



Ireland's EU Structural Funds  
Programmes 2007 - 2013  
Co-funded by the Irish Government  
and the European Union



EUROPEAN SOCIAL FUND



A N ROINN | DEPARTMENT OF  
OIDEACHAIS | EDUCATION  
AGUS SCILEANNA | AND SKILLS

**ESF Aided Operations  
Human Capital Investment Operational Programme 2007 – 2013**

***“Investing in your future”*  
ETB/VEC Sector –Pay and Non Pay 2015  
Sub-priority 1.3 – Back to Education Initiative (Part-time Options)  
Sub-priority 2.5 – Youthreach**

**Information Booklet and Instructions for Beneficiaries**

**Department Circular 60/2015**

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This circular was issued by the Structural Funds Unit, DES on **13th November, 2015**.

This information circular should be read in conjunction with the following National and EU rules governing the eligibility of expenditure included in applications for ESF aid under the HCIOP 2007-2013:

Regulation (EC) No 1081/2006 of 5<sup>th</sup> July 2006 and Regulation (EC) No 396/2009 of 6<sup>th</sup> May 2009 amending Council Regulation (EC) No 1081/2006.

Regulation (EC) No 1083/2006 of 11<sup>th</sup> July 2006, and Regulation (EC) No 1341/2008 of 18<sup>th</sup> December 2009, Regulation (EC) No 284/2009 of 7<sup>th</sup> April 2009, Regulation (EC) No 539/2010 of 16<sup>th</sup> June 2010, Regulation (EC) No 1311/2011 of 13<sup>th</sup> December 2011 amending Council Regulation (EC) No 1083/2006.

Commission Regulation (EC) No 1828/2006 of 8<sup>th</sup> December 2006, and Regulation (EC) No 846/2009 of 1st September 2009 and Regulation (EC) No 832/2010 of 17<sup>th</sup> September 2010, amending Council Regulation (EC) No 1828/2006.

Department of Finance Circular 12/2008 regarding Financial Management and Control Procedures for the EU Structural Funds Programmes 2007 – 2013,

ESF Certifying Authority Department of Education and Skills Circular 1/2012 - Eligibility Rules for the European Structural Funds (ESF) 2007 -2013 under the National Strategic Reference Framework.

The relevant Activity Implementation Plan approved by the HCI OP Monitoring Committee.

Existing National rules that govern the exchequer expenditure whether ESF co-financed or not.

This information circular has been prepared by the Structural Funds Unit to assist ETB/VECs in the completion of the Pay and Non Pay elements of the 2015 ESF Expenditure Returns as well as the submission of Electronic B1's. This circular updates, clarifies and consolidates previous instructions and circulars.

The guidelines/instructions are provided to assist beneficiaries with the completion of the expenditure declarations. The purpose of all such guidelines/instructions is not to introduce further eligibility rules; it is to reduce the risk of expenditure being included in ESF claims that does not comply with the criteria set out in the National eligibility rules. It is acknowledged that this prudent approach may result in eligible expenditure being excluded from claims.

## 1. ESF Return Requirements and Deadline for 2015 Claims (1<sup>st</sup> January 2015 to 31<sup>st</sup> October 2015)

In order to finalise the 2015 expenditure returns and secure drawdown of ESF Aid, the following documentation should be completed and returned to the Structural Funds Unit (SFU) by **31st, December 2015**.

Enclosed with this Information Circular, please find:

- **2015 Expenditure Return Forms (1 January 2015 to 31 October 2015)** for ESF-aided programmes administered by your ETB/VEC. The Expenditure Return Forms have been customised for the programmes and are uniquely labelled with your ETB/VEC's details. See Section 3 of this information circular for completion details.
- **2015 Adjustment Schedules – See Section 4**
- **List of allocations** received by your ETB/VEC for 2015 from Solas

Feedback is most welcome in relation to any aspect of the returns process and any clarifications provided and agreed will be circulated to all ETB/VECs. Additional copies of all EU regulations and ESF Certifying Authority Circulars are available from the Structural Funds Unit on request. These regulations are also available on [www.esf.ie/en/regulations\\_2007-2013.aspx](http://www.esf.ie/en/regulations_2007-2013.aspx)

Please note that all original documentation supporting the expenditure included in expenditure return forms should be maintained and no documents should be disposed without the instruction of the ESF Managing Authority (via Structural Funds Unit). Procedures Manuals should be updated to reflect this position.

