

SUMMARY OF ADMINISTRATIVE AND FINANCIAL PROCEDURE

As drafted for the Neighbourhood Programme Lithuania – Poland – Russia (Kaliningrad)

ADMINISTRATIVE AND FINANCIAL PROCEDURE AT PROGRAMME LEVEL

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
	CIP				
1	Drafting the CIP	Member States and Russia	EC		
2	Approval of CIP	EC			
	PROGRAMME COMPLEMENT				
3	Drafting	Managing Authority (MA)			Approval by the JMSC
4	Submission to Commission	MA		Within three months after approval of CIP	
	MANAGEMENT AND CONTROL SYSTEM				
5	Drafting of reference documents (Article 5 Declaration, audit trail description, handbook of procedures)	MA, PA, sub-PA, JTS, IBs			Approval by the JMSC
6	Submission to Commission of the Article 5 Declaration	MA	Commission	Within three months after approval of CIP	
	MEMORANDUM OF UNDERSTANDING				
7	Drafting Memorandum of Understanding	MA, PA, sub-PA, JTS, IBs			
8	Send for signature	MA	Member States		
	BANK ACCOUNTS				
9	Send summary of transactions	PA	MA, JTS	Monthly	PA receives information from sub-PA, which receives information from IBs (???)

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
10	Send copies of bank statements	PA	MA, JTS	Monthly	PA receives information from sub-PA, which receives information from IBs(???)
	PAYMENT CLAIM FORECASTS				
11	Preparation of forecast	JTS	MA	Annual	
12	Submission to Commission	MA	Commission	Annual (for 30 April)	Copy to PA, sub-PA
	COMMISSION BUDGET COMMITMENTS				
13	Information on annual commitments	Commission	???	Annual (for 30 April at the latest)	
14	Information on risk of automatic decommitment	Commission	Member States, PA		
15	Send information	PA	Sub-PA, MA, JTS, IBs		
	COMMISSION PAYMENTS				
16	Payment of payment on account	Commission	PA		
17	Interim payments: preparation of expenditure statements	JTS	PA		Via the MA (role of sub-PA, IBs???)
18	Interim payments: Certificate, Statement of Expenditure, Payment Request	PA	Commission	Three times a year	Copy to the MA, JTS (role of sub-PA, JTS, IBs???)
19	Payment made	Commission	PA	Maximum two months after receipt	
	CONTROLS				
20	Technical support to co-ordination of controls	MA, JTS	Member States	From the beginning of the Programme	
21	Implementation of system audit	Member States		Upon the commencement of the Programme implementation	

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
22	Report on system audit	LT body responsible for second level control	Member States		Does the report have to be sent to the Commission? Copy to JMSC
23	Implementation of second level controls	Member States		Over the duration of the Programme	
24	Reports on second level controls	LT body responsible for second level controls	Commission	Annual (30 June at the latest)	Copy to JMSC
25	Implementation of third level controls	Member States		At Programme closure	Not required as mandatory exercise by the COM regulations
26	Winding-up declaration (third level)	LT body responsible for winding up in cooperation with Polish institutions responsible for winding-up	Commission	By 30 June 2009	
	FINANCIAL CORRECTIONS				
27	Report to the Commission	MA	Commission	Every 6 months	
28	Commission checks	Commission		???	
	ANNUAL IMPLEMENTATION REPORT				
29	Preparation of report	JTS (inputs from IBs ???)	MA		Approval by the JMSC
30	Submission of report	MA	Commission	Annually (30 June at the latest)	

