

# Building Better Opportunities



**Guide to delivering European funding**

Section fourteen: Frequently Asked Questions

## About this guide

This is just one section in a series of fifteen guidance documents that make up the Guide to delivering European funding (the 'Guide'). Taken as a whole, this provides all of the guidelines, tools and templates needed to manage and monitor your project.

The version of the Guide replaces any and all guidance we have previously published in relation to this funding.

For the full contents visit our website [here](#)

## How to contact us

- ✓ If you are a **lead organisation** involved in delivering a project, the best way to get in touch is through **your funding officer**.
- ✓ **Other organisations** should email us at [esf@biglotteryfund.org.uk](mailto:esf@biglotteryfund.org.uk)

We have a Building Better Opportunities support team in place who can help with understanding European Funding requirements. You should by now have a named contact to contact directly. If you are unsure who this is, please contact your funding officer.

## Summary of changes

Oct 2017 - Removal of conflicting information on eligibility of partner to partner room hire cost claims.

Sept 2017 - Additional Q&As added (page 18 onwards), plus inclusion of Q&As raised from events, referenced by topic.

June 2017 - Answer clarified for counting participant working across two projects or LEP areas.

May 2017 - Lottery logo updated. References to Annex Q removed (now part of section 4); examples of rent as an eligible cost added.

March 2017 - Delayed quarterly update, including updated logo, clarification of direct staff costs and 1720 calculation, "no recourse to public funds" eligibility, refugee eligibility, confirmation that we will not provide a timesheet template, procurement procedures update, and examples of acceptable and not acceptable descriptions of items claimed as eligible expenditure

September 2016 - Quarterly update, with use of National Insurance number for participant ID, updated Annex K, new Annex Q and revised annexes in Oct/Nov.

June 2016 - This version of the Guide incorporates appropriate comments gained from the consultation review in April 2016.

Any changes to the Guide will be:

- ✓ communicated on our website and on the inside page of each section
- ✓ emailed to current grant holders and highlighted in our programme e-bulletin.

## Frequently asked questions

### Q. Are costs of redundancy eligible?

A. Redundancy costs cannot be paid from ESF funding. You will need to budget for any anticipated redundancy as an organisational cost. Note that staff who have not been employed for more than two years are not normally eligible for redundancy. Staff costs that are not eligible for funding from ESF include:

- bonus payments or any other allowances you give your staff, free of tax
- relocation costs
- exceptional or extraordinary pension rights
- redundancy payments

### Q. Will you provide a template for timesheets that includes the standards set by the MA and reflects the use of 1720 hours as in new ERDF guidance?

A. We will not provide a template for timesheets because many grant holders already have their own versions that meet our requirements. However we might, in the future, provide an example of a timesheet which provides all the required information to illustrate best practice.

### Q. Can we use a recruitment agency to hire staff and charge the costs to the development funding?

A. Yes, provided you follow procurement rules.

### Q. Why does the Big Lottery Fund want grant holders to set up a separate bank account for this programme?

A. Grant holders must be able to account separately for all BBO transactions as per ESIF guidelines.

### Q. Are we allowed to change the use of our development funding from the original use stated on our application form?

A. Any proposed changes should be discussed with your funding officer in the first instance.

### Q. Do the procurement rules apply to development funding?

A. Yes, you need to comply with the funding rules that apply to your organisation, which will vary depending on whether the organisation is a public body or not. You should seek advice if you are not sure that your procurement is compliant with the current ESF guidance.

### Q. Will targets related to outcomes be set?

A. Yes, Big Lottery Fund will agree targets in line with your application proposal.

### Q. Will the programme be subject to ESF audit requirements?

A. Yes, the Guide to Delivering EU funding explains how this will occur, and what the ESF requirements are, in relation to

all areas of project delivery including eligibility, record-keeping, publicity, expenditure, and cross-cutting themes. See also [bboesfsupport.com](http://bboesfsupport.com) for specific ESF support.

**Q. When will we receive the final ESF guidance?**

A. The guide is due for publication at the end of June 2016.

**Q. What is the payment schedule?**

A. Payments are made in advance and quarterly.

**Q. Which logo should we be using?**

A. If you are currently in receipt of development funding, and are preparing your round two bid, you will need to use the Big Lottery Fund logo. If you are successful at stage two and are awarded a main grant you will need to use the Building Better Opportunities logo. All logos are available to view and download on our [website](#)

**Q. Do we need written formal advice or confirm our understanding of the treatment of State Aid?**

A. Whilst we recommend you seek legal advice on state aid issues, you must make a decision as to whether this is necessary for your organisation (for example, you may have received advice in the past and feel it is still relevant) you will be asked to evidence this in your stage two application.

**Q. If we are successful at stage two of the application process, do we have to spend our development grant before we receive our main grant?**

A. Yes, all of your development grant has to be spent before you deliver your main grant activity. You must also have submitted your end of project report, which must be reviewed and found compliant before we release your first main grant payment.

**Q. When can we begin spending our development grant?**

A. As soon as your grant agreement is signed and returned.

**Q. Where are the funding officers for the BBO programme based?**

A. In Newcastle, funding officers will arrange project visits with you at set up stage.

**Q. How is development funding released if you have two separate projects? Do you need two separate bank accounts?**

A. The total amount for both projects can be sent to your approved bank account, please talk to your funding officer.

**Q. What types of partners need to have a partnership agreement?**

A. If a partner is involved in delivering support on a regular basis throughout the duration of the project, then they should have a partnership agreement in place.

**Q. Can I procure new partners at this stage in the application process?**

A. We would not expect any significant change in partners from those named in the stage one application form. If there are any exceptional circumstances which would require a new partner you will need to talk to your funding officer.

**Q. If Building Better Opportunities is not a ‘payment by results’ programme, how do you know if projects are not delivering?**

A. Whilst the programme is not a ‘payments by results’ programme, targets must be reported each quarter and we will performance manage projects against targets.

**Q. What happens if we have a participant that works across two projects in the same LEP area or two projects in two different LEP areas?**

A. Big Lottery Fund will monitor this. A participant can take part in two projects in different LEP areas and each project

can claim a result. However if a participant moves/takes part in two projects in the same LEP area there can be only one participant record, so it is only the final grant holder that the participant engages with that can claim results. Although the initial grant holder cannot claim a result, the Fund will pay for all eligible costs incurred for the moving participant. (See also page 18).

**Q. Do partners need to have separate bank accounts?**

A. No, only the lead partner is required to have a separate bank account

**Q. If a participant begins a youth scheme, and then comes of age during the activity do we count them as adults when recording their results?**

A. It is their age when they begin the programme that will be counted, and their eligibility for any activity is determined by their age at their start date, even if they leave and return.

**Q. Are we able to enrol participants with no recourse to public funds?**

A. Any participants taking part in the programme must be eligible to live and work in the UK. If an evidence document contains the phrase “no recourse to public funds”, this person can become a participant since Lottery funding is not counted as public funds.

**Q. How do we record participants with no address?**

A. You will need to consider this on a case by case basis. It may be that the participant has an official postal address that they use to get their mail or an address that they have permission to use for official purposes. If the participant does not have a residential address that they can use, then we would advise you to record their address as the address of where they are participating in the project (the delivery address). In order to be clear that the participant is of No Fixed Abode (NFA), the first line of the address should be recorded as 'NFA' and subsequent lines are recorded as a 'care of' address.