The Managing Authority and the Certifying Authority for ESF in Ireland are located in the Department of Education and Skills, Marlborough Street, Dublin 1.

## 2. Expenditure to be included/excluded

### 2.1 Back to Education Initiative (Part-Time Options).

Only clearly identified class groups and courses funded under the **BTEI Part-Time Options** should be included in the ESF claim (i.e. courses including modules provided as part of an integrated package leading to certification or employment). Expenditure on leisure oriented courses **must not** be included in the return. Only expenditure that can be demonstrated to relate solely to the BTEI (Part-time options) should be included.

Expenditure for inclusion in the return form should relate to the period to which the expenditure return relates i.e. expenditure incurred in 2015 (January to October) and paid before ESF certification should only be included in the 2015 (January to October) expenditure return form. While all expenditure on BTEI activities may be eligible for ESF co-funding, the SFU requests a prudent approach by only including expenditure from Solas allocation to the BTEI part time options programme is included in the ESF claims.

While the ESF Expenditure Return Form has been developed to reflect the Expenditure

Return provided to the Further Education Unit, please note that expenditure included in the ESF return form must be checked to ensure that it is

a) eligible from a programme perspective (please refer to information/guidance provided by the Further Education Unit), and

b) eligible from an ESF perspective – refer to ESF Certifying Authority Circular 01/2012

The expenditure declared in the ERF returned to the Structural Funds Unit should be equal to or less than the expenditure allocated by Solas taking into account ineligible items from an ESF perspective.

### **Pay Costs (BTEI)**

Pay costs include costs related to tuition, pre-development, co-ordination and administration and the provision of supports such as staff training, guidance and mentoring. **See section 2.3 below for further details.**

### **Non-Pay costs (BTEI)**

Within the constraints of overall provision this may be used flexibly to meet the costs related to course delivery.

### **Income**

Income to the BTEI part-time options relating to expenditure in ESF claims (including fees received, payments from FETAC/QQI for assessments and any other income/receipts to the BTEI initiative) must be netted off the return. Where BTEI participants pay fees, the receipts should be recorded for ESF verification purposes. Section 6 of the expenditure return form incorporates a section for netting off any such income.

ETB/VEC's should have regard to guidance for the management of BTEI issued by the Further Education Unit.

## **2.2 Youthreach**

While all expenditure on Youthreach activities may be eligible for ESF co-funding, the SFU requests a prudent approach by only including expenditure incurred and paid from the Solas allocation to the Youthreach activity is included in the ESF claims.

## **2.3 Apportionment**

Head Office, or any apportioned costs (e.g. for overheads such as Power, Rent etc.) should not be included in any expenditure return. ETB/VECs therefore should not include any apportioned costs in expenditure returns for ESF -aided measures.

**In compiling the 2015 returns, the following should be examined:**

- If costs in respect of a staff member who is **not** based in the centre where the programme is delivered (e.g. a head office based administrator) are included in an expenditure return, please ensure that the officer was assigned solely to duties in respect of the ESF -aided programme in question **only** and that the officer's time can be clearly demonstrated to relate to that programme (e.g. terms of contract, job description). Only dedicated non pay costs appropriate to such a person should be included.
- Where Staff provide administrative support in training centres (or occasionally caretakers, counsellors etc.) across a number of programmes (ESF-aided and/or non-

ESF-aided), the non-pay costs of these officers **should not** be included in an expenditure return form.

- **Tutor hours** that are included in an expenditure return must relate demonstrably to the ESF-aided measure i.e. certified claim forms for tutor hours must be maintained and must indicate clearly that the tutor provided the hours in respect of a specific ESF-aided programme – Youthreach or BTEI.

In completing the ESF expenditure return form it is therefore necessary to consider the location of the activity delivery for each ESF-aided activity (Youthreach and BTEI). If an ESF aided activity is the only activity operated from a particular premises, the non-pay costs incurred by the activity in that one building can be included in full in the expenditure return.