ADMINISTRATIVE AND FINANCIAL PROCEDURE AT PROJECT LEVEL

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
	PREPARATION PHASE				
1	Project idea proposals	Partners, Lead Partner	JTS (database, website FAQ lists)	Continuous	Assistance provided by JTS, IBs ???, Polish Contact Points, Lithuanian Regional Contact Points, on Tacis side???
	APPLICATION PHASE				
	CALL FOR PROPOSALS				
2	Launch of call for proposals	JMSC (via JTS)	Potential applicants	Continuous	Information also available at contact points in PL and LT, IBs ??? in Kaliningrad ??? on Programme's website
	APPLICATION FORMS				
3	Submission of application	Lead Partner	JTS	Continuous	Deadlines to be established for assessment purposes, decided by JMSC
4	Registration	JTS		Continuous	Application Forms uploaded to Programme's database. Viewing access to database granted to JMSC members, COM services responsible for Tacis funds
5	Acknowledgement of receipt	JTS	Lead Partner		
	ASSESSMENT OF APPLICATIONS				
6	Eligibility check	JTS			In consultation with national bodies and COM services responsible for contracting Tacis funds. More info is needed on Tacis requirements – who will do it?
7	Report on the results of the eligibility check	JTS	JMSC		
8	Quality check	JTS + experts			Role and involvement of Tacis bodies?
9	Report on the results of the quality check (assessment sheets, summary report, ranking list)	JTS	JMSC	15 working days before the JMSC meeting (to be confirmed in the JMSC RoP)	

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
10	Member State comments	Member States	Chairman of the JMSC and JTS		Formulated during the National Sub-committee's meetings or any other procedure established nationally
	DECISION PROCESS				
11	Decision on projects to be funded	JMSC		Twice a year	Tacis procedure?
12	Communicating decision	JTS	Lead Partner	After approval	Public announcement on the results of the JMSC meeting made on Programme's website, press-release issued
	SUBSIDY CONTRACT				
13	Drafting	JTS			Tacis procedures?
14	Signature	MA and LP			Tacis procedures?
15	Send signed original copies	MA	Lead Partner		Tacis procedures?
16	Send additional copies	MA	JTS, sub-PA, IBs	Within two weeks after signed contracts are available in MA	
	IMPLEMENTATION PHASE				It would be good to get more information on how the implementation procedures will look like on Tacis side? Draft guidance document foresees joint reports. Frequency of reporting, information categories which are crucial, etc.
	PROJECT LAUNCH				
17	Information about project start	Lead Partner	JTS	At the latest – within three months after signing Subsidy Contract	Expenditure eligibility dates must be established! Date of JMSC decision? What to do with preparation costs? Should such be eligible? If yes, what costs and what limits? Should be specified in the PC! JTS notifies ???
	REPORTING AND FIRST LEVEL CONTROLS				What are the requirements on Tacis side?
18	Drafting of inputs into the reports	Each project partner			
19	First level controls on expenditure and activities reported by each partner	Member States (LT – MA or independent auditor,			Checklist signed by first level controller, attached to the input to the report

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
		PL – IBs)			
20	If problems: Inform Partner	Member State (as above)	Partner		Further improvement of the report by partner, correction of mistakes. Procedure goes back to step 18
21	Submitting inputs	Partner	Lead Partner		
22	Compiling overall report	Lead Partner		Every six months ???	Frequency of reporting for smaller projects? To avoid cash flow problems – reporting would be required more often, to avoid too many controls – lesser frequency of reporting could be imposed. Another solution – have more frequent reports, but require first level controls less frequently (involves risk of corrections).
23	First level controls on expenditure and activities reported by Lead Partner and verification that first level controls have been performed on partner level	Member States (LT – MA or independent auditor, PL – IBs)			Checklist signed by first level controller, attached to the report
24	If problems: Inform Lead Partner	Member State (as above)	Lead Partner		Further improvement of the report by Lead Partner, correction of mistakes. Procedure goes back to step 18 or 22
25	Submission of report	Lead Partner	JTS	Every six months ???	See comment for 22 What Annexes should be attached to the reports? Outputs? Accountancy and financial documents?
26	Acknowledgement of receipt	JTS	Lead Partner		
27	Checks on overall project progress and consistency of documents, checklist completed and signed	JTS	MA	Within ??? working days	In case report cannot be accepted, JTS sends comments to the Lead Partner, notification on non-approval to ???, process starts again from step 18 or 22. In case Report is endorsed, copy of JTS endorsement shall be sent to ???
28	Endorsement of report	MA			
29	Payment request (note that approved financial report is considered as payment request)	MA	PA		
	PAYMENT				Information needed on how the payments will be made on Tacis side?
30	Payment to Lead Partner	PA	Sub-PA (PL funds), Lead Partner and/or Financial Lead Partner	5 working days after receipt of payment request	After completing its own checks / verifications. What are requirements / procedures for this? What procedure for transferring payment to sub-PA? Split of payment procedure

