficiary Bodies - the bodies commissioning operations and/or implementing the activity (Level 1).
- Intermediate Bodies (all public or private bodies or services acting under the responsibility of Managing or Paying Authorities or performing tasks on their behalf in relation to final beneficiaries or the bodies or firms carrying out operations (Level 2).
- Managing Authorities (Level 3).
- Certifying Authorities (Level 4). Responsible for certifying declared expenditure to the European Commission.

Level 1 (Public Beneficiary Body) is responsible for reporting and declaring the accuracy, actuality and eligibility of the expenditure and for completing the Form B1 using the EUSF IT System. Level 1 verifies that the required management and control procedures are in place in accordance with Article 13 Checklists (Appendix V). Each expenditure report forwarded from Level 1 must be accompanied by a **reconciled FMS print-out**.

Level 2 (Intermediate Body) is responsible for aggregating expenditure information coming from Level 1, reporting and declaring expenditure to Level 3

and completing the Form B2. This form is completed at theme level and is accompanied by a schedule indicating the projects (as appropriate), the Form B1 references, the total eligible expenditure being reported and the associated ERDF grant amount. Level 2 declares that the management and control procedures described in the Public Beneficiary Body's Procedural Manual, are in place at level 1 and that steps have been taken to give reasonable assurance that the amount returned is correct, before declaring and reporting the expenditure to Level 3. Each expenditure report forwarded from Level 2 is accompanied by a completed Form B2 and appropriate schedule.

Level 3 (Managing Authority) is responsible for aggregating expenditure information coming from Level 2 up to Programme level and completing Form B3. This form is accompanied by a schedule indicating the priorities and Form B2 references, the total eligible expenditure being reported and the associated ERDF grant amount. This level declares that the management and control procedures described in the Intermediate Body's Procedural Manual, are in place at level 2 and that steps (including sample checking of information at level 2) have been taken to give reasonable assurance that the amount returned is correct, before declaring and reporting the expenditure to the Certifying Authority. The Managing Authority may also undertake sample spot checks at Level 1 of the cascade.

In the case of the Incubation Centre, Commercialisation Fund and ARE Sub-themes of the Innovation and the Knowledge Economy Priority:

- The Higher Education Institutes (HEIs) are the Public Beneficiary Bodies (Level 1);
- Enterprise Ireland is the Intermediate Body (Level 2); and
- The Southern and Eastern Regional Assembly and the Border, Midland and Western Regional Assembly are the Managing Authorities (Level 3).
- Department of Finance is the Certifying Authority (Level 4)

1.2 Context and Regulatory background

This manual is prepared in recognition of RCSI's obligations as a Public Beneficiary Body of ERDF funding. RCSI's place in respect of Ireland's receipt of this funding is set in the context of the following:

Ireland's National Strategic Reference Framework (NSRF)
Ireland's National Development Plan 2007-2013 (NDP), see website NDP.IE

This manual considers and is informed by the following regulations and circulars which should be read in conjunction with it.

Regulations

EC No 1080/2006

EC No 1083/2006

EC No 1828/2006

Topic

ERDF Regulation

General Regulation: Management and control systems, eligibility and audit trail

Implementation Regulation: Information and publicity measures, management and control systems, eligibility, irregularities and disconformities

Circular

Department of Finance 12/2008 Financial Management and Control Procedures

Department of Finance 16/2008 Eligibility of Expenditure

Guidelines

Information and Publicity Guidelines for EU Structural Funds 2007-13

PART TWO: KEY COMPLIANCE ISSUES FOR ERDF

2.1 Role of the Public Beneficiary Body

RCSI as a Public Beneficiary Body will be responsible for submission of Form B1 expenditure returns to the Intermediate Body (Enterprise Ireland) declaring the accuracy, actuality and eligibility of the expenditure in the required format.

The Public Beneficiary Body must ensure it has adequate controls in operation to ensure that payments made are eligible, publicity requirements are observed and an adequate audit trail exists ensuring that all conditions (procurement, publicity, eligibility etc. as set out in Article 13 of Commission Regulation 1080/2006 are met (Appendix V – Article 13 Checklist attached). All conditions set out in Article 13 of Commission Regulations 1083/2006 with regard to equality and non-discrimination must also be met.

The Public Beneficiary Body is required to ensure that only eligible expenditure, actually incurred, and expenditure which comes under the terms of the project/operation, as approved by the Intermediate Body, is declared (Appendix V – Article 13 Checklist). The Public Beneficiary Body is required to ensure that a clear audit trail exists and that all claims are supported by receipted invoices or, where this cannot be done, by accounting documents of equivalent probative value in compliance with Article 90 of the General Regulation, Articles 14 and 19 of the Implementation Regulation and the Electronic Commerce Act 2000.

Such controls include checks on the:

- Eligibility of Expenditure (ERDF)
- Actual implementation of projects for which payment is made
- Compliance with specific publicity requirements (See articles 8&9 of EC Regulation 1828/2006)
- Compliance with public procurement requirements (See Public Procurement Guidelines – Competitive Process, 2004, published by the NPPPU, Department of Finance and update EU Procurement Directive 2004/18/EC).
- Audit Trail Checklist (Appendix V – Article 13 Checklist section C) must be completed in advance of on-the-spot verifications carried out by the Intermediate Body. Note that the Intermediate Body is responsible for carrying out Article 13 checks. The Public Beneficiary Body needs to be cognizant of the Article 13 requirements.