**Q. We have experience of other ESF programmes, will the audit process be similar?**

A. Yes, very similar.

**Q. Can two successful applicants combine as one applicant during stage two?**

A. No. The partnership as set out in the stage one application has been approved by the BBO decision making Panel and any changes to this must be agreed with the Funding officer and where necessary, follow procurement rules. If, for example, one successful applicant was already named as a partner in the other successful applicant's bid, and decided to withdraw from the from the application

process, that applicant could continue in the other successful application as a partner and not a lead.

**Q. In Cornwall, how can we check that applicants are from the right sub regional area specified in the PO? Will it be by participant postcode or delivery location?**

A. Within an area that is all one category of region, like Cornwall, and where specific delivery locations have been set out in the project outline, we will monitor progress against geographic targets for delivery by participant postcode.

Where there are two categories of region in a LEP area the project will need to have two physical delivery locations; one in each region.

- Budgets and actual costs for participants should be allocated to the physical location and region where they will participate.
- For general costs that apply to both regions (e.g. advertising posters that reference both locations, or management costs) the cost should be apportioned by participant numbers:
  - The posters cost £100.
  - 40 participants attended location A and 70 attended location B. The cost split is then  $(40/110) \times £100 = £36$  for location A and  $(70/110) \times £100 = £64$  for location B.

**Q. How will the Big Lottery Fund manage project outlines with two competitors?**

A. Both applications will be assessed by the same funding officer who will remain impartial.

**Q. Are staff training costs eligible?**

A. Staff training costs can be claimed only if an individual has specific needs for training that could not have been identified before the project began. This needs to relate to the acquiring of specialist knowledge. Therefore, training such as a provider's own induction training for staff new to the project or refresher training for those working on the project for example, around child safeguarding would not be eligible as it could be identified at the beginning of the programme.

**Q. What should be included in a claim for direct staff costs?**

A. Section eight of the guide to delivering European funding explains that staff costs are an eligible cost because the expenditure incurred is directly related to project activity. When claiming direct staff costs on the quarterly claim, all partners must be able to demonstrate how direct staff costs are calculated and retain sufficient supporting evidence.

**What is included in direct staff costs?**

Staff costs can include salaries, employer's national insurance contributions, employer's pension contributions, and other taxable incentives linked to pay and pension contributions.

**Calculating direct staff costs**

Each partner will take a number of steps to determine the amount to be claimed for each staff member working on the project. These steps are outlined in more detail on page 6. In order to provide an audit trail, each partner must clearly demonstrate how the amount claimed for every staff member working on the project has been calculated. Failure to demonstrate an audit trail could lead to financial penalties for the project. An example of how partners can demonstrate their direct staff cost calculations is included on pages 9 and 10.

**Evidencing the cost claimed**

In authenticating the calculation, direct staff costs must be evidenced, auditable, and defrayed prior to inclusion in any claim. Each partner must retain the correct supporting evidence to prove that the amount claimed for every staff member working on the project is eligible. Section 4 - Payments, monitoring and financial claims - provides instructions on how and when to submit supporting evidence (previously found in Annex Q). This evidence must be provided on request, otherwise the expenditure will be classed as ineligible and we may have to recover this money. Pages 9 and 10 details types of evidence that must be submitted upon request.

**Q. What information should be submitted about staff working on the project?**

A. Section 4 - Payments, monitoring and financial claims - provides details of what information should be submitted each quarter by the submission deadline (previously found in Annex Q). The list of information required includes an up to date list of staff working on the project.

An up to date list of staff working on the project should provide details of all the roles that have been approved to work on the project. It is good practice to follow a procedure for ensuring that that the list is updated on a regular basis.

An up to date list of staff working on the project could include the following information that will assist calculating direct staff costs:

- ✓ Partner name
- ✓ Role on the project
- ✓ Staff member, first name
- ✓ Staff member, surname
- ✓ Staff member spends all of their working time on the project (Actual salary costs), or part of their working time on the project (Hourly rate unit cost)
- ✓ Staff member's weekly contracted hours
- ✓ Partner's full time weekly contracted hours
- ✓ Gross annual salary
- ✓ For staff spending all of their working time on the project, confirmation that a letter of

appointment with start and finish dates and a job description stating that the individual will be solely employed on the project is in place.

- ✓ For staff spending part of their working time on the project, confirmation that a letter confirming that the post is part-funded by ESF with effect from the appropriate date is in place.

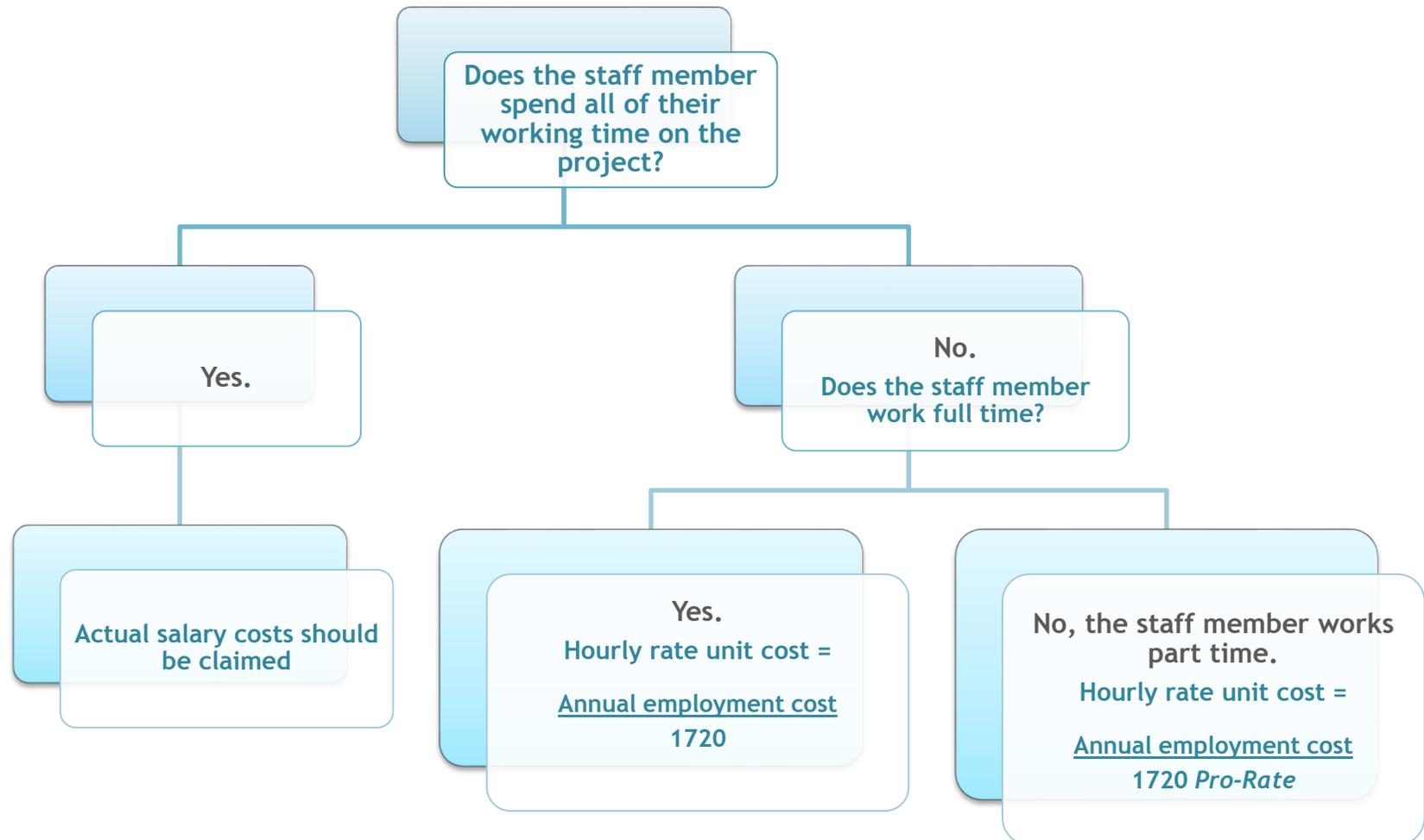
**Q. How are direct staff costs calculated using the 1720 hourly calculation?**