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
			(LT funds)		needs to be reflected here. On PL side – sub-PA to IB, IB ->Lead Partner / Financial Lead Partner. IBs can transfer the money on their own risk before the controls have been completed on whole project. What information do IBs require in order to transfer the money?
31	Payment to project partners	Lead Partner / Financial Lead Partner	Partners		
	IRREGULARITIES AND RECOVERY OF RECOVERABLE AMOUNTS				
32	Discovery of irregularities (through controls exerted on projects)	JTS, MA, PA, sub-PA, IBs, control bodies of Member States and the Commission	OLAF		Who exactly does it? All mentioned institutions? At what frequency and how often? With a copy to JMISC, MA?
33	Implementing the procedure (if project related)	MA	Lead Partner		Inter-governmental arrangement has to be agreed between LT and PL and depicted in the MoU regarding which institution in PL shall be approached in case recovery from the PL partner is not possible?
34	Handling of recoverable and recovered amounts (receiving and recording)	PA			
35	Decision on use of recovered amounts	JMSC			
	BUDGET LINE MODIFICATIONS				Information on Tacis procedures?
36	Drafting and submission	Lead Partner	JTS	How many modifications allowed during project ???	Limits need to be set – re-allocations between budget lines (up to what amount/%?), between partners (up to what amount/ %?), between main activities (up to what amount/%?). In case this amount/% is exceeded, the decision of the JMISC is required.
37	Approval	MA (based on the recommendation from the JTS)	Lead Partner		Copy to the Member State, MA, PA
	PROJECT EXTENSION				Information on Tacis procedures?

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
38	Request	Lead Partner	JTS		Limits need to be set for what is the ultimate allowed extension period?
39	Approval	MA (based on the recommendation of the JTS)	Lead Partner		Copy to the Member State, MA, PA
	CHANGES IN PARTNERSHIP				Information on Tacis procedures?
40	Request	Lead Partner	JTS		Rules have to be established in which cases this is allowed? What happens if a partner drops out and cannot be replaced? Need identification in which cases the decision should be made by the JMSC (bilateral projects becomes single-country, change of Lead Partner is requested...etc.)?
41	Approval	MA (based on the recommendation of the JTS)	Lead Partner		Copy to the Member State, MA, PA
	EXTENSION OF REPORTING DEADLINE				Information on Tacis procedures?
42	Request	Lead Partner	JTS		By what period? What happens if this period is still exceeded?
43	Approval	MA (based on the recommendation of the JTS)	Lead Partner		Copy to the Member State, MA, PA
	PROJECT CLOSURE				Information on Tacis procedures?
44	Submission of final report	Lead Partner	JTS	Within 3 months after the end of the project	Basic reporting and first level control procedures remain as described in steps 18 to 29
45	Submission of final expenditure statement	JTS	MA, PA		

ADMINISTRATIVE AND FINANCIAL PROCEDURE FOR TA (VALID FOR JTS)

	ACTION	KEY PLAYERS	DESTINATION	FREQUENCY / DATE	OTHER INFORMATION
	BUDGET				
1	Preparation	JTS	JMSC		
2	Budget follow-up	JTS	JMSC	Twice a year	
	INCOME				
3	Request for Member State contributions	JTS	Member States	Annually	
4	Payment of Member State contributions	Member States	PA	Annually (by the end of February)	
5	Payment of ERDF contribution	Commission	PA		
6	Transfer from "Programme" account to "Technical Assistance" account	PA	JTS		According to LT national regulations
	INCURRING EXPENDITURE				
7	Running costs... (internal costs: salaries, office running costs, travel costs, etc.)	JTS internal procedure			According to LT national regulations
	SUB-CONTRACTING				
8	Procurement of services (tendering, evaluation, contracting, contract supervision)	JTS (Head of JTS & Accountant)			According to LT national regulations
9	Receipt of invoices	JTS (Accountant)	JTS (Head of JTS)		
10	Check (service, quantity, amount)	JTS (Had of JTS)	JTS (Accountant)		
11	Approval	JTS (Head of JTS)			
12	Payment	JTS (Accountant)	Contractor		