All checks are detailed in Appendix V and the EUSF IT System User Manual – Level 1 Public Beneficiary Body “Expenditure Checks for B1 Process” (see Appendix VI).

2.2 Management and Control Issues

Ultimate responsibility for the certification of expenditure claimed under the Operational programme rests with the Certifying Authority for ERDF funds in the Department of Finance. At the winding up of assistance, declarations as to compliance with regulatory requirements will be made on the basis of verification tests undertaken by the Department of Finance's ERDF Financial Control Unit, which is the designated Audit Authority.

This manual sets out the specific requirements in respect of RCSI for programmes co-funded from the ERDF:

- Expenditure Declarations (Form B1s) are made by the Institution's Secretary/Financial Controller, Finance Manager or Project Accountant using the EUSF IT System.
- Institutions must ensure that appropriate management and control systems are in place in the Institution, as described in the Procedures Manual.

2.2.1 Key components of a compliance framework

There are a number of key elements to a sound compliance framework for Structural Funds:

- A procedures manual for each implementing department/agency which must demonstrate how compliance with regulation will be ensured and demonstrated
- Formalisation of regulatory requirements into the grant agreements or contracts
- The inclusion of a declaration of compliance with regulatory requirements in grant claims or expenditure returns submitted by Public Beneficiary Bodies.
- RCSI should have appropriate payment authorisation controls. For details in this area please see the Institute's internal Financial Procedures document (See Appendix I).

The implementation of these elements will provide the basis for certifying the regularity and compliance of grant payments by the Public Beneficiary Body in completing Form B1 using the EUSF IT system.

2.2.2 Compliance guidelines for Regulations 1080/2006, 1083/2006 and 1828/2006

- Ensure that the theme complies with the requirements of Regulation (EC) No's 1081/2006, 1083/2006 and 1828/2006, and specifically that the transactions arising from the theme will be demonstrably eligible.
- Ensure that all staff involved in preparing form B1s are aware that funding is provided under the European Union Structural Funds Programmes 2007-2013 under Ireland's National Strategic Reference Framework (NSRF 2007-2013).

- Ensure that relevant staff receives copies of the relevant EU Regulations and Publicity Requirements and access to the EUSF IT system for completing the B1 forms which they will be requested to complete and authorize.
- Ensure that staff involved in preparation of ERDF returns are familiar with the Regulations and the Procedure's Manual.

2.2.3 Management and Control systems and Audit Trail

Regulation EC No 1828/2006 sets out the detailed rules in respect of the management and control systems and audit trail required to ensure the proper implementation of Structural Funds.

The management and control system must provide for a sufficient audit trail. All sums included in returns to the Intermediate Bodies must ultimately be supported by reference to individual payments made by Public Beneficiary Bodies.

2.2.4 Retention of documents

All supporting documentation must comply with Article 90 of the General Regulation, Articles 14 and 19 of the Implementation Regulation and the Electronic Commerce Act 2000, with regard to the electronic storage and location of documents, for a period of **three years after the closure date of last payment from the European Commission to the programme**. This is expected to be the year 2022. During this period documents should be available for inspection by Managing and Certifying Authority staff, Intermediate Body staff, auditors, certifying officers and other national or commission officials. Documents forming the audit trail at each level of the cascade must be retained in readily retrievable form and be readily accessible.

As best practice, the permission of the Managing Authority should be sought before destroying any documents relating to the operation.

Public Beneficiary Bodies should retain the following:

- Grant approvals
- Accounting record of payments made and funds received
- Form B1 (expenditure declaration) and attached schedules of payments, projects and adjustments
- Timesheets
- Employment Contracts
- Original Invoices and documents of equivalent probative value
- FMS print-outs reconciled to form B1s
- Procurement and Publicity documentation
- Bank Statements
- Any other relevant documentation

Location of Documents Stored in RCSI

RCSI - 121 St Stephens Green – Basement Archive

Finance Department – Payroll / payslips

Invoices - prior to last financial year

Human Resources Department – old staff contracts

RCSI - 121 St Stephens Green – Finance Department

Invoices (last financial year)

Grant award documentation - grant files

Timesheets - grant files

RCSI - 121 St Stephens Green – Human Resources

Current staff contracts

RCSI - Principal Investigator (Department)

Procurement documentation

Publicity folder

2.2.5 Certification of expenditure

Regulation (EC) 1083/2006 requires that certificates of expenditure be drawn up by the Certifying Authority for presentation to the European Commission in order to draw down funding. In practice, certification by the Certifying Authority is conditional on the satisfactory declaration of eligible expenditure by public beneficiary bodies/ Intermediate Bodies and the Managing Authority, through the completion of Forms B1, B2 and B3.

2.2.6 Public Beneficiary Body

- Expenditure returns will be made on Form B1, certified by the Secretary/Financial Controller, Finance Manager or Project Accountant using the EUSF IT System. The Form B1 includes expenditure incurred in respect of each project.

All declarations required in the Form B1 must be completed by the Public Beneficiary Body.

(See detailed requirements under B1 Preparation – Part 3)

2.2.7 Information and Publicity Measures

Where structural funds are applied in the co-financing of an infrastructure project, regulation EC NO 1828/2006 should be complied with. Information and publicity requirements for the general public should include billboards erected on site and permanent commemorative plaques where the public contribution exceeds €500,000.