Note, that in order to include the full non-pay costs incurred by the programme, you must be satisfied that the building is not used for evening classes, voluntary groups etc. or any other activity. Note also that ‘notional’ rent amounts charged by VEC head office to apportion costs to various sub-heads should not be included in an expenditure return form.

**If a number of programmes (ESF-aided or otherwise) operate from one premises (multiplex), the non-pay costs incurred by each programme must be examined in detail to ensure that no apportioned costs are integrated in any expenditure return.**

**In a shared/multiplex building particularly consider the following:**

- Costs relating to **dedicated** telephone lines for a specific ESF-aided programme can be included in the return. Where dedicated lines do not exist, telephone costs should not be included in the return;
- Costs relating to rent, heat, and light should not be included;
- Insurance costs that are not delineated by building (or in the case of a multiplex by programme within a building) should not be included in a return.
- Pay costs associated with caretaker and cleaning staff members should not be included in an expenditure return **unless the staff are specifically and demonstrably assigned to work on one programme only.**
- In General, Pay costs associated with administration staff working on a number of programmes should not be included in an expenditure return.
- Administration staff that are specifically and demonstrably assigned to work on one programme only, can be included in the expenditure return for that programme.

If a percentage of non-pay expenditure is calculated and included in an expenditure return form, it is possible that this calculated amount refers to an apportioned cost and may not be appropriate for inclusion in an ESF return (e.g. a calculation based on square footage, numbers of participants of rooms in a building, etc.).

## 2.4 Expenditure Types

Particular attention should be paid to the following issues: -

- **Certain Admin** costs are allowable in the ESF return. Examples of non-pay items would be stationery, class/course materials, consumables, art and craft materials, books, cleaning materials, educational videos, DVDs etc. Such items are fully claimable and should be included under section 5 of the form.
- **Youthreach Trainee Allowances.** The inclusion of expenditure relating to allowances should be based on recorded attendances and an adequate audit trail maintained. Details of the individual trainees must also be kept on file. Where ETB/VEC policy provides some discretion to a supervisor or trainer to allow participants to be absent for stated reasons that are contained in written policy, or where such absences are allowed within the discretionary powers given to supervisors or trainers in such a written policy, this expenditure is eligible for ESF support. This policy is essentially the national rules in such cases. However, such a policy must be reasonable and must be applied reasonably. Absences without consent are otherwise should be excluded from the ESF claims.

- **Childcare** costs incurred and met from the ‘Childcare for Youthreach’ tranche of funding which are funded from Solas cannot be included in an expenditure return.

Childcare costs are not entitlements under the BTEI. However, it is open to providers to fund childcare costs in cases of individual need. All such costs should be supported by appropriate documentation to demonstrate the actual costs incurred and that they relate to the relevant trainee. As mentioned earlier, as a prudent approach only include costs met from the Solas allocation for BTEI (Part-time Options) in the ESF return.

- **Travel and Subsistence** costs included in an expenditure return must be substantiated with certified claim forms that indicate clearly the programme to which the travel related, and supporting details for each type of cost.
- **Repairs to buildings, refurbishment costs, maintenance, and security costs** should not form part of the expenditure return. Routine maintenance and security contracts must not be included e.g. alarm maintenance, pest control, boiler services
- **Insurance Costs / Rates /Service Charges / Overhead Costs etc.,** that are not delineated by building (e. g. in the case of a multiplex by programme within a building) should not be included in a return
- **Capital items** should be excluded from the returns (e.g. light fittings, modular furniture as part of a refurbishment, storage heater replacements etc. etc.)
- **Equipment.** Individual items of equipment costing **less than** €1,000 (there is no minimum threshold) may be included in Section 5D of the Expenditure Return Form. Equipment can include such items as, computers, hardware, software, copiers, power tools, small lathes (used for training purposes), office machinery etc. Such items would generally be recorded in stock books etc.

Examples of items not deemed to be equipment would be stationery, class/course materials, consumables, art and craft materials, books, cleaning materials, educational videos, DVDs etc. Such items are fully claimable and should be included under Section 5B of the Expenditure Return Form.

