



Closure 2007-2013

**Financial Closure
Section 10**



Closure documents

- Final Statement of Expenditure (as integral part of the payment application)
 - Deadline 31 March 2018 for component II

- Final Report
 - Deadline 31 March 2018 for component II

- Closure Declaration, supported by a Final Control Report
 - Deadline 31 March 2018 for component II

Financial Transactions related to Closure

- Programme closure implies the financial settlement of outstanding Union's budgetary commitments in the form of one (or more) of the following actions:
 - **Payment of the final balance**
 - **Issuance of a recovery order**
 - **De-commitment of the balance of the budgetary commitment**

Closure calculation - main principles

At the level of the **priority axis**:

- **Calculation of the Fund contribution**
(= declared expenditure X co-financing rate) (step 1)
- Fund contribution shall not exceed, by more than 10%, the maximum amount of assistance from the Funds (step 2)
 - **Use of flexibility requires overbooking under at least one priority axis**

At **programme level**:

- **Fund contribution shall not exceed the public contribution declared (step 3)**
- Fund contribution shall not exceed the maximum amount of assistance to the operational programme (step 4)



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Calculation example I (flexibility gives maximum amount)

Financial Plan					
Priority	Eligible Total	IPA (Fund Contribution)	National Counterpart	Public/ Total	Cofin Rate
	$A = B + (z)$	B	$(z) = (x) + (y)$	P / T	$C=B/A$
Priority 1	96,000	81,600	14,400	P	85%
Priority 2	55,300	47,005	8,295	P	85%
Priority 3	61,180	52,003	9,177	P	85%
Programme	212,480	180,608	31,872		

Final declaration of expenditure	
Total expenditure	Public Contribution
D	E
100,000	100,000
54,000	54,000
64,000	64,000
218,000	218,000

Calculation at the level of the priority axis		
Calculated Fund Contribution (1)	Flexibility limit	Amount retained at priority level (2)
$F=C*D$ or $C*E$	$H=B+B*10\%$	$J=\min(F,H)$
85,000	89,760	85,000
45,900	51,706	45,900
54,400	57,203	54,400
185,300	198,669	185,300

Calculation at the level of the programme	
Capping to Public Contribution (3)	Capping to Fund Contribution (4)
$K=\min(J,E)$	$L=\min(K,B)$
185,300	180,608

Final Result

180,608



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Calculation example II (underspending NOT compensated by flexibility)

Financial Plan					
Priority	Eligible Total	IPA (Fund Contribution)	National Counterpart	Public/ Total	Cofin Rate
	$A = B + (z)$	B	$(z) = (x) + (y)$	P / T	$C=B/A$
Priority 1	96,000	81,600	14,400	P	85%
Priority 2	55,300	47,005	8,295	P	85%
Priority 3	61,180	52,003	9,177	P	85%
Programme	212,480	180,608	31,872		

Final declaration of expenditure	
Total expenditure	Public Contribution
D	E
120,000	120,000
35,000	35,000
64,000	64,000
219,000	219,000

Calculation at the level of the priority axis		
Calculated Fund Contribution (1)	Flexibility limit	Amount retained at priority level (2)
$F=C*D$ or $C*E$	$H=B+B*10\%$	$J=\min(F,H)$
102,000	89,760	89,760
29,750	51,706	29,750
54,400	57,203	54,400
186,150	198,669	173,910

Calculation at the level of the programme	
Capping to Public Contribution (3)	Capping to Fund Contribution (4)
$K=\min(J,E)$	$L=\min(K,B)$
173,910	173,910

Final Result

173,910