A: Before calculating a cost for a staff member one or two steps should be taken:

Step 1: Identify if the staff member is spending all of their working time, or part of their working time on the project. Step two does not need to be taken for staff members spending all of their working time on the project.

Step 2: For staff members working part of their working time on the project, it must be established whether the staff member works full or part time at the partner organisation. If part time, make a note of the staff member's part time weekly contracted hours as this information is required when calculating the cost - see page 8.

Once these questions are answered, a partner can start to calculate a cost to be claimed for each staff member working on the project.



### Calculating actual costs for staff spending all of their working time on the project

If a staff member is spending all their working time on the project then a partner should claim actual salary costs for the time they are employed on the project.

### Calculating hourly rates for staff spending part of their working time on the project

Work out an hourly rate for each staff member using one of the calculations below.

- 1) Hourly rate formula for full time staff working part of their time on the project

Annual employment costs

1720

- 2) Hourly rate formula for part time staff working part of their time on the project

Annual employment costs

$1720 \times (\text{staff member's part-time weekly contracted hrs} \div \text{partner's full-time weekly contracted hrs})$

### Annual employment costs

Annual employment costs, comprise the latest annual gross employment cost for a staff member, and also include on-costs such as employer's national insurance contributions, employer's pension contributions.

### 1720

The Managing Authority has issued a methodology that must be used by all partners calculating a cost for staff members working part of their time on the project.

The method uses 1720 hours as the standard annual "working time" based on a working week of 33 hours. It is necessary to pro rata the 1720 standardised hours for part time staff working part of their time on the project.

### Staff member's part-time weekly contracted hours

Staff member's part-time weekly contracted hours. The second formula requires information on the staff member's part-time weekly contracted hours and the partner's full-time weekly contracted hours.

This is the number of hours the staff member is contracted to work per week, and not the number of hours spent on the project.

### Partner's full-time weekly contracted hours

This is the standard number of weekly contracted, full time hours, as defined by the partner.

### Eligible cost for a staff member spending part of their working time on the project

The total eligible cost for a staff member spending part of their working time on the project is calculated by multiplying the actual hours worked on the project for the period of the claim by hourly rate calculated in section 3.2.

$$\begin{aligned} &\text{Eligible cost for a staff member spending part of} \\ &\text{their working time on the project} \\ &= \\ &\text{Actual hours worked x Hourly rate} \end{aligned}$$

It is good practice to demonstrate how this cost is arrived at by preparing a working paper. Section 4 provides more information on how this can be done.

Because only hours actually worked should be used for calculating the eligible cost for staff spending part of their working time on the project, timesheets must be prepared for each staff member.

More information on timesheets is provided on pages 10 and 11. Section 8.2 of the Guide to delivering European funding provides more information on keeping timesheets and specifically what information should be captured.

### Q. How do I show that the staff costs claimed are correct?

A. It is important to clearly demonstrate how the cost claimed for every staff member working on the project has been calculated. A uniform approach to demonstrating staff cost calculations should be used by each partner.

Page 14 has an example of how to use a spreadsheet to calculate direct staff costs for one month. The layout clearly demonstrates the calculation for the different categories of staff members identified in the previous question above.

### Q. What types of evidence might need to be submitted as evidence of direct staff costs?

A. Section 8 of the Guide to delivering European funding details types of evidence that must be submitted upon request. The below guidance does not replace any previous guidance issued.

#### 1) Evidencing actual costs for staff spending all of their working time on the project

The following evidence must be retained for staff spending all of their working time on the project:

- A letter of appointment with start and finish dates
- A job description stating that the individual will be solely employed on the project
- Payslips
- Payroll information if required
- Evidence of defrayal

It is important to note that payslips do not always include details of on-costs such as employer's national insurance contributions and employer's pension contributions. If this is the case, additional payroll information is required to evidence any actual costs claimed that do not show on a payslip.

The actual cost claimed and recorded on Annex O - Financial monitoring spreadsheet must agree to payslip and or payroll information for the staff member. If the amounts do not agree, an explanation of the variance must be provided on a working paper that demonstrates the trail between payslip and payroll information and the cost claimed.

## **2) Evidencing hourly rates for staff spending part of their working time on the project**

The following evidence must be retained for staff spending part of their working time on the project:

- A letter confirming that the post is part-funded by ESF with effect from the appropriate date
- Timesheets describing the instances and tasks associated with their involvement in the project
- Payslips
- Payroll information if required
- Evidence of defrayal

Pages 7 shows partners how to calculate hourly rates for staff spending part of their working time on the project. Both calculations for full and part time staff require the annual employment cost. Page 8 provides information on what comprises annual employment costs.

Latest documented annual gross employment costs means having a past reference period of one year (12 consecutive months). If the post is a new post, or has been in existence for less than a year, it must be ensured that the salary used in the calculation is the basic salary of the relevant

individual i.e. no incentives are included due to a short term contract being in place.

The annual employment cost must be evidenced by payslips or payroll information. This information does not have to be audited ex-ante but has to be auditable. Therefore it is good practice to prepare a working paper that demonstrates how the annual employment cost has been ascertained.

Because only hours actually worked should be used for calculating the eligible cost for staff spending part of their working time on the project, timesheets must be prepared for each staff member.

Each timesheet should cover at least the claim quarter. Partners may choose to prepare timesheets more frequently, for example weekly or monthly. It is important that the timesheets agree to the number of hours claimed in the calculation.

Section 8.2 of the guide to delivering European funding provides guidance on what information should be included on timesheets.

## **3) Evidencing defrayal**

In order to demonstrate that direct staff costs are actual costs, all partners must provide evidence of defrayal, essentially linking costs to bank account payments. Where a partner makes BACS payments, the BACS date can be used as the defrayal date, provided a bank reconciliation process is in place to evidence that the BACS payment amounts leave the main bank account.

It is noted that “on-costs” - employer’s National Insurance and pension contributions - are often defrayed a month in arrears from salaries. It is permissible to use the payroll date as the defrayal date for all employee costs, unless the partner incurs on-costs on a quarterly, biannual or annual basis. The reasoning for this is:

- NI costs are statutory and incurred in the month salaries are paid. This means that the precise amount is known at the point of salary payment.
- Pensions are part of the contract of employment; they cannot be changed without consultation. Again, the amount is known at the point of salary payment.