- **Interest charges, financial penalties** (including prompt payment charges) **should not** be included in an expenditure return.
- **Marketing/Advertising**

All course literature and materials, public advertisements, launches, letterheads, reports, evaluations, information leaflets, etc. should include an acknowledgment of the European Social Fund. **Expenditure on marketing/advertising that does not give appropriate acknowledgement to the ESF should not be included in the ESF expenditure return form. Please see <http://www.esf.ie/en/logos.aspx> for appropriate logos.**

➤ **Treatment of Meal Allowances**

Meal allowances payable to trainees are an eligible cost. However, it has been the practice in some ETB/VEC's where a meal is provided to trainees, to withhold the meal allowance as a contribution towards the cost of providing meals in the centres. Any such allowances that are withheld by ETB/VEC's for the provision of meals to trainees should be offset against the relevant cost of providing the meals where the cost of the meals is included in the claim.

➤ **Assessment and Certification Costs (BTEI return)**

Only assessment and certification costs in relation to Category 3 students (who do not have free exam/registration fees as medical card holders or recipients of social protection payments<sup>1</sup> and are unwaged with less than upper second level education) can be included in the expenditure return. (e.g. assessment and certification costs in respect of persons not in the labour force can be included on the expenditure return).

Certification for BTEI part-time options is, in the main, provided by FETAC/QQI. However, in some cases where modules are not currently certified by FETAC/QQI participants can receive certification from other certifying bodies. Where fees are being paid to certifying bodies other than FETAC/QQI these are eligible to be claimed - ECDL is an example of this.

Fee costs in respect of Category 4 participants, who are ineligible for any funding support, should not be included in the return. Assessment and certification costs in relation to category 3 participants and costs paid to certifying bodies other than FETAC/QQI for these participants can be included.

- **Back money** that relates to payments under National Pay Agreements, agreed and implemented between 1/1/2007 and 31/12/2013, awards and benchmarking may be eligible for ESF aid. Staff concerned must have been working on ESF-aided programmes for the duration covered by the Agreement/Award. If you intend including back money in ESF expenditure returns, please contact SFU for guidance.

➤ **Honoraria / Discretionary payments**

Qualification and responsibility 'allowances', and allowances for teaching services in excess of the normal school year session, are eligible for inclusion in a return. These may be referred to as 'honoraria' in Departmental Circulars.

Expenditure on discretionary payments should be excluded from the return.

Allowances paid and included in the return must conform to Department of Education

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<sup>1</sup> Social Protection payments include Unemployment Payment, Means Tested Welfare Payment and a Family Income Supplement Payment.

and Skills circulars and the relevant documentation must be retained to support the inclusion of such costs.

- **Networks** Connection to networks for transmitting information and PCs are eligible. Mobile infrastructures, the networks themselves and mainframe computers are not eligible

- **Overlapping of EU funding**

ETB/VECs are to ensure that funding from other EU sources is not included in these claims and are required to describe the controls they have in place to ensure this. Other EU sources of funding includes:

EGF- European Globalisation Adjustment Fund

ERDF – European Regional Development Fund

LMAF – Labour Market Education and Training Fund

PEACE Fund

- **Pension Costs**

**Par. 9 Appendix B** of the ESF Certifying Authority, Department of Education and Skills Circular **1/2012** contains the following provision in relation to Pension Costs:

**Redundancy and Pension Costs**

The Department of Education and Skills has heretofore regarded Employee Pension costs as being eligible for inclusion in ESF aided claims submitted by ETBs/VEC's under the HCIOP on the basis of approval of the Managing Authority subject to the following provision:

*The Managing Authority have approved the inclusion of employee pension costs in the ESF 2007-2013 claims for DES activities where these are a real cost (i.e. not notional cost) that has actually been paid out by the beneficiary/project and where a sufficient audit trail exists. An example of real cost in this instance, is where the exact pension costs deducted from all VEC employee pay slips can be traced to the total deduction in grant payments to a VEC (i.e. a deduction of a notional employee pension costs amount from the VEC grant would not be eligible as it could not be reconciled to the total deductions on actual employee pay slips).*

ETB/VEC's are requested to include any superannuation (employee) costs in claims submitted in respect of 2015.