The role of Public Beneficiary Body with regard to Information and Publicity Measures is to:

- Ensure that relevant staff are aware of EU requirements with regard to procurement and publicity. Staff should be familiar in particular with the following:
 - Articles 8 and 9 of Regulation EC no. 1828/2006
 - Information and Publicity Guidelines for EU Structural Funds 2007-2013 (available on the BMW Regional Assembly website, www.bmwassembly.ie)

This document will be circulated by the Finance Manager to the following sections within RCSI which, along with the Finance Office, have a significant role in various aspects of ERDF projects, and the publicity requirements highlighted:

- Research Office (Responsible for Research Projects)
- Technology Transfer Office (Responsible for contract negotiation and IP etc.)
- HR Department (Responsible for staff contracts and recruiting)

- Maintain a publicity folder. The publicity folder should include copies of photographs of the various signage's etc. in order to document our compliance for potential subsequent audit visits. This folder should also include copies of fliers etc. and it should be verified that they comply with the various logo requirements etc. at time of placing in the file. The Project Accountant will be responsible for liaising with the other relevant sections of RCSI in order to ensure that the publicity file is kept up to date, and that all requirements are being adhered to.

- Confirm the accuracy of RCSI's Form B1 return in that the relevant publicity requirements have been adhered to.

- Public Procurement adverts also need to be compliant with the Publicity requirements.

Publicity Checklist

Article 2 – 10 Commission Regulation (EC) no. 1828/2006 and Section 18 of the Administrative Agreement sets down the European Commission requirement on information and publicity.

The EU Flag and the European Regional Development Fund's participation should feature on the following in relation to projects in receipt of EU Structural funds:

- Billboards Plaques
- Brochures/Literature
- Application Forms
- Annual Reports
- Display/Exhibition stands

- Videos
- Advertising & Supplements
- Conference Material
- Web sites
- Offer letters, correspondence with projects/beneficiaries
- Press releases
- Posters

The arrangements for the use of logos are as follows:

- the Irish structural funds logo is to **replace** the NDP logo for **all** EU co-financed publicity material;
- this is to be accompanied by the EU flag logo, with **European Regional Development Fund** underneath, to be inserted on right hand side of the Irish structural funds logo;
- the sponsoring organisation or Department logo (where used) is inserted to the right of the EU logo;
- all logos to be of equal scale; and
- in addition, where it is feasible to do so, the EU Commission's suggested tagline "**Investing in your future**" should also be used.

Requirements for billboards and Plaques

- Billboards and commemorative plaques are compulsory for projects where the total public contribution is over €500k.
- The billboard must be of a size that is appropriate to the scale of the operation.
- The section of the billboard reserved for the EU contribution should take up to at least 25% of the total area of the billboard.
- The letters used must be at least the same size as the letters for the national announcement although the typeface may be different.
- Once a site or project is completed, billboards must remain in place for no longer than six months.

Wherever possible, the billboard must be replaced by a commemorative plaque within 6 months of completion of the project.

For further information on publicity, see the website www.eustructuralfunds.ie

2.2.8 Procurement

All public beneficiary bodies must ensure that each project follows National and EU Public Procurement Rules as set out in the revised guidelines drafted by the National Public Procurement Policy Unit (NPPPU) and EU Directive 2004/18/EC. The Irish Public Procurement guidelines are outlined on the website www.procurement.ie and can be found at Appendix VI.

PART THREE: EXPENDITURE DECLARATION RETURN PROCEDURES

3.1 PREPARATION OF FORM B1 RETURN

3.1.1 Staff Roles and Responsibilities

At the end of a designated period, the Research Finance Officer shall prepare the Form B1 return for submission to the Intermediate Body using the EUSF IT system. The B1 will be authorized by the Senior Financial Accountant See Appendix I for detailed instructions on how to complete the B 1 Form Declaration.

3.1.2 Verifications by the Public Beneficiary Body

Research Accountant

The Public Beneficiary Body shall verify all expenditure (100%) declared is in accordance with Article 13 of Regulation (EC) 1828/2006. These verifications shall ensure that expenditure declared is real, the products or services have been delivered in accordance with the approval decision, the amount of expenditure declared is correct, and the project/operations and expenditure comply with Community and national rules. The verification checks shall include procedures to avoid double-financing of expenditure with other Community or national schemes and with other programming periods.

The Public Beneficiary Body shall follow the procedures set out in Appendix 1 when preparing the Form B1 Declaration.

A minimum sample of 25% of the projects to be included within the B1 form shall be chosen for audit. This sample shall be chosen by the Research Accountant and agreed by the Senior Research accountant based on the criteria of monetary value of the awards.

For the sample chosen, transactions should be verified to supporting documentation/invoices and agreed back to a payment date. If expenditure is found not to be eligible, it should be removed from B1 claim and a note on why it is ineligible should be inserted beside the relevant expenditure within the transaction listing. See 3.1.5 below.

3.1.3 Verifications of Expenditure by the Intermediate Body

Applied Research Enhancement & Commercialisation Fund

On-the-spot checks will be carried out by a nominated Auditing Firm on behalf of Enterprise Ireland on a selected sample basis in accordance with the Intermediate Bodies Sampling Methodology which is approved annually by the Regional Assemblies.

Campus Incubation Centres

On-the-spot checks will be carried out by the Intermediate Body Grant Inspection Team on 100% of claims in accordance with the Article 13 Checklists.