When completing Annex O, there is no requirement to separate either full-time or part-time employee costs into salaries, NI and pensions. However, part-time employee hourly rates should also be evidenced by a calculation showing how the hourly rate was derived.

**Q. What constitutes items of “furniture” and “small items of equipment” which can be purchased to deliver the programme?**

A. ESF guidance is aimed at direct bids rather than co-financing organisations such as this programme and does not clearly distinguish between office and computer equipment. The BBO programme is not a capital programme so a grant holder should not expect to fit out an office with BBO funds, but a few chairs, desks or a filing cabinet to support project delivery would be acceptable provided they cost less than £1000 each. Similarly, the grant holder can purchase

computers/lap tops/iPads for the project, but each item has to be for use on the BBO programme, cost less than £1000 and the overall cost has to demonstrate good value for money for the project. The latter point will have to be judgement based as there are no other hard and fast rules.

**Example: How to use a spreadsheet to calculate direct staff costs for one month**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Partner	Staff member	Actual cost or Hourly rate	Annual employment cost	1720	Staff member's weekly contracted hrs	Partner's full-time weekly contracted hrs	1720 Pro rate =E*F/G	Hourly rate unit cost =D/H	Monthly hours worked on project (per timesheet)	Cost claimed =I*J	Annex O reference number	Salary defrayal date	On-defrayal date
2	ABC	Jon Snow	Hourly rate	£22,760.00	1720	37.5	37.5	1,720	£13.23	50	£661.50	FM1R004	15/10/16	22/10/16
3	123	Ned Stark	Hourly rate	£9,104.00	1720	15.0	37.5	688	£13.23	30	£396.90	FM1R005	16/10/16	22/10/16
3	123	Jamie Lannister	Actual cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£1,250.65	FM2R004	16/10/16	22/10/16
4	Jobfirst	Tom Warton	Hourly rate	£51,210.00	1720	38.0	38.0	1720	£29.77	76	£2,262.52	FM2R005	30/10/16	22/10/16
5	Jobfirst	Thomas Chetwood	Actual cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£985.64	FM3R004	30/10/16	22/10/16
6	Emplou	Naji Umonata	Hourly rate	£2,845.00	1720	5.0	35.0	245	£11.61	25	£290.25	FM3R005	28/10/16	22/10/16
7	Total staff cost claimed										£5,847.46			

**Q. Can a project work with refugees who are given five years leave to remain in the country?**

A. As long as the person in question has been given leave to remain in the UK they are entitled to receive support from this programme. However, it is the responsibility of the grant holder to check right to remain is long enough to complete provision i.e. that the refugee is not leaving themselves open as someone being here illegally if, for example, the project runs from 2018-2020 and the refugee's leave runs out in 2019. Grant holders should check that they understand the difference between refugees and asylum seekers in terms of eligibility - see the link to the appropriate government document in section 6.3 and especially paragraph 4.8 onwards of the Eligibility Rules in the government document. If asylum has been granted then they would have been issued indefinite leave to remain, or alternatively they could have applied for further humanitarian leave to remain, which allows them to stay whilst the application is pending. Humanitarian leave is subject to change, so if you have immigration questions concerning the situation of a potential participant then you should consult an accredited representative or solicitor.

**Q. Under what circumstances can rent be claimed as an eligible cost as part of a project?**

A. Section 8 of the Guide to delivering European Funding sets out the circumstances where rent is a permissible cost, provided the appropriate documentation is provided as

evidence. However, the following six examples are the ones we have had the most questions about regarding this topic:

**Example 1**

Charity A rents a whole building from the landlord and has several spare rooms. Can they allocate a proportion of the cost for these rooms?

No, the charity had already incurred the cost of the rent before the project, thus the cost is a fixed cost of running the charity and the allowance paid by BBO for this is part of the 15% overheads.

**Example 2**

Charity B rents a number of rooms from the landlord and identifies that the charity will require additional space to for the BBO project. The landlord offers to rent an additional room under a separate agreement. Can the costs of the room under this separate agreement be claimed as part of the project costs?

Yes, if the space rented under the additional agreement is used exclusively for the project then the cost can be claimed under BBO.

**Example 3**

Charity C identifies that they do not have enough space for the BBO project and their landlord offers to rent to them a

larger office. Can this increase in rent cost be claimed as part of the project costs?

No, the BBO rules do not permit costs for rents to be apportioned.

#### Example 4

Charity D is like Charity A, but their rental agreement splits out the costs of each individual room so the exact cost of the room used by the BLF project is known. Can this cost be claimed as a direct cost?

No, the rental agreement was in existence before the application for the BLF project, and hence such costs are fixed costs of running the charity and form part of the 15% overheads.

#### Example 5

The invoice for room hire is not from a landlord but 1) from another department of the organisation in question or 2) one partner invoicing another partner?

AND

#### Example 6

Is this also the case where, say partner A, who hire out rooms to other organisations, cannot charge partner B for room hire if partner B is using the room for their part of the training/activities?

If another department of the same organisation is invoicing themselves, then that would not be allowable for the same reasons as example 1 above.

The Managing Authority has recently clarified its position on partner to partner room hire costs, which made the previous answer given here ambiguous and possibly conflicting in interpretation. See page 21 of this section for the answer to this specific question.

Finally

It may also be worth pointing projects to the ESIF December Guidance section 17 which clearly states the following in relation to the SCO/15% flat rate:

**“17.2 Applicants should note that the use of the Simplified Cost Option (SCO) is mandatory in the 2014-2020 ESF programme and no other methodology for calculating shared organisational costs may be used.”**

**Q. For eligible expenditure, what are acceptable descriptions of costs claimed?**

A. When you claim a cost under eligible expenditure, we need to know what it was for, why it was necessary and how it benefited the participants or project. A single word description, such as “catering” is not acceptable - we need you to include the “who, what, when, where, why” that goes with it. The following list of example descriptions demonstrate what we need, **but is not exhaustive:**

Unacceptable Description	Acceptable Description
Room hire	Room hired for [state purpose and with whom] on [date] at [place]
Catering	Catering charge for [state purpose] on [date] at [place]
Salary	Salary for [state at least name and post/payroll number] for period dd/mm/yy to dd/mm/yy
Expenses	Expenses for [name] covering period dd/mm/yy to dd/mm/yy [Include detail of type of expense e.g. mileage, parking, subsistence, claim reference number if applicable]
Computer	Purchase of [name/short description of item] received on dd/mm/yy, as shown in the [Memorandum of Understanding].
Stationery	Stationery, [description of stationary items], [who they are for], [what they are for]
Printing	Printing, [description of what was printed], [explanation of why and what used for]

**Q. Are costs incurred during initial potential participant engagement sign-up, such as refreshments, eligible if the participants do not sign up to the project?**

A. Participant engagement costs such as refreshments for potential participants that do not sign up on the BBO project are ineligible and should be removed from any claims submitted or in the process of being submitted.