## **2.5 Sub-Contracting of ESF Aided Measures**

Where the delivery of a programme is sub-contracted or devolved by a ETB/VEC to another body (including the community and voluntary sector), the ETB/VEC must ensure that



sufficient reporting and record keeping systems are in place to allow the timely and accurate generation of ESF expenditure returns.

The ETB/VEC must also ensure that the body is aware of, and adheres to:

- a) the eligibility criteria for ESF return purposes;
- b) ESF publicity requirements;
- c) the need to maintain supporting documentation until at least 2022 and until informed by ESF management that the retention of documents is no longer required;

A sub-contracting body is liable to verification and audit by the ETB/VEC, Comptroller & Auditor General, the Department of Education & Skills, ESF Control Unit, European Commission, and the European Court of Auditors. VECs must ensure that sub-contracted bodies are aware of their obligations in this regard.

It is advisable that copies of the contractual arrangements with such outside bodies are readily available for inspection by any competent ESF auditing authority and the Department of Education and Skills. Such contractual arrangements should be kept up to date and maintain records detailing the compliance with public procurements requirements where applicable.

### **3. Completing the Expenditure Return Forms (ERF)**

A completed Expenditure Return Form is required for each ESF-aided activity per operation (VEC) in respect of claim period 1st January 2015 to 31<sup>st</sup> October 2015. The following notes outline the information required for each section of the form.

It is understood the ESF Auditing Authority (AA) wish to perform verification of ESF expenditure based upon statistical sampling. For the purposes of reconciling the ESF claim and then selecting a statistical sample the AA requires a transaction listing in electronic format supporting the value of expenditure claimed.

Therefore you are requested to provide listings in electronic format of all individual transactions contained in the calculation of expenditure for **Sections 4, 5 and 8** of the Expenditure Return Form (ERF).

- The file should be in a flat field format, MS Excel is the preferred file format
- Data should be at transaction level and not include any batching of transactions into a single line entry. The ‘batching’ of transactions into a single line entry (eg. monthly/forthnightly payroll transactions) may lead to a significant increase in the level of transactions that need to be audited where a batch line is selected
- The total of the values in the electric listing should correspond exactly with the ERF
- The data should contain a minimum number of fields detailing codes, unique reference number, code costs/centres, amount etc,

The table below is indicative of the how the data should be presented:

Expenditure Type	Expenditure Code	Cost Centre	Unique Transaction Number	Transaction Amount	Transaction Date	Payee Reference	Payee Description
Basic Pay	52010	YR002	0000123	200.00	05/05/2014	JB007	Joe Black
Trainee Allowance	53010	YR006	0000246	188.00	08/08/2014	AB003	Ann Byrne
Class Materials	45002	YR004	0000369	268.32	04/04/2014	CH112	Carlow Hardware

### Formats that are not acceptable

Paper copies of the expenditure listings are not acceptable.

Electronic listings in WordPad or print report formats are not acceptable.

### Grant Allocations

The attached information sheet “2015 Grant Amounts” reproduces the actual grants made to your ETB/VEC by Solas for 2015. The allocations/budgets should be checked and compared with the total amounts of your 2015 claim. The ESF claim should not usually exceed the annual total and will generally be less, taking into account ineligible items.

**Note:** All amounts recorded should be correct to the nearest cent.

It is recommended that the ERF and the Adjustments Schedule be completed before proceeding to Section 5 of these Guidelines i.e. ‘Completing the Electronic B1’.

### ERF Section 1 - Claimant Details

Confirm that contact details provided are correct. Please notify any changes to iain\_maguire@education.gov.ie

### ERF Section 2 - Return Summary

Insert total **eligible** amount for 2015. This amount should be transferred from the last section of the expenditure return form (section 7C). It is this amount that is validated by the CEO as being the total eligible expenditure returned for ESF purposes.

### ERF Section 3 - Certification

The names in block letters, signatures and dates are required by the certifying official (ETB/VEC Staff member who prepared the Return Form) and validating official ie. CEO. All signatures should be originals for audit purposes. The CEO of the ETB is the validating official.