3.1.4 Organisation Chart

(See Appendix VIII)

3.1.5 Irregularities and Reporting of Errors

- Where ineligible expenditure is identified, determine the cause of the inclusion of ineligible expenditure. Determine whether or not it is a systemic problem or “once-off” and attributable to human error, lack of knowledge on eligibility criteria or fraud. Include the ineligible expenditure in the list of findings.
- Determine if irregularity report is required, prepare same where necessary.
- Taking into account the work carried out and the findings on the sample selected, is further testing required in order to obtain assurance that the expenditure declared is eligible?
- Report and make recommendations to the relevant persons. Ensure that you follow up on all issues. Keep on file evidence of follow up that you have undertaken.

3.1.6 Receipts

- Procedures should be in place to ensure that receipts for the projects are separately identifiable
- Where revenue has been generated, ensure that where applicable the revenue has been offset against the expenditure in the declarations
- When an operation is revenue generating, determine if projected net revenues can be established or forecast.
- If projected net revenues can be established in advance, ensure discounted net revenues are offset against eligible expenditure in accordance with Art 55 of Commission Reg1083/2006 and following Commission guidance.
- Where projected net revenues cannot be established in advance ensure certifying authority is notified that 5 years of actual net revenue must be offset against eligible expenditure at closure. The start date for assessing revenues must be noted. If there is no clearly identifiable capital investment period, the period for the assessment of revenue should start from the point where the revenue is being generated.
- When there is revenue which has not been offset against the expenditure, obtain an explanation and note any findings
- Confirm, through a review of documentation and discussions with the project manager that there is no overlapping of EU aid for the project.`

3.1.7 Compliance with EU & National Regulations

Ensure that all conditions as set out in Art 16 of Commission Regulations 1083/2006 with regard to equality and non-discrimination are met.

- Obtain evidence that the principle of gender equality has been observed.
- Identify any proactive measures being taken to promote gender equality, where appropriate.
- Ensure the implementation of a operation/project is non-discriminatory on the grounds of:
 - Sex
 - Race
 - Ethnic Origin
 - Religion or beliefs
 - Disability
 - Age
 - Sexual orientation

Obtain evidence to reflect same.

- Determine if any technical specifications were laid out in the contract documentation so as to take into account accessibility criteria for people with disabilities, where appropriate
- Ensure compliance of same and any recommendations have been followed up.

Ensure that all conditions as set out in Art 57 of Commission Regulations 1083/2006 with regard to the durability of operations are met. Document any findings:

Determine that the operation within five years of receipt of the funding has not undergone a substantial modification:

- Affecting its nature
- Affecting its implementation conditions
- Gives an unfair advantage
- Which resulted from a change in the nature of ownership of infrastructure or the cessation of productive activity.
- Where de-committal of funds has commenced and the managing authority has been notified,
- Ensure correct calculations have been used; negative adjustments have been made on the B1 Form and recorded on the EUSF IT system.
- Where applicable, ensure irregularity report has been submitted, if threshold exceeded.
- Where de-committal has not commenced; inform the Managing Authority of the breach in article 57 with regard to the durability of an operation.
- Where applicable, ensure irregularity report has been submitted, if threshold exceeded

- Where de-committal has commenced but the managing authority has not been informed of same, notify managing authority of de-committal procedure.
- Check calculations used in de-committal procedure.
- Where applicable, ensure irregularity report has been submitted, if threshold exceeded.

Ensure that all conditions regarding state aid are satisfied as laid out in both National and Community rules. Document any findings:

1. Has a transfer of state aid resources occurred as per Article 87(1) of the treaty which;
 - Created an economic advantage to an undertaking;
 - Was selective in the granting of aid and;
 - Has a potential impact on competition.
2. Does the operation fall under any of the following block exemptions:
 - Small-Medium sized enterprise
 - Employment Aid
 - Training Aid
 - Transparent Regional Aid Scheme

Further, if the combined aid received by the operation/project over the previous three year fiscal period is under €200,000, it is a de-minimus aid may be applied exempting the operation/project from state rules.

- Does the above mentioned de-minimus apply?
3. If the answer to the 1 above is yes and 2 above is no i.e. no exemption, Obtain authorisation received from the Commission to allow for any applicable state aid
 4. If aid granted is combined de-minimus exemption, ensure cumulative aid received over the last 36 months by the operation/project does not exceed €200,000. This aid will include – tax relief, Interest relief, other grants etc.
- Does the state aid rate applied comply with the ceiling in the issued Regional Aid Map 2007 – 2013.
 - Confirm, through a review of documentation and discussions with the project manager that there is no overlapping of EU aid for the project

Ensure that all conditions regarding the Environment have been observed as laid out in both National and Community rules. Document any findings:

- Does the project/operation have a significant impact on the environment
- If the answer to the above is yes, has an Environmental Impact Assessment been carried out, as per thresholds and sectors specified in the consolidated EIA Directive (85/337/EEC & 97/11/EC)
- Have recommendations and observations in the above mentioned assessment been adhered too.
- Is environmental information freely available to the public concerning this project?
- Have consents been obtained by the Beneficiary from the relevant national authorities that the relevant directives have been complied with.

PART FOUR: OTHER ISSUES

4.1 Procedures Manuals

This procedures manual must be updated on an annual basis before January 31. The Research Finance Officer should update the procedures manual and this should be approved by the Senior Financial Accountant. The appendix contains a form which must be completed as evidence of this update (Appendix III). It shows the date of the completion of the procedures manual / updated procedures manual. The signature of the person who prepared the procedures manual and the signature of the person who approves the procedures manual and the date of approval.

