



BOSNIA AND HERZEGOVINA
MINISTRY OF FINANCE
AND TREASURY

SECTOR FOR FINANCING EU ASSISTANCE
PROGRAMMES AND PROJECTS - FLCO



First Level Control Office (FLCO) ***Procedure for validation of*** ***BiH partners costs***

Dubrovnik ,05.February 2013



Programme cofinancé par le Fonds Européen
de Développement Régional

Programme cofinanced by the European Regional
Development Fund



Control system in Bosnia and Herzegovina

- ▶ In line with article 108. of Commission Regulation (EC) No.718/2007 Bosnia and Herzegovina set up a centralized control system at national level for verifying the expenditures of BiH partners participating in MED programme, and in other programmes implementing under the shared management.





Control system in Bosnia and Herzegovina

- ▶ The verification of expenditures will be performed by Sector for Financing of EU Assistance Programmes and Projects within the Ministry of Finance and Treasury of Bosnia and Herzegovina(MoFT).
- ▶ The decision for appointment BiH control body was taken by the Council of Ministers (Session 153) on 14 June 2011 which was formally announced in the Official Gazette No 66/11 of 22 August 2011





Control system in Bosnia and Herzegovina

- ▶ Actual verification will be carried out by the FLCO staff determined by the head of FLCO
- ▶ Each controller will be assigned the responsibility for the verification of a dedicated number of projects
- ▶ The head of FLCO is sole responsible for the formal issuance of the DVE





- ▶ *Steps of the First Level Control process*
- ▶ Submission of Progress Report by Partner through the information system of the Programme – Presage (notification to the FLCO through the system and ability to start the checks)
- ▶ Submission of hard copy of Progress Report by Partner to the FLCO (original and one copy of each document)





Steps of the First Level Control process

- ▶ Receiving the hard copy of Progress Report in the Ministry of Finance and Treasury using the internal procedure of FLCO
- ▶ Desk-based administrative check of the Progress Report, including all original supporting documents by FLCO
- ▶ If decided by FLCO, on-the-spot check visit
- ▶ Establishment the costs are eligible and approval of the expenditures by FLCO through the programme information system PRESAGE





Steps of the First Level Control process

- ▶ Printing the Declaration on Validation of Expenditure (DVE) by FLCO, signing it by the responsible controllers (four eyes principle is respecting) stamping the DVE by official stamp of Ministry of Finance and Treasury
- ▶ Voiding all original documents by official FLCO stamp
- ▶ Sending the DVE and all supporting documents, voided original invoices and other documents of probative value to the Partner (copies of the documents are kept in FLCO for audit trail purposes)





Deadlines

- ▶ BiH partners shall submit Progress Reports to the FLCO within 15 calendar days after the end date of each reporting period
- ▶ FLCO will perform all necessary checks and issue Declaration on validation of Expenditure (DVE) within 20–30 calendar days after receipt of the hard copy of Progress Report
- ▶ Partners are are given 8 calendar days to submit additional documents and clarifications, if needed





Deadlines

- ▶ If no satisfactory documents and clarifications has been received after the second request, the expenses concerned will be rejected
- ▶ Rejected expenses can be completed and reported with the next Progress report.





Attachments to the Progress Report (supporting documents)

1. Subsidy Contract and Partnership Agreement with all annexes including last approved Application Form (only with the First Progress Report)
2. Declaration about VAT status and information about applying the VAT exemption procedure (with the first Progress Report)
3. All documents proving the eligibility of costs such as: invoices, bank statements, public procurement documents, project deliverables (original and 1 copy)
4. List of declared expenditures
5. Any other document FLC might require





Required documents regarding different budget lines

In accordance with Programme rules, eligible expenditures has to relate to any of the following budget lines:

1. Staff costs
2. Durable goods
3. Consumable goods
4. Travel and accommodation
5. Services (other than external expertise)
6. External expertise
7. Promotion, information and publications
8. Overheads
9. Other





Required documents regarding different budget lines

- ▶ **National Level Procedures Manual** developed by the FLCO, contains detailed information on the kind of costs that can be included in the various budget lines, the minimum supporting documents to be sent to the FLCO and other relevant explanations
- ▶ Manual will be published on the web site of the Ministry of Finance and Treasury.





Other national FLC documents

- ▶ **Control Guidelines at national level and**
- ▶ **Instruction on how to submit documents to FLCO**
are developed by the FLCO in line with the eligibility rules of the MED programme and BiH national legislation
- ▶ **Those documents will be published on the web site of the Ministry of Finance and Treasury**





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Thank you!



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