### ERF Section 4 - Dedicated Pay Expenditure

Only dedicated programme expenditure relating to the tuition costs, administration and other dedicated staff should be included in this claim. Please refer to ESF Certifying Authority Circular 1/2012 for guidance on eligibility issues.

Please note that pay related receipts (e.g. overpayments recovered, income received from the Department of Social Protection, etc.) should be deducted and there is a section specifically for this purpose on the Expenditure Return Form (Section 6).

Please note that the actual payroll cost to your ETB/VEC in respect of each individual tutor/administration staff should be included in the return as appropriate (notional amounts must not be included). If you have any queries please contact Structural Funds Unit.

Relevant documentation/records must be retained to support the inclusion of pay costs.

### **BTEI- Pay**

When completing section 4 of the BTEI Expenditure Return Form in respect of the following expenditure items:

#### **Pre-development Pay, Co-Ordination/Administration Pay, Training/Staff Development, Guidance/Mentoring**

Please note that expenditure included in Section 4 should relate to pay costs associated with dedicated BTEI part-time class groups, and evidence must be available in your centre/VEC/ETB to demonstrate this. If you are in further any doubt as to what might constitute supporting documentation for this purpose please contact the Structural Funds Unit.

In considering coordination and administration pay, please ensure that you do not include apportioned or notional costs (refer to Section 2.3 of this Information Circular).

### **ERF Section 5 - Dedicated Non Pay Expenditure**

Please refer to previous sections in relation to the individual programmes, eligibility issues and apportionment issues which should be read in conjunction with the above Circulars, in particular ESF Certifying Authority Circular 1/2012. Detailed working papers relating to the expenditure claimed need not be routinely submitted with the claim form, but it should be kept in mind that the eligibility of expenditure will be analysed by ledger headings and traced back to invoice level in the event of an audit or transaction verification tests.

### **ERF Section 6 - Income from other sources**

Section 6 of the expenditure return form facilitates the deduction of any non Solas income that relates to the ESF expenditure being claim unless already deducted in earlier sections. Please provide detail of the source(s) of the income on the expenditure return form.

### **ERF Section 7 - Summary of ESF Return**

The summary (pay and non-pay expenditure, less income) declared in Section 7C should be brought forward to Section 2 (Page 1). It is this amount that is certified by the CEO as being the total eligible expenditure returned for ESF purposes.

### **ERF Section 8 - Summary of Previously Undeclared Expenditure (if applicable)**

Section 8 is the total eligible expenditure undeclared for previous claims commencing from 1/1/2007. Previously referred to as a positive adjustment, this amount should be the total of all positive amounts detailed in Section A of the Adjustment Schedule. (See Section 4 below for more details)

## **ERF Section 9 - Summary of Negative Adjustments (if applicable)**

Section 9 is the total amount of negative adjustments in relation to expenditure declared for previous claims commencing from 1/1/2007. This amount should be the total of all negative amounts detailed on Section B of the Adjustment Schedule. (See Section 4 below for more details)

### **4. Adjustment Schedule**

Where an adjustment is to be made on a ERF/B1 Declaration, an Adjustment Schedule must be completed for each activity. **All adjustments must be recorded separately** on the Adjustment Schedule which must be completed and signed off by the CEO and returned to the SFU. The Adjustment Schedule has 2 sections:

**Section A – Previously Undeclared Expenditure for Prior Periods.** Undeclared expenditure from previous claims must be declared. The total amount is to be recorded in Section 8 of the ERF. **Expenditure should be presented in a transaction listing format in line with Section 3 of this Circular.**

**Section B -Negative Adjustments.** Expenditure claimed incorrectly (ineligible expenditure) on previous claims must be declared. The total amount is to be recorded in Section 9 of the ERF.