APPENDICES

Appendices: Forms relevant for the preparation of ERDF returns

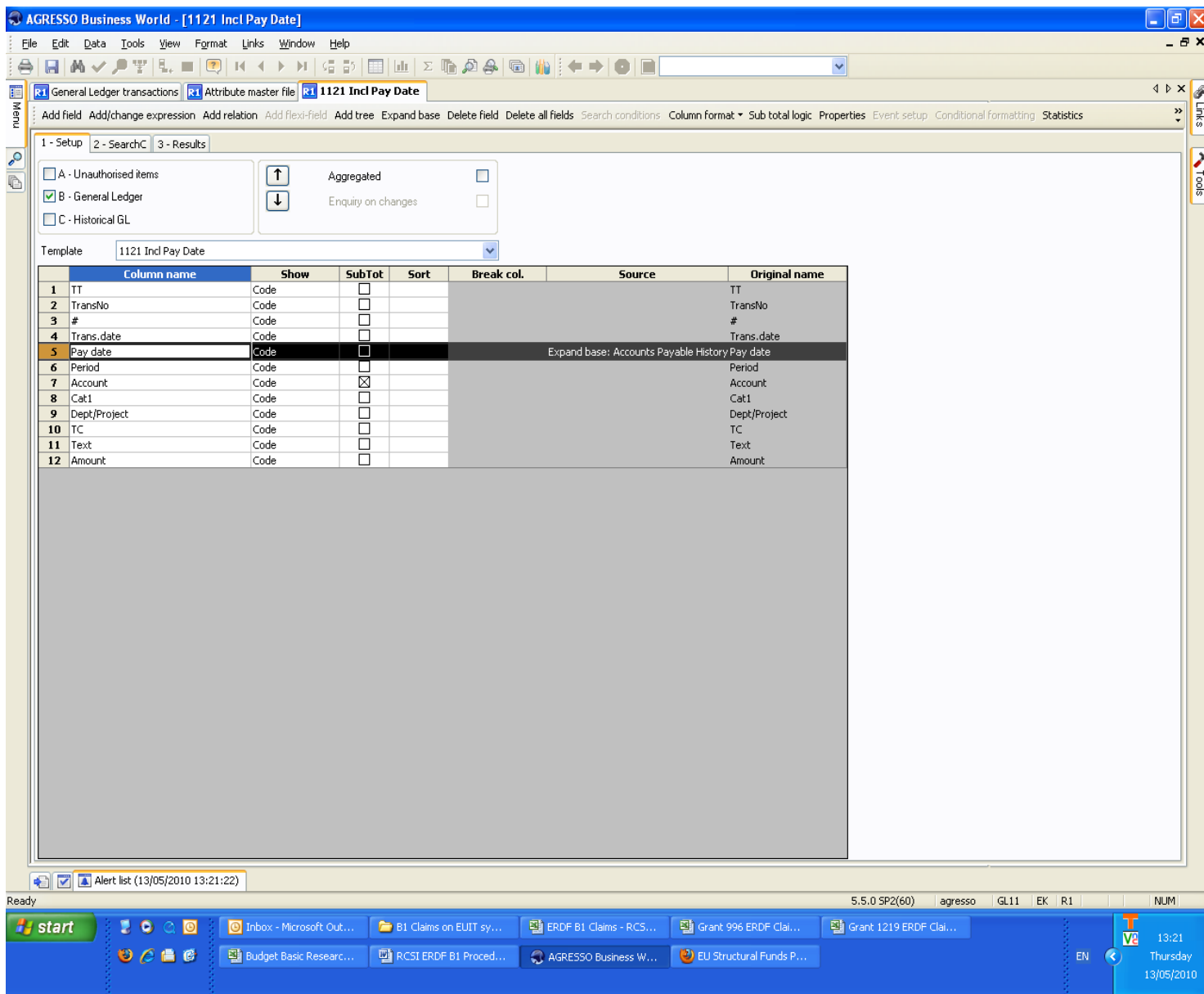
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APPENDIX I

RCSI Internal Financial Procedures

Procedures for the preparation of Form B1 will involve the following steps:

- Running the Grant TX List Excelerator report for the claim period for each grant to be reported as part of the B1 claim. This report is located at the following location: [..\Excelerator Reports\Grant Tx List Query \(Patrick 08.04.08\).xls](..\Excelerator Reports\Grant Tx List Query (Patrick 08.04.08).xls)
- Running an enquiry within Agresso Accounts Payable module on all supplier payments made within the claim period for that grant. See print screen below to show the relevant search criteria to include in the report.



Column name	Show	SubTot	Sort	Break col.	Source	Original name
1 TT	Code	<input type="checkbox"/>				TT
2 TransNo	Code	<input type="checkbox"/>				TransNo
3 #	Code	<input type="checkbox"/>				#
4 Trans_date	Code	<input type="checkbox"/>				Trans_date
5 Pay_date	Code	<input type="checkbox"/>			Expand base: Accounts Payable History Pay date	
6 Period	Code	<input type="checkbox"/>				Period
7 Account	Code	<input checked="" type="checkbox"/>				Account
8 Cat1	Code	<input type="checkbox"/>				Cat1
9 Dept/Project	Code	<input type="checkbox"/>				Dept/Project
10 TC	Code	<input type="checkbox"/>				TC
11 Text	Code	<input type="checkbox"/>				Text
12 Amount	Code	<input type="checkbox"/>				Amount

