

Fact sheet 7: Project Closure (New)

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7. Project closure

7.1. Final Report

This section intends to systematize the information on the elaboration and submission of the Final Report.

A final report should be submitted at the same time as the final payment claim, and together with the joint progress report related to the last implementation period. The statement attached to the Final Report must include the reference “Final”: Final Implementation Statement and Reimbursement Claim

The Final Report shall therefore be submitted within three months from the official ending date of the project indicated in the latest approved PAF. This period is called “project’s administrative closure”.

By project’s end date is meant that:

- ✓ All activities related to the content of the project must be completed (final meetings and events included);
- ✓ All payments must be made, that is, debited from the bank account.

The Final Report should provide information on the actual achievements, results and impacts of the project as a whole. In particular, how:

- ✓ Transnational cooperation contributed to achieve concrete results;
- ✓ The project contributed to the Cooperation Programme implementation (indicators, horizontal principles, Atlantic Maritime Strategy, EU 2020);
- ✓ Short term and long term effects after activities conclusion as well as the durability are ensured;

- ✓ The project was concluded in terms of both physical and financial implementation;
- ✓ Physical features correspond to the description approved (PAF) and to the framework of decision objectives.

Moreover, the Final Report has to provide evidence to sustain the values reported for output indicators and aligned with the PAF. All project deliverables must be uploaded in project report's "documents" section in SIGI.

The project report will serve the improvement of the implementation procedures both at the project and the Programme level, and also provide the necessary framework to further promote, transfer and capitalise on the results of the project.

During the analysis of the Final Progress Report, complementary information could be requested by MA and JS before its approval.

Costs for Project Closure

Costs for the closure of the project refer to activities such as the preparation and submission of the Final Progress Report and the control of expenditures. Costs referring to these activities are eligible and must be paid out, certified and included in the Final Report by the deadline for submission.

Up to three months after the ending date of the project, the "administrative closure" must be completed:

- ✓ First level control (activities and payment);
- ✓ Preparation and presentation of the Final Progress Report (only costs on Human Resources – paid and certified - necessary for the "administrative closure", which is the preparation and submission of the final report during this period).

Net Revenues

In line with Article 65 of CPR, the revenues generated during the implementation period of the project need to be reported at the latest with the final project payment claim.

This should be specified in the Final Report in order to ensure that all related requirements have been taken into account. Should the project be identified as revenue-generating in accordance with Article 61 of CPR, the MA is entitled to ask for refunding to the Programme in proportion to the contribution from the funds.

In Kind Contribution

The ERDF amount paid to the operation (not individual partners) must not exceed the total eligible expenditure minus the in kind contributions at the end of the operation.

On the Spot Verification

According to Article 122. No. 3, do Regulation (UE) 1303/2013 FLCs must perform at least one “on the spot” verification (please see “On-the-spot” checks during the pandemic COVID 19*) to each beneficiary organization before the project closure.

Closing Statement

After the Final Report analysis and approval, the JS will request through SIGI a project closure statement that must be signed by the Lead Partner organisation’s Legal Representative. In this document, the Lead Partner declares that all activities were completed and all expenditures were paid, certified and submitted within the Final Report.

MA Closing Letter

After the reimbursement of the final payment to all project partners, the MA will issue a closing Letter addressed to the Lead Partner, formalising the closure of the project.

Balance Payment

Payments to beneficiaries are processed according to the financial availability of the Payment Authority, being made up to the limit of 95% of the partner ERDF. The payment of the respective balance (5%) will be retained by the MA, until the approval of the final payment claim and confirmation of the execution of the operation under the terms provided for.

