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**COOPERATION**  
FORWARD



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**Budget flexibility rules**



Interreg CENTRAL EUROPE | Joint Secretariat | Alexandra Kulmer

# TYPES OF MODIFICATIONS

## Minor modifications

Do not have a significant impact on the project objectives and/or implementation. Minor modifications **do not require prior approval by the programme, however, have to be authorised by the LP.**

## Major modifications

Going beyond the flexibility limits applicable to minor modifications. Any major modification **must be previously approved by the relevant programme bodies.**



# MINOR BUDGET MODIFICATION

Flexibility thresholds for increasing budget are monitored on the TOTAL PROJECT BUDGET and increases are cumulative.

- ✓ Increase of budget in any budget line (BL)
- ✓ any work package (WP)

up to 20% or EUR 30.000  
(whichever is higher)



- ✓ Increase of budget of the LP or any PP

up to 10% or EUR 20.000  
(whichever is higher)



**Attention:** There are **NO** thresholds applicable to periods i.e. PP can spend more or less than planned in the AF in a given period, if justified by the activities implemented.



# MINOR BUDGET MODIFICATION



## Required actions

Report modification as deviation in the PR

Report verified expenditure within flexibility limit in the PR



## Restrictions

No increase in the overall ERDF contribution to the project

### Investments

No investment specification provided: cannot be increased above EUR 15,000

The nature and use of the planned investments cannot be changed

State aid contractual conditions setting budget thresholds



# EXAMPLE FOR BL5 EQUIPMENT

TOTAL project BL5 € 60.000 - possible maximum cumulative increase is € 30.000.

PP2 has € 0 under BL5	PP4 € 10.000 under BL5	PP6 € 40.000 under BL5/WPI1
PP2 needs new laptop that was not foreseen in the AF, increase by € 2.000	PP4 needs more budget; amount planned was not enough, increase by € 3.500	PP6 needs more budget; amount planned was not enough, increase by € 20.000
<p>LP approves; Cumulative increase for project  <b>TOTAL BL5 = € 25.500 (2.000 + 3.500 + 20.000) &lt; € 30.000</b></p>		
This is possible, even if the budget for that specific PP2 under BL5 was € 0.	This is possible, because the total cost (incl. the increase) is less than €15.000 and PP4 has no specification for the investment but only defined equipment.	Flexibility rule respected and since there was previous an investment specification (WPI1), the increase could be approved by the LP.



# MINOR BUDGET MODIFICATION



## Attention

- Exceeding the budget flexibility limits **without prior authorisation** of the relevant programme bodies will result in the **ineligibility of the amount exceeding the threshold**.
- **LP is responsible to monitor project expenditure** to ensure the respect of the budget flexibility thresholds **at project level**. Therefore, any expenditure carried out by a **PP exceeding its overall budget** availability as well as the allocation **per BL and WP** needs to be authorised by the **LP**.
- In case of minor budget modifications the **national controller should ask the Partner for the LP authorisation (e.g. e-mail, letter)**.



# CONTACT

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Alexandra Kulmer  
Joint Secretariat  
Interreg CENTRAL EUROPE Programme



[www.interreg-central.eu](http://www.interreg-central.eu)



[kulmer@interreg-central.eu](mailto:kulmer@interreg-central.eu)



+43 1 8908088-2436



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