**Q. Can different templates be used instead of Annexes H, I and J be used to record participant data?**

A. Annexes H, I and J should be used to record participant data for your projects. If you wish to use your own templates then you will need to ensure that they contain all of the information that is in our current templates as a minimum. This is to make certain that we collect all of the information that the Managing Authority require. The link to the templates can be found at [https://www.biglotteryfund.org.uk/~/~/~link.aspx?\\_id=EA5496F20F984929BF659C4ADBF92F9C&\\_z=z](https://www.biglotteryfund.org.uk/~/~/~link.aspx?_id=EA5496F20F984929BF659C4ADBF92F9C&_z=z)

**Q. Which project can claim results when participants move between projects within a LEP area? How should it be entered in Annex L?**

A. When participants move between projects in a LEP area any results relating to the first project must be deleted, the second project can not claim the starting outputs as they

will always remain with the first project however the second project can claim the result. This is stipulated in the ESF data collection guidance and as, for BBO, the MA considers data at a LEP level not a project level and only one record can exist for a participant.

In terms of how this type of scenario should be handled by BBO projects in relation to Annex L - we are developing a data system that will be able to identify duplicate participants from Annex Ls provided by projects within LEP areas. This will allow us to export the earliest joining data and latest leaving data that can be reported to the MA. We will also be able to feedback to projects verified output and results data that can then be used to populate Annex E.

Although there is no need to make adjustments to Annex L in these scenarios each project will need to maintain a file for the participant unless projects are co-ordinating work and are able to transfer the participant file from one to another. If a participant is deleted for claims or compliance checking we will contact both projects and request both files. The system and process is currently in development and roll out is likely to be closer to the summer as specifications are just being finalised.

Grant holders should continue to work with participants that move between projects. We will continue to support grant holders with participants that move between projects and for whom they cannot count the results, as they can still claim eligible costs associated with those participants.

**Q. Why is the value of my claim incorrect when it seems that I have entered the right figures when completing Annex O?**

A. Ensure that values entered into Annex O are all to the nearest whole pence as explained in section 8 of the guide. The formatting of the cells may be hiding the true value that has been entered or pasted into the cell for example the cell may look like £1,504.86 however clicking into the cell the value that it actually holds is 1504.86409883721.

The effect of having values like this in Annex O is the reported value of claim will be incorrect as all of 'fractions of pennies' beyond the whole pence will be added up and the wrong claim value will be reported. These numbers also have an impact on the calculation of the 15% flat rate costs as extra decimal places are propagated throughout the spreadsheet, this has been a cause of some of the small imbalances we have seen between the current version of Annex A and Annex O. Where this type of issue is found during claims submission your Funding Officer will return the Annex O to you to be amended.

**Q. What is the criteria for Annex L for people aged over 50?**

A. We've had several queries around how Annex L is calculating people aged 50 or over, the wording used in Annex L does not directly match the criteria being used to determine the count for this output. The actual criteria for

is for people aged over 50, the ESF data guidance defines this as :

Count criteria: The age of the participant is calculated from the date of birth and determined on the date of entering the ESF operation.

Count exclusions: Participants aged 50 or younger (on the date they joined the operation) should not be counted in this indicator.

Additional ESF guidance explains age is to be measured in years, this means the output is a count of participants who are aged 51 or over when they join the programme which is what Annex L will calculate. Documents related to the above are Annex D - Practical guidance on data collection and validation , Outputs and Result Indicator Definitions Guidance for the European Social Fund at <https://ec.europa.eu/sfc/en/2014/document/annex-d-%E2%80%93-practical-guidance-data-collection-and-validation>

**Q. What can be done when promotional items are too small to fit the full logo at 25mm tall in order to comply with ESIF procedures?**

A. The Managing Authority advises that projects should comply as fully as they can. Where you feel you are unable to comply with the guidelines you must ensure you have evidence as to why, and how you tried to comply. This might be evidence from various suppliers stating that the artwork doesn't fit or would be too small to be legible on the item in question, and mock ups to show that you have tried a reasonable amount of designs. Ensuring that every other

item of publicity material meets regulations may also demonstrate a commitment to complying with regulations.

Where you feel unable to comply, you should still do as much as possible to acknowledge funding. You should prioritise featuring the EU emblem flag - this is not fully compliant but acknowledges that the European Union is involved, and shows that you have attempted to acknowledge funding.

Where it is impossible to include even the emblem, small text on the lines of 'part funded by the European Social Fund' could be considered. In this case you could also consider including cards with the items, containing the logo and additional information about your funding and the project.

**Q. Eligibility for participants who are receiving benefits (JSA, UC etc.) will have already been tested - why are providers then required to duplicate this by testing eligibility again?**

A. It is important that projects are assured of an individual's identity and eligibility and therefore it is expected that you will check this.

**Q. Apportionment of costs: A delivery partner would like to book a stall at a careers fayre in a shopping centre however they would like to split the cost of hiring the stall with other partners who will also be using the stall space to promote the BBO project. Would**

**apportionment be allowable in this scenario given this is a direct cost as long as there was a robust justification as to how they split the cost amongst themselves. Alternatively could one partner take the lead on paying the bill evidencing defrayal which meets guidance and they can agree amongst themselves how they apportion cost which would sit outside of what Big Lottery Fund would look at?**

A. It is the responsibility of the Project to ensure that costs have been incurred and defrayed.

The second option does appear to be the simplest way to manage shared costs. Alternatively the supplier could issue invoices to each delivery partner for the costs apportioned to them and then they could provide the relevant evidence of costs and defrayal.

**Q. Many projects employ staff that work 100% across a number of BBO projects. Can the cost of a mobile phone or office equipment such as computers be apportioned across the different projects? A few projects are disputing the application of the simplified cost option as they view mobile phones/computers as a direct project cost. Alternatively as above could one project submit the full cost and they agree amongst themselves how they apportion it.**

A. As a rule apportionment is not generally acceptable, however, if the equipment/cost is identified as being

solely for ESF then this can be classed as a direct cost and the organisation who made the initial purchase can show the expenditure and defrayal. **(Remember however, that a single capital item cannot be more than £1,000 and you should also be aware of any procurement implications).** Where this equipment/cost is split between BBO projects, apportionment may be considered. When considering eligibility of this cost, projects should determine that it is 100% over BBO projects and if relating to a staff member that the staff member is 100% BBO - if this is not the case then the cost should be classed as indirect. Where accepted as direct, evidence for this cost will need to include details of the apportionment and how this was calculated (we will consider whether this is appropriate), defrayal evidence and in addition to this the project/partner that paid for the item/cost will also need to invoice the other BBO projects for their part of the apportioned cost.

**Q. Is partner to partner room hire an eligible cost? We fed back BBO project concerns over not allowing partner to partner room hire as an eligible cost.**

A. It should be noted that internal recharging of rooms within a single organisation is not acceptable due to the issue of defrayment and demonstrating actual cost. In terms of partner to partner room hire, provided there is an invoice and payment relationship and clear evidence and rationale regarding value for money, plus supporting evidence such as an agenda and attendee evidence then this would be eligible. Please be aware however implications on procurement rules particularly if the hire

of rooms between partners is on a regular and repetitive occurrence.

**Q. If partners use pool cars or company cars for travel and petrol is bought using fuel cards. What evidence is expected?**

A. The simplified cost option was introduced to cover scenarios where it is too complex to apportion out shared organisational costs. Therefore if it was a pool car used with a fuel card this would be deemed as an indirect cost which the simplified cost option should cover. However if a person was claiming petrol expenses for use of their own car this may be eligible as an expense as long as they had the correct supporting evidence. For example, the organisations expense policy, where they were travelling and purpose of travel etc.