*Completing the Adjustment Schedule:*

**Measure/Sub Measure Title**

**Project title**

Refer to page 1 of the Expenditure Return Form for each programme

Area of Activity Number

*(Pre-printed on all forms)*

Amount of adjustment	<b>Insert amount for each individual adjustment.</b> The Total Adjustment should correspond with Section 9 of the Expenditure Return Form.
Prior B1 period subject to adjustment	Adjustments should be prepared relevant to the original claim period.
Reason for adjustment	Insert an explanation for each individual adjustment amount, including the body that originally detected the need for an adjustment.
Irregularity Report required <sup>3</sup> (yes/no)	If <b>any</b> adjustments are being made please contact the SFU Section who will advise if an Irregularity Report is required.

## 5. Completing the Electronic B1 - 2015

**In addition to the Expenditure Return Form an Electronic B1 form must be completed for each ESF-sided activity per operation for claim period 1<sup>st</sup> January 2015 to 31<sup>st</sup> October 2015.**

- **Note:** All amounts recorded should be correct to the nearest cent.
- Please refer to Department of Enterprise Trade & Employment, ESF 2007-2013, EUSF IT System User Manual, Level-1 Public Beneficiary Body Draft 5.1 26/02/2010 which was issued to all VEC's on 4<sup>th</sup> April, 2012.

## 6. Action following the completion of the ETB/VEC's annual accounts

Due to drawdown deadlines it is frequently necessary for ETB/VECs to produce completed expenditure return forms *prior* to the final audit and submission of the V15 to the Department of Education and Skills. In view of this, ETB/VEC procedures should ensure that any adjustments required to the final V15 are cross-checked against previous ESF returns made (e.g. if any miscoding is found, the relevant ESF returns for the year/measure in question must be reviewed and any relevant adjustment required notified immediately to the SFU).

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<sup>3</sup> A copy of the EU Commission Regulation No 2035/2005 covering irregularity reporting has been forwarded to all VECs.

## 7. Publicity and Publicity File

The publicity requirements for the HCI-OP 2007-2013 are contained in EU Regulation 1828 of 2006.

Organisations are required under Article 8 of Commission Regulation (EC) No. 1828/2006 to publicise the fact that the project was part financed by the European Social Fund. In accordance with Article 9 of Commission Regulation (EC) No.1828/2006 requires the following to be included:

- ❑ the emblem of the European Union (EU Flag)
- ❑ the wording “European Social Fund” and
- ❑ the statement “Investing in your future”

Failure to adequately publicise that projects were part-financed by the European Social Fund may lead to a minimum flat rate correction of 5% or more.

The assistance of the ESF should be acknowledged in all material relating to the Youthreach and BTEI Sub-priorities where appropriate and reasonable.

This includes reports, evaluations, press releases, information leaflets, etc. Trainees on ESF-aided programmes should be aware that the programme is in receipt of EU aid. ESF aid should be acknowledged both at ETB/VEC Head Office and in ‘centres’ by way of posters and plaques.

A properly maintained and updated “publicity file” should be maintained in each ETB/VEC with copies of speeches, press releases, advertisements, reports and publications relating to ESF-aided measures. This is to demonstrate that appropriate recognition of the European Social Fund has been given and the appropriate logos have been highlighted.

ESF Information and publicity material can be sought from:

Structural Funds Unit, Department of Education and Skills, Marlborough Street, Dublin 1  
**Tel: 01 889 6592**

## 8. Procedures Manual

It is a requirement that a written procedures manual is kept in each ETB/VEC. This manual should document how the ESF returns are built up and also provide details of the personnel involved in the process, in particular each job holder's role and function in the process. This should specify the creator and counter-signature control levels for ESF certification.

The manual should detail the preparation for the claims and demonstrate what procedures, checklists or other steps are in place to ensure accurate certification and validation of each return. As part of the Procedures Manual, projects should describe the controls they have in place to ensure that funding from other EU sources is not included in claims.

The manual should be updated regularly in line with any regulatory amendments and any guidance updates (e.g. this Information Circular).

## 9. Document Retention

ETB/VEC's are reminded of the requirement to retain all documentation relating to the Youthreach and BTEI Sub-priorities.

ETB/VEC projects should be reminded that there is a requirement under Article 90 of Council Regulation (EC) No.1083/2006 and Article 19 of Commission Regulation (EC) No.1828/2006 to retain all ESF documentation for a period of three years following the closure or partial closure of an Operational Programme as defined by Article 89(3).