Durability of Operations

According to Article 71 CPR 1303/2013 projects may only hold on to ERDF contribution if an investment and the project’s concrete outputs don’t experience a significant change within 5 years after completion, which means:

- ✓ A cessation or relocation of a productive activity outside the programme area;
- ✓ A change in ownership of an item of infrastructure which gives a firm or a public body an undue advantage;
- ✓ A substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

7.2. Obligations for closed projects

According to the Article 140 of Regulation (EU) No 1303/2013, each partner institution of the Project is required to archive documents and Information related to the projects implementation for a minimum period. All supporting documents have to be available for a two year period from 31 December following the submission to the European Commission of the programme's annual accounts in which the expenditure of the last progress report is included.

Control after Project Closure

Controls can occur after the project ending date. Key factors, related to being prepared for control after project closure, are indicated below.

- ✓ The organisations acting as project partners should understand their obligations during the open-to-control period, regardless of the continuity of the staff assigned to the project, especially in terms of the access to documents, information systems and infrastructure and equipment financed by the project;
- ✓ The original documents and the IT systems need to be easily accessible during the full open-to-control period. If the period for retention of documents and IT records required by the national rules or the organisation's usual practice is less than the open-to-control period, ad-hoc adequate procedures have to be designed and implemented at the beginning of the project; Where documents exist in electronic form only, the computer systems used have to meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied upon for audit purposes;
- ✓ Even if infrastructure or equipment property is transferred after the project closes, the agreement with the recipient has to include the right of access during the open-to-control period. All technical documentation and photos should be kept in the project archives (as needed, copies of the technical documents can be given to the owners of the equipment or infrastructure);
- ✓ Any equipment at the end of its useful life for example, obsolete computers, needs to be removed from the organisation's inventory following adequate recorded procedures which have to be archived with the project documents, even after project closure;
- ✓ Technical documentation must include all supporting documents and photos proving all the activities financed during project implementation, both tangible and intangible;
- ✓ Financial documentation must be accessible in its original form or equivalent according to national law and must include proof of delivery of services and supplies;

- ✓ The Lead Partner and project partners must agree to nominate a contact person during the open-to-control-period with adequate knowledge of the project, its content, its archives and computer systems and records.

Project Website and Internet-Based Tools

External website or internet-based tool should be maintained online by the beneficiaries until 31st December 2023.

After that period, they have to be stored locally to be able to show them in case of a control. A log of the evolution of web-sites and adequate local back-up systems have to be required from developers.

Audit Trail

Regarding the retention of documentation, projects should consider both national and EC regulations.

As the project may be audited by EU, national or other audit bodies also after its closure, it is requested in the closing statement to identify a contact person responsible for providing information about the project after its closure (i.e. someone who will be able to react on MA requests and is able to provide information and materials needed by auditors).

Please, be aware that, as stated in Article 140 of Regulation (EU) No 1303/2013:

- ✓ If the total eligible budget of the project is larger than 1 000 000€, the necessary documents must be made available to the EC and auditors, upon request, for a period of 2 years from 31 December following the submission of accounts in which the final expenditure of the completed operations is included.
- ✓ If the total eligible budget of the project is lower than 1 000 000€, the necessary documents must be made available to the EC and auditors, upon request, for a period of 3 years from 31 December following the submission of the annual accounts in which the expenditure of the project is included.

The MA will inform the projects Lead Partners about the dates stated above.

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Abbreviations used in the Programme Manual

AA	Audit Authority
AD&C	Agência para o Desenvolvimento e Coesão
CA	Certifying Authority
CCDR-N	Comissão de Coordenação e Desenvolvimento Regional do Norte
CPR	Common Provisions Regulation
DCLG	Department for Communities and Local Government
EOI	Expression of Interest
ERDF	European Regional Development Fund
ESI	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU	European Union
FLC	First Level Controller
GBER	General Block Exemption Regulation
GoA	Group of Auditors
IGF	Inspeção Geral de Finanças
IPR	Intellectual Property Rights
JS	Joint Secretariat
MA	Managing Authority
MS	Member State
NC	National Correspondents
NCP	National Contact Points
PAF	Project Approved Form
PMC	Programme Monitoring Committee
SIGI	Integrated management information system
SME	Small and Medium Enterprises
WP	Work Package