## Questions and Answers Arising from BBO Grant Holder Events

### Participants

**What date should we use for start date on Annex H/L and what pre-engagement activities should be recorded on the progress form?**

The start date for an eligible participant is the date that learning or support has actually begun. It should not simply be an eligibility check or the activity of enrolment but it could be a needs assessment activity if it is sufficiently thorough and meaningful and has resulted in a clear plan of action going forward to meet the participant's needs and the participant is fully engaged in this.

Only meaningful activities occurring after induction should be recorded on the progress form.

**Does the receipt of certain types of benefit act as evidence of unemployment / economic inactivity. For example, Carer Allowance, Disability Living Allowance etc.?**

To be economically inactive a person must not be in paid employment, self-employment and are not available for or not seeking work.

It is possible for people in receipt of Carers Allowance to be in paid work and those in receipt of Incapacity Benefit, Employment and Support Allowance or Disability Living

Allowance are allowed to do some 'permitted work' , which may be paid. They may also be available for work or be seeking work.

As a result, receipt of those benefits on its own is an indicator of but not sufficient evidence of economic inactivity.

We expect the hierarchy of evidence outlined in our guidance to be followed when making a judgement about whether the person is economically inactive and where evidence cannot be obtained the use of a risk-based exception may be appropriate.

**Data protection statement - Should the data protection statements in your guidance detailing data controllers and data processors also include grant holders and partner organisations as being data processors?**

We are awaiting further legal guidance on this. We will feedback when we have this guidance, but cannot say when this is expected.

**Electronic signatures - Can you provide more detail on how to use and when electronic signatures are allowable.**

Guidance on document retention and electronic signatures can be found in ESF guidance material:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/578823/ESF\\_2014-2020\\_Programme\\_Guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578823/ESF_2014-2020_Programme_Guidance.pdf)

and

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/591617/ESF\\_Guidance\\_on\\_document\\_retention.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/591617/ESF_Guidance_on_document_retention.pdf)

**Participant results - What participant results can be claimed against each outcome and when can you claim two results e.g. further learning and job progression, job search and employment or job search and further learning?**

A result that can be claimed depends on:

the participant status (outcome) when they first join the project, or their status when they first joined the first BBO project where they have moved between BBO projects; or training.

If a number of grant holders work with the same participant, results can only be claimed by the final grant holder and any results previously claimed by previous grant holders supporting the participant will need to be deleted. However, we will pay all grant holders for eligible actual costs incurred.

- and
- the participants status when they leave the project

The result must be recorded within 4 weeks of the participant leaving the project.

Participants with an outcome of:

- **Unemployed** achieve a result if they move into employment or self-employment, on leaving (R1)
- **Inactive** achieve a result if they move into employment, or job search on leaving (R2)
- **Unemployed or inactive** achieve a result if they move into education or training on leaving (CR02)

In addition:

- **COR 2/1 Participants** who gain basic skills in literacy, ESOL or numeracy by the time of leaving achieve result (R3)
- **For projects based in London** a result is achieved if they are in sustained employment for 26 out of 32 weeks after entering employment or self-employment.

A participant can achieve more than one result, for example a participant who was unemployed when they joined the project could achieve both results of into employment or move into education or training if at the point of exiting the project they are in employment and are in education or training.

If a number of grant holders work with the same participant, results can only be claimed by the final grant holder and any results previously claimed by previous grant holders supporting the participant will need to be deleted. However, we will pay all grant holders for eligible actual costs incurred.

**If a participant goes into training and the still supported by the project but then vanishes without competing an exit form can we claim this result?**

No, a result cannot be claimed where an exit form does not exist and the exit form cannot be generated until the participant is no longer receiving support from the project.

Please bear in mind your project outline when considering the point at which a participant exits your project. For example if your project is to support people into training then exit will be appropriate at that point.

**Certification of originals - Can a certification be a typed name or does it have to be a scanned written signature? Does it have to include role in organisation?**

The ESF Guidance on document retention, including electronic data states:

Each version must be certified as conforming to the original document. A declaration by the grant recipient along the lines of the example below will satisfy this condition.

I certify that this is a true copy of the original document:

Signed

Date

Position in organisation

Name of organisation

It also states this is the minimum requirement and grant recipients may add to this declaration or include additional procedures in line with their organisations policies should they wish to do so.

**Is the risk-based exception more a self-declaration by the Grant Holder that they have been through a process of evidence**

**acquisition than a self-declaration by the participant of their particular status?**

It is a declaration by the grant holder outlining:

- the reasons why the participant does not have any preferred or alternative evidence available ;
- how the beneficiary/delivery partner has attempted to collect the required evidence; and
- explaining how/why they are satisfied that the reasons provided by the participant are credible/plausible.

Self-declaration forms part of the hierarchy of evidence to establish if the person is eligible to receive ESF funding. It is a risk-based exception that may only be used where attempts to obtain evidence higher in the hierarchy or evidence have proven unsuccessful and there is sufficient justification for the person to proceed to support.

The risk-based exception must not be used ahead of the evidence higher in the hierarchy for reasons of convenience or simplicity. The managing authority would not expect risk-based exceptions to be used as the predominant way of assessing eligibility and such cases are likely to attract particular audit scrutiny.

**At what point is risk-based exception (self-declaration) acceptable to evidence participant eligibility, for example where a participant states they do not have an award letter from DWP to evidence receipt of benefit?**

A risk-based exception should only be used where attempts to collect evidence of eligibility higher in the hierarchy have been unsuccessful and you are satisfied, despite the absence of any evidence, the participant qualifies for support.

In the case of evidence of benefits, you would need to be able to

justify why the participant cannot provide evidence of receipt of the benefit.

### **Participant exit - How to define 'the exit point' when a participant leaves a project and how to count it?**

The exit point is the point at which the participant has finished their last activity on the project. For example, they've reached the end of their training and have no further activities planned with the project. Whether they achieve a result on exit is dependant of both their status on entry to and exit from the project. The result must be recorded within 4 weeks of the participant leaving the project. Please refer to the BBO guide for more detailed information.

Please also remember that once a participant has exited the project, costs relating to them are no longer eligible. You will bear this in mind when considering the appropriate point for participants.

**The ESF data evidence requirement guidance appears to suggest that to record a result of 'Into job-search' the person would have to be registered as unemployed which would mean signing up for JSA for example, there is no mention of a CV and a list of jobs applied for (listed in your Participants guidance), being sufficient evidence of claiming a job search. Is the Lottery sure this would be sufficient?**

Whilst being registered as unemployed would be preferred evidence it is acceptable to provide a CV and jobs applied for as evidence of job search.

### **How does 'in work support' function if you have to exit a participant to record their employment result?**

Results cannot be claimed until the participant leaves the project. Whilst they remain with the project, the result cannot be recorded. Once activity is complete and they leave the project you can claim the

result, based on their status at that point or within 4 weeks of leaving.

Please bear your project outline in mind when considering the exit point for a participant. If your outline includes the requirement to provide 'in work support' you should not consider exiting them until the support has ended.