The ESF Financial Control Unit (Audit Authority) has requested that electronic copies of all claims and supporting schedules be retained together with the hardcopies of the claims and supporting documentation.

Failure to retain the necessary supporting documentation may result in the claim becoming ineligible for ESF support.

Original source documentation from which expenditure returns are made must be retained until at least the end of 2022. No documents should be disposed without the instruction of the ESF Managing Authority (via Structural Funds Unit). Procedures Manuals should be updated to reflect this.

## 10. Public Procurement Regulations

Bodies who implement EU aided programmes should ensure that expenditure co-financed through the Human Capital Investment Operational Programme 2007-2013 is fully compliant with the National Public Procurement Guidelines.

A copy of the Public Procurement Guidelines 2004 published by the Department of Finance has been included in claims pack previously issued to each ETB/VEC. Public Procurement procedures including threshold values have since been revised in the Competitive Process document 22-11-10. All latest update on the public procurement requirements is available on the [www.etenders.gov.ie](http://www.etenders.gov.ie) website

Please note that in addition to the documentation submitted by your ETB/VEC to the Structural Funds Unit, all background papers and ETB/VEC accounts are subject to examination and audit by the Comptroller and Auditor General's Office, the Department of Education and Skills, the ESF Financial Control Unit, the European Commission and the European Court of Auditors. Verification checks across all measures will be carried out regularly.

**ETB/VECs must notify SFU of recommendations made, by any Audit agency, including the VSSU/Internal Audit, which relates to, or effects in any way, the preparation of ESF returns and outline the actions taken on foot of the recommendations.**

## 11. Audit Requirements and Control Issues

### Independent Checks – Youthreach

In order to provide assurance on the eligibility of expenditure declared, each ETB/VEC is required to perform verification checks. (See below)

The checks are to be completed prior to the preparation and submission of Expenditure Return Forms to SFU and submission of electronic Form B1's onto the EUSF IT System.

The independent verification checks are to include:

- Visits by ETB officials to Youthreach Training Centres
- Verification of the actuality of the programme
- Checking of Trainee Attendance records to gain assurance that they have been completed fully, are certified at Youthreach Co-ordinator level and correspond with expenditure values declared for Trainees
- Checking to confirm that evidence of publicity is on display in the training centre to acknowledge the contribution of the ESF

Furthermore, beneficiaries should ensure that costs paid by ETB/VEC in respect of Youthreach participants on Community Training Programmes is clearly identified for auditing purposes.

Ineligible expenditure identified (if any) during the independent checking process should not be included in claims.

The ESF Financial Control Unit (Audit Authority) has recommended that ETB/VEC's maintain a record of how figures reported in the ESF expenditure returns relate to their V15 and expenditure analysis records. The record should also note adjustments to the V15 and ESF returns, and the reason for any adjustments (see Section 6 also). Excel worksheets containing ESF claim workings may be appended as an attachment to the electronic B1 return.

The ESF Financial Control Unit (ESF Audit Authority in Ireland) has also recommended that an improvement be made to the audit trail by each ETB/VEC maintaining a schedule of expenditure in electronic format (excel spreadsheet or equivalent): the total of this schedule should match exactly the total amount submitted in the ESF claim. Section 3 of this circular outlines further details of the FCU's requirements.

ETB/VEC's are reminded of the importance of part-time staff submitting time sheets promptly at the end of each month in order to provide proper management and control and monitoring of budgets. A system to allow timesheets and invoices to identify separate programmes should be in place. ETB/VEC's are also reminded of their obligations regarding Public Procurement procedures.

## **12. Contacting the Structural Funds Unit**

If you require any further clarification on the Information Circular or the eligibility of expenditure, please contact **Mr. Patrick Costello**: Tel. **01 889 6445**, email: [patrick\\_costello@education.gov.ie](mailto:patrick_costello@education.gov.ie), or **Mr. Iain Maguire**: Tel **01 889 6592**, email: [iain\\_maguire@education.gov.ie](mailto:iain_maguire@education.gov.ie).

**Structural Funds Unit, 13 November, 2015**  
**Department of Education and Skills**