- Once the supplier payment data has been retrieved, you need to copy this data into a new worksheet with the Grant TX List report. Within the transaction listing, insert another column beside the transaction date and call this payment date. Using a V-lookup based on the transaction number which is common to both worksheets pull in the supplier payment date.
- Once payment date has been inserted you need to sort transaction list by payment date and exclude any amounts which have not been paid within the claim date. Determine if this expenditure can be claimed in the next B1 claims or if it must be fully excluded.
- If the grant starts and finishes within the claim period, only expenses paid within the period of the grant fall within the category of eligible expenditure.
- Once list has been prepared, review on a line by line basis for reasonableness and to determine if expenditure meets the criteria set out in Appendix IV.
- In relation to pay expenditure, ensure that timesheets are obtained for all staff not 100% funded by ERDF grants. For staff that is funded 100% by ERDF grants, a copy of the recruitment form and research contract should be obtained and filed as backup for the relevant project.
- Verify that publicity requirements set out in the Guidelines within Appendix VII have been adhered to. As a guideline a minimum sample of 25% of projects included within each B1 claim should be reviewed for publicity requirements.
- For each project, ensure that the Article 13 verification checklist (Appendix IV) has been completed.
- Once all checklists/verifications have been completed, the Research Finance Officer logs onto the EUSF website : <https://eusf.gov.ie/Production/> and creates an individual project in accordance with the guidelines in the EUSF IT manual (Appendix V).
- An expenditure declaration is completed for each project, where appropriate, based on the reviewed Grant TX List. An excel copy of the Grant TX List is attached to each Expenditure Declaration.
- Once all declarations have been completed, the Research Accountant prepares the B1 Form for the period and verifies the B1 requirements in points 1-15. Where any financial control weaknesses, risks or irregularities were identified, the Research Accountant details the measures to be taken. Once B1 Form is complete, the Research Accountant signs off and informs the Senior Research Accountant via email that the B1 Form is available for review.
- The Senior Financial Accountant reviews the B1 Form and associated expenditure declarations. Any queries are discussed with the Research Finance Officer. If errors are identified the Senior Financial Accountant will reject the B1 form and advise the Research Finance Officer via email of the errors and the action necessary to correct. The Research Finance Officer will undertake the corrective

measures and resubmit the B1 Form to the Senior Financial Accountant once complete.

- Once the Senior Financial Accountant is satisfied with the B1 Form, he/she will countersign the B1 Form on the EUSF IT system, thus sending the Form to the Intermediary Body for review.
- A hard copy of the submitted B1 Form and the associated expenditure declarations are printed and placed on the ERDF folder.

APPENDIX II

Expenditure Declaration Form (B1)

The following Expenditure Declaration Form (B1) is to be completed electronically by the Research Finance Officer and countersigned by the Senior Financial Accountant. The form is available on the EUSF website:

<https://eusf.gov.ie/Production/b>

1. Expenditure on the project/operation is consistent with the provision of the National Eligibility Rules:
2. The intended purpose of the project /operation is consistent with the objectives of the OP Priority:
3. The payment application for EU recoupment is based on eligible expenditure actually paid out by the Public Beneficiary Body and/or the Body that is implementing the operation with supporting documentation available. However, where EU State Aid rules apply the amount has been restricted to the lower of these paid out amounts:
4. The expenditure for which recoupment is sought has been paid within the eligibility period:
5. EU State Aids; EU and National Public Procurement Rules; Horizontal principles of sustainable development, equality between men and women and non-discrimination in accordance with Articles 16 and 17 of the General Regulation and social inclusion in accordance with the NSRF; and Regional aid rates, have been observed as appropriate:
6. EU information and publicity requirements are being observed, i.e. in conformity with Regulation EC 1828/2006 (information & publicity):
7. Physical and financial progress is being monitored and documented including on the spot site inspection where appropriate, in accordance with Article 13 of the Implementation regulation:
8. There has been no overlapping of EU aid for the project/operation:
9. A separate accounting system or an adequate accounting code is being maintained for all transactions relating to the operation:
10. Evidence of receipt of funding by the Beneficiary of the grants is available where the EU's State Aid rules apply:
11. Details of the underlying transactions are recorded, where possible, on computer files and are available on request to the Commission Services responsible and national authorities:
12. Accounting records and an adequate audit trail exists i.e. in conformity with Articles 14 and 15 of Commission Regulation (EC) 1828/2006:
13. All original supporting documentation will be retained in accordance with Article 90 of Council Regulation (EC) 1083/2006 and Article 19 of Council Regulation EC 1828/2006 i.e. for three years after the closure of the programme:
14. Expenditure has been reconciled between the administrative unit and the accounts/finance unit and any differences explained and a print-out from the financial management system & copy of reconciliation has been supplied:

15. Operations have been selected in accordance with the criteria approved by the Monitoring Committee:

Have any financial control weakness, risk or irregularities been identified in the execution of the project(s)/operation(s)?: No

If Yes, please specify what corrective action has/will be taken, including submission of irregularity report where appropriate:

Specify the controls applied to guarantee valid certification and quantify the amount of expenditure actually checked during on-the-spot verifications:

APPENDIX III

Procedures Manual Update Form

The ERDF Manual should be updated annually before 31st January. The following form should be completed every time the Procedures Manual is updated.

Procedures Manual prepared/updated by:

Name (Block Capitals) Barry McGowan

Position Senior Financial Accountant

Signature _____

Date 10th November 2014

Procedures Manual approved by:

Name (Block Capitals) Doreen Gilfedder

Position Head of Financial Operations

Signature _____

Date 10th November 2014

Location : RCSI Finance Department

Head of Financial Operations has been notified of update: Yes / ~~No~~

APPENDIX IV

Article 13 Verification Procedures

See Separate Instructions contained on the ERDF folder relating to Eligibility and Publicity Checks .

APPENDIX V

EUSF IT Manual (Level 1)

See EUSF IT Manual at:

[Level-1 User Manual 01032010.pdf](#)

Note: Pdf document cannot be included directly into this Word document – when printing this Procedures Manual the User Manual referenced above must be included.

APPENDIX VI

Public Procurement Guidelines

Please refer to the extant EU and National Public Procurement Guidelines with particular attention to:

1. DPER Circular 10/14
2. Office of Government Procurements' Construction Procurement Reform Website: <http://constructionprocurement.gov.ie/>

The Senior Financial Accountant is responsible for enforcing public procurement policies where applicable.

The above Guidelines stand in addition to the RCSI Procurement Policies which follow in Appendix VII.

APPENDIX VII

RCSI Procurement Policy



<p>Introduction</p> <p>Purpose of this Policy</p>	<p>RCSI aims to apply the best practice in all procurement activities. RCSI is not a public body under public procurement rules, however in certain cases where public funding is received in relation to research or capital projects, public procurement rules would apply to these cases.</p> <p>To ensure that the procurement of all goods and services is conducted in an Ethical, honest, competitive, fair and transparent manner that delivers the most economically advantageous terms whilst at the same time protecting the reputation of RCSI, taking into account the required specification, quality, service, delivery, reliability, environmental and social issues and the total cost of ownership.</p>																	
<p>Scope</p>	<p>All RCSI expenditure regardless of funding source, including the following types of commitments:</p> <ul style="list-style-type: none"> • Letters of intent • Heads of agreement • Memorandum of understanding • Purchase orders • Oral commitments • Formal contracts <p>Applies to All RCSI campuses and staff except Joint-Venture and Licensed Campus.</p>																	
<p>Policy Statement</p> <p>Procurement Group</p> <p>General Threshold values</p>	<p>Strategic Procurement requires accountability for the spending of College funds which is justified, planned and transparent. Goods and services procured must be 'fit for purpose' and represent value for money while being socially responsible and ensuring probity in the procurement process.</p> <p>The procurement group with representatives from main business activities will:-</p> <ul style="list-style-type: none"> • Review and update this procurement policy annually • Coordinate and plan schedule of significant value contract evaluations • Select tender evaluation panels (TEP) for individual tenders • Agree standard ranking/scoring protocol for invitation to tender and vTEPs • Ensure all bidders are treated equally • Agree and recommend successful tenders to SMT for approval • Ensure Process is proportionate or reasonable having regard to what is being procured. 																	
<p>Publicly Funded projects/Research grants</p>	<table border="1"> <thead> <tr> <th>Type of Purchase</th> <th>Annual Threshold</th> <th>Requirements</th> </tr> </thead> <tbody> <tr> <td>Everyday</td> <td>€0 - €1,000</td> <td>No Quote required</td> </tr> <tr> <td>Simple</td> <td>€1,001 - €6,000</td> <td>3 Verbal quotes</td> </tr> <tr> <td>3 Quote Threshold 2</td> <td>€6,001 - €49,999</td> <td>3 Written Quotes</td> </tr> <tr> <td>Tender Threshold</td> <td>€50,000 +</td> <td>Procurement Group TEP</td> </tr> </tbody> </table>	Type of Purchase	Annual Threshold	Requirements	Everyday	€0 - €1,000	No Quote required	Simple	€1,001 - €6,000	3 Verbal quotes	3 Quote Threshold 2	€6,001 - €49,999	3 Written Quotes	Tender Threshold	€50,000 +	Procurement Group TEP		
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<p>Projects involving multiple streams and high values such as a new Building will require formal sign off by SMT before any procurement can commence.</p> <p>The threshold values are to be applied on the anticipated total annual expenditure, including any servicing or add on costs and should be inclusive of VAT.</p>																		

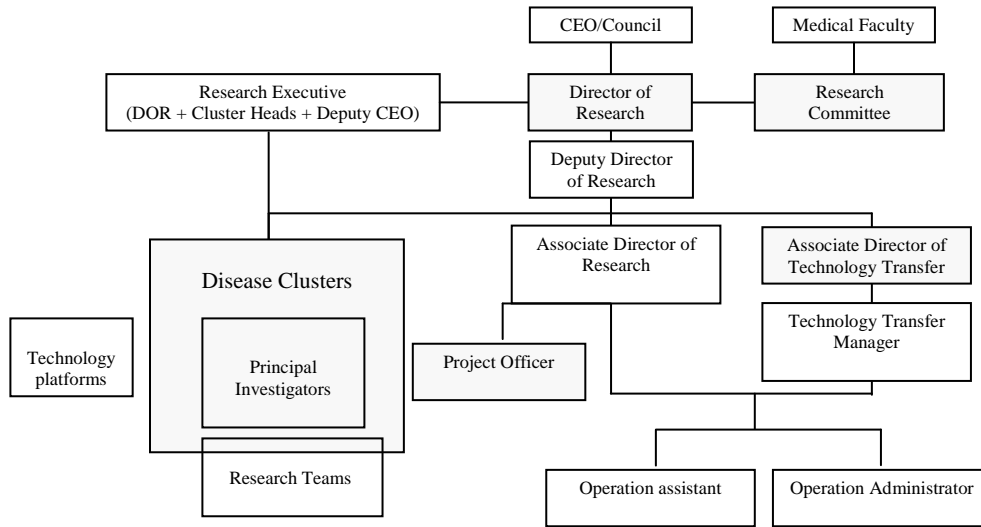
<p>Policy</p>	<p>NB Publicly funded projects and <u>research grants</u> may have specific conditions attached which require adherence to public procurement guidelines outlined below:</p> <p>The Office of Research and Innovation must be consulted on all contracts/ purchases over €25,000 (excluding VAT) as these must be advertised on the government e-tenders website</p> <p>All purchases exceeding the EU Public Procurement Directive Thresholds, currently €207,000 (excluding VAT) for goods and service, shall be advertised in the Official Journal of the European Community (OJEC). These advertisements and related communications will be managed through The Office of Research and Innovation which must be involved from the outset of the project.</p> <p>Purchases from all suppliers must be covered by an official RCSI purchase order unless direct invoice procedures are in place.</p> <p>Approved Suppliers who have an agreement with the College to supply goods and/or services at agreed terms must be used. The appointment of Approved Suppliers is to be undertaken as a result of competitive process in accordance with the threshold values established in this policy. Exemptions to this policy may only be approved in accordance with Strategic Procurement procedures. Any apparent material breach of this policy may be reported to Internal Audit Committee.</p> <p>For purchase of goods or services from non-approved Suppliers less than the 3 Quote Thresholds, a documented quote must be received from at least one supplier and stored locally.</p> <p>For the purchase of goods and/or services from non-Approved Suppliers in excess of the Tender Threshold Value a formal tender process must be conducted by a properly constituted Tender Evaluation Panel.</p> <p>Occasionally there will be a need to enter into direct negotiations with a particular supplier without seeking competitive quotes or tenders from the market. This is different to a situation where quotes or tenders are sought through a competitive process but only one quote or tender is received. Direct negotiations relate specifically to situations where no quote or tender process is undertaken. Typically this can occur:</p> <ol style="list-style-type: none"> a. where there is only one available supplier for the goods and/or services; b. where there is an ongoing or associated project and there is a compelling case to continue with a particular supplier; c. where there is a legitimate reason to renew or rollover a contract; d. In cases of emergency. (e.g. Flood or Fire Damage) e. Familiarity with supplier capability f. Extenuating circumstances or time constraints g. Professional Fees of confidential and sensitive nature (All professional Fees expenditure will be reviewed on an annual basis in arrears by SMT) <p>Direct negotiations involve significant risk and it is essential that proper process is followed and that a unique or incumbent supplier is not unfairly or improperly advantaged. Formal approval in writing to enter into direct negotiations with a supplier must be sought from the relevant member of Senior Management in advance. Applications for this approval must be able to provide tangible and objective evidence of sole supplier status, or</p>
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Ethical Purchasing Guidelines	<p>emergency, or good performance in the case of incumbent suppliers. Once negotiations are completed a proposal should be submitted to SMT for approval subject to value limits outlined in the Threshold table.</p> <p>It is very important that procurement is discharged with probity, transparency and accountability in a manner that secures the most economically advantageous terms (MEAT) for the College.</p>
Probity	<p>In the context of procurement, the aim should be that individuals are trusted and respected by those with whom they deal and that business is conducted by all parties in a fair and reasonable manner. Some of the practical implications of ensuring probity in procurement are set out below</p>
Legality	
Disclosure of Interest	<p>To ensure all transactions are conducted in accordance with the laws and taxes of the country in which they take place.</p>
Gifts	<p>Any form of personal interest which may impinge, or might reasonably be deemed by others to impinge, on a person's impartiality in a decision to purchase from or recommend a particular supplier should be disclosed in advance.</p> <p>College representatives should not accept benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity.</p>
Hospitality	<p>It is not possible to give guidelines for every conceivable situation that may arise but the following general guidelines provide a framework within which decisions in this area can be made:</p> <ul style="list-style-type: none"> • Gifts must never be solicited, directly or indirectly. • Gifts of low intrinsic value less than €100 can be accepted but not gifts of more significant value. In the event that a gift of significant value is received, it must be declared to the Director of Finance who will record the details in the College Gift Register. Surrendered Gifts will be disposed via donation to charity or by raffle at College events. • Cash, gift cheques or any vouchers that may be exchanged for cash may not be accepted regardless of the amount. • Soliciting of sponsorship for social, sporting or charitable events from Suppliers is discouraged, and where such sponsorship is offered, it may only be accepted when expressly approved in writing by management. • . • College representatives must not seek or accept special facilities or discounts on private purchases from Suppliers with whom they have business dealings.
Transparency & Accountability	
Confidentiality of Information	<p>Normal business practice may occasionally justify accepting routine / modest hospitality from suppliers provided that:</p> <p>The frequency and scale of hospitality is not allowed by the recipient to reach a position whereby he or she might be, or might be reasonably deemed by others to have been, influenced in making a business decision.</p> <p>The number of officers availing of the hospitality is kept to a minimum.</p> <p>Invitations do not include provisions deemed to be excessive, such as significant travel, overnight accommodation or trips abroad.</p>

	<p>Particular care should be taken where suppliers are in the process of tendering for business.</p> <p>Procurement transactions and decisions must in all respects be fair, equitable and ensure value for money for the College. College representatives involved in procurement should be able to justify decisions made and actions taken.</p> <p>Appropriate records should be maintained throughout the purchasing process. These records should provide an audit trail of the reasons for making a particular procurement decision.</p> <p>The basic rule is that commercially sensitive information must be kept secure and never used for personal gain or to prejudice fair competition.</p>
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APPENDIX VIII

Organisation Chart



FINANCE TEAM 2014