### **When you exit a participant with the result being entering job-search do you have to evidence anything done by the participant in the four weeks after they leave the project, or is evidence to jobs applied for, creation of CV etc. whilst still engaged enough?**

Whilst evidence of job search, demonstrating progression in the 4 weeks after leaving the project, is set out in the ESF requirements, it will be useful to collect evidence of job search activity during the project activities in order to support the evidence of change in status of the participant, from inactive to actively seeking work.

### **Has the sample participant file documents been updated to reflect changes to guidance?**

The sample participant file has not been updated to reflect changes to guidance and will be removed.

### **Is Universal Credit treated differently to the other benefits in terms of evidences as it isn't indicative of unemployment or economically inactive?**

Receipt of benefit may not in itself offer 100% definitive proof of status. However, the combination of a properly signed self-declaration (in line with guidance specifying criteria) and receipt of a benefit that could indicate the person's employment status will provide a basis to start from. Universal Credit should not be relied upon as the only source of data and alternatives should also be investigated. The hierarchy of evidence should be followed and the use of a risk-based exception may be appropriate where evidence cannot be obtained.

**Is Annex I (Participant progress form) needed if we have our own progress report?**

No you can use your own progress report.

### **Can an out of date passport be used to prove participant eligibility?**

If the out of date passport is either UK or EU then it can be accepted. In all other cases the passport must be valid.

### **What advice would you give surrounding the changing needs of participants as they progress on the project and the impact on previous outcome?**

It is expected that the needs of a participant may change throughout their journey on the project and it is recommended that you document all activity and assessment of needs undertaken.

### **Why is BBO different from other ESF programmes with regard to the level of documents required, is it a result of Big Lottery Fund involvement?**

The programme is an actual cost programme, with the level of documentation required to prove both participant and cost eligibility outlined in European Social Fund guidance.

### **Why are Funding Officers providing conflicting information?**

We provide information on a case by case basis with responses based on the context surrounding the specific circumstances provided by grant holders.

### **Why do we have to hold participant personal data and photographic evidence given the data protection risks associated with doing so?**

ESF grant recipients are required to provide records to evidence that grant expenditure is eligible and projects can be subject to audit even after the project is completed, with retention of all documentation associated with the project required until 31 December 2026. If any of the any of the evidence that the Managing Authority or the European Commission requires is ineligible, missing or incomplete, we may be forced to reclaim some or even all of previous payments we've made.

As a result, record retention is an important consideration in the development and delivery of a project, including ensuring that personal data held is secured appropriately, bearing in mind current data protection legislation.

Further information regarding evidence and retention can be found in our BBO Guide.

### **Is an offer of employment letter and start date sufficient to evidence a result of move into employment?**

No. One item from the list below is required to evidence a result of move into employment:

- A letter or document from the employer confirming that the participant has started their new job
- a payslip
- a signed contract of employment.

### **What evidence is required to evidence a result of move into education or training?**

A letter or document from the school, college, university or learning provider demonstrating that the participant has formally registered and started the education or training.

### **How should we record results and outputs where a participant moves between BBO projects and how do we keep track of participants coming through more than one project?**

Within a LEP area each participant must have only one participant record. Results are always measured from the starting status on first project engagement of the participant to the time they exit the last project.

If the participant moves between projects or leaves and re-enters a project the start date and outcome status will remain the same as when

the participant joined their first BBO funded project. The result from their participation in previous projects will be deleted and removed from the results count.

As part of our verification processes we will identify duplicate participant records at LEP level and inform grant holders. Grant holders will need to consider which project should claim the result and amend records accordingly.

**In a project that delivers both short and, distinctly, long term interventions (differing participants) does the Fund give greater value to one or the other?**

No, the interventions need to match the outline set, and to fit with the development plan.

**Is the provision of items to participants, such as food parcels, assistance with moving costs, white goods for new homes acceptable?**

Grant holders would need to be able to justify the provision of such items. Please discuss with your Funding Officer.

**How far can project partners push participants before they get disengaged?**

Partners will need to use sensitivity and intelligence to get to know their participants, making judgements based on that knowledge.

**Where can participants come from and, when in areas with multiple BBO projects, how to avoid becoming competitive rather than collaborative?**

Please refer to your project outline, which details the participants you may engage with. Where a number of projects exist in the same area they should work collaboratively to ensure the needs of participants are met.

Whilst a number of grant holders may work with the same participant, results can only be claimed by the grant holder exiting the participant last with results based on status at that point. We will, however, pay all grant holders for eligible actual costs incurred.

**Is it necessary to continually accumulate bodies of evidence for each activity that a participant takes part in and has been recorded on the action plan?**

It is a requirement to retain evidence of activity undertaken by a participant to demonstrate progress made, such as attendance sheets, course notes, submitted work and certificates of completion.

## Finance

### **Why do you need both payroll and payslips for evidence of staff costs and why not just the payroll?**

Payslips are needed to evidence amounts paid to the staff member including pay, NI, pension contributions and any taxable incentives linked to pay. Payroll information is needed to form the audit trail to evidence defrayal, in conjunction with the organisation bank statements.

### **Which specific information do you need to prove defrayal? Can we have that determined rather than asking for various ‘documents’?**

Section 8: Costs and expenditure of the BBO Guide details the evidence you need to retain to evidence costs claimed.

To evidence defrayal of costs we will always need copies of organisation bank accounts. We may also need additional documents to evidence the audit trail from the document evidencing the cost of the specific item to the payment on the bank statement showing defrayal. For example, for a direct staff cost we will also need payslips and payroll information to show the audit trail from the payslip through to the payment shown on the bank statement (which in most cases will be a total payment to all employees).

As the audit trail to the bank statement, and documents needed to evidence it, may differ across grant holders it is not possible to provide a definitive list of documents needed. If you have any questions about the documents required in your circumstance, please discuss with your Funding Officer.

### **What are you looking for to evidence defrayal?**

We always require copies of organisational bank statements to evidence defrayal. We also you to provide:

- other supporting documents relating to the expenditure type - see BBO Guide, Section 8: Costs and expenditure; and

- where the bank statement shows the defrayal of an amount greater than the actual cost claimed (e.g. total organisation payroll payment) we would also need to see supporting documentation to show the audit trail for the actual cost to that greater payment made.

**We understand that additional evidence that links salary cost defrayed globally at the organisation level back to the individual level is required.**

**We have large numbers of employees on the payroll. It is therefore impractical to print a full BACs report with redaction of non-project information. Our Legal team have expressed concerns over data protection even with redaction. We can provide the summary page which notes total number of employees and total salary cost paid globally. This would match the amount leaving the bank account. Please confirm if this is acceptable?**

To evidence the audit trail from the individuals payslip to the global organisation salary cost defrayed on the bank statement we would need to see an excerpt from your BACS statement / payroll system for all staff working on the project, which must include their names. A summary only listing the number of staff in the global payroll run and the amount paid globally would not be sufficient to evidence the audit trail.

**Where we encounter difficulties obtaining evidence of defrayal from large partners such as the NHS or local councils, are there any approaches we can take?**

Where you experience difficulties obtaining appropriate evidence of eligible costs and defrayal from a partner it is acceptable to mirror our payment arrangements and withhold or reduce future payments until information is provided.

Please also make your Funding Officer aware of the situation, the Fund may be able to liaise with large statutory organisations to influence the provision of evidence to you.

**Local authorities and defrayal - are bank statements needed to show defrayal involving a Local Authority?**

Evidence of the defrayal is required for local authorities. If any issues are encountered, where a local authority partner refuse to provide bank statements, please discuss with your Funding Officer.

**Defrayal of tax and NI, including employers NI and pension contributions, how is this shown?**

Defrayal of salary should be evidenced by payslips and audit trail evidence to the payroll payment on bank statements. For employers NI and pension contributions, which may be paid in a following month, you would need to retain evidence for inspection as this may be requested.

**We are having trouble obtaining payslips as evidence of staff costs, do we have to get them or is there any alternative?**

Staff costs must be evidenced by payslips, there is no alternative.

**Some grant holders have indicated that they had been unable to claim taxable incentive linked to pay. E.g. Childcare vouchers. We understood that such costs are eligible, can you please confirm if our understanding is correct?**

We confirm that staff costs may include costs covered in a person's contract of employment that are taxable incentives linked to pay and pension contributions. As long as the incentive meets this condition and it can be evidenced including evidence of defrayal, it may be claimed. If you have any specific queries, please discuss with your Funding Officer.

**Payment of partners in advance – Where a partner claims but then it transpires that they do not produce any evidence, the lead cannot easily reclaim that money.**

It is for lead organisations to manage such issues with partners. Where you experience difficulties it is acceptable to mirror our payment arrangements and withhold or reduce future payments until information is provided.

Please also make your Funding Officer aware of such situations.

**Re-profiling between budget lines – When partners wish to re-profile between budget lines (generally tweaking budget) what is the best way to manage this?**

Please discuss with your Funding Officer.

**How often do we re-profile budgets?**

Re-profiling is done quarterly. As part of your submission to us you are required to complete Annex A outlining actual quarterly eligible costs claimed to date and forecasted quarterly costs for the remainder of your grant period.

**Where pay increases are not factored in – Where pay increases have not been factored into the grant forecast is it ok to keep payments at their current rates and not base payments on increased costs?**

No as the programme is based on actual costs. Where the forecast did not factor in pay increases please discuss it with your Funding Officer.

**Do we have the new version of Annex A's with information already transferred across?**

We have prepared some Annex A's previously submitted ready for our claim to the Managing Authority. Your Funding Officer will be able to assist with and provide instructions for projects transitioning to the new version of Annex A.

**If a partner pays staff an hourly rate that includes travel costs and expenses is this acceptable?**

If you have a Service Level Agreement (SLA) with the partner which outlines this agreement it would be acceptable, evidenced by invoices that clearly link to the SLA. Costs would not be classed as direct staff

costs in such cases and would affect the value of the 15% simplified cost option calculation.

Otherwise costs would need to be claimed on an actual cost basis.

### **In what circumstances are costs for premises/room hire eligible?**

For the cost of premises to be eligible you would need to demonstrate that they are completely separate to the normal overheads of the organisation and solely for BBO use. Our consideration of eligibility will include:

- when the lease commenced
- the duration of the lease
- whether there is good justification for the need of the new premises.

Internal re-charging of room hire charges is not an eligible cost as this is included in the 15% simplified cost option. The hire of premises from a partner would also not be considered eligible as this is not within the spirit of partnership working with potential double funding occurring as overheads for the partner are already included within the 15% simplified cost option.

### **Payment Procedures - can we have clearer guidance regarding grant payments made as reduced payments can mean we are unable to pay partners?**

Grant instalments are paid up to three months in advance with the payments based on your forecast of planned expenditure for that period.

If your actual costs for previous period were less than you forecasted, we will look to reduce the value of your next payment to reflect the difference. We'll also apply any other adjustments where costs are found to be ineligible.

As we are paying you in advance we would expect you to also pay partners in advance, however, if a reduced payment was as a result of

an issue with a partner it is acceptable for you to mirror our arrangements and withhold or reduce payments for that partner until corrective action has been taken.

Where a reduced payment will result in cash flow issues, please discuss with your Funding Officer.

### **Course fees - A partner has set charges for delivery of courses and therefore evidence will be an invoice, is this acceptable?**

If you have a Service Level Agreement (SLA) with the partner detailing the arrangement then this is acceptable. Invoices would need to detail what was provided (how many hours etc.) and this must clearly link to the SLA. You will also need to bear in mind procurement regulations and value for money in these circumstances.

If you not have an SLA it must be on an actual cost basis, supported by timesheets and 1,720 calculation where appropriate.

### **We have heard some grant holders are using a method other than the 1720 method to calculate the hourly rate of staff not working 100% on the project, is that something we can use?**

We have agreed an alternative to the 1,720 method, in a very small number of cases, where:

- staff have a standard full-time working week of 37 hours per week or less; and
- the grant holder has been able to demonstrate that they will be significantly financially disadvantaged by using the Managing Authority's standardised hourly - 1,720 working hours per year calculation

### **What is the meaning of 'Claw back'?**

If any of the evidence that the Managing Authority or the European Commission requires is ineligible, missing or incomplete, we may be forced to reclaim or 'claw back' some or even all of the previous

payments we've made to you.

It is the lead organisation, as the body directly accountable to us, which bears much of the risk of claw back. If they are audited years later and haven't retained the right documentation, all money paid could still be clawed back by the European Commission. It is therefore extremely important you do not underestimate the time required to collect, check, report and store evidence.

Further information regarding evidence and retention can be found in our BBO guide.

**Are there any circumstances where attribution of costs is allowed? For example, a bulk purchase is made for value for value for money purposes or a shared minibus? If attribution is not allowed, can actual cost be determined by providing a calculation/rationale to support it?**

Generally apportionment of costs is not allowed as this is what the 15% simplified cost option is to cover. If you have a specific circumstance you would like guidance on please speak to your Funding Officer.

**What are the Article 125 checks, what do they involve?**

Verification checks made under Article 125 of the Common Provisions Regulation (Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17.12.2013) relate to checks completed by the Managing Authority before request for payment is submitted to the European Commission and comprise two key elements namely, administrative verifications (i.e. desk-based verifications) in respect of claims made and on-the spot verifications of operations (project visits).

All claims made by grant holders shall be subject to administrative verifications based on an examination of the claim and relevant supporting documentation such as invoices, delivery notes, bank statements, progress reports and timesheets. The verifications carried out are to establish that the expenditure is eligible and programme requirements have been followed.

Detailed guidance of Article 125 requirements can be found at:

[http://ec.europa.eu/regional\\_policy/sources/docgener/informat/2014/guidance\\_management\\_verifications\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_management_verifications_en.pdf)

**Invoicing from consultants or non-partner delivery organisations. Does this have to be actual cost breakdown, or can they just invoice for what they are delivering? For example if a training course has been delivered can they just invoice for that – with the invoice showing what that includes, or do they have to break it down to staff cost, room hire, refreshments etc.?**

A non-partner or consultant will not be able to show actual cost on an invoice and the invoice and defrayal evidence should be sufficient. However, you do need to bear in mind value for money and procurement regulations.

**How do we claim staff costs where the employee is on a zero hours contract and does not work 100% on the project, as we do not have an annual salary amount for the 1720 calculation?**

If you have an employee in this situation, please discuss with your Funding Officer.

## Branding and Publicity

### **Branding and publicity – When is it acceptable to use the black and white logo?**

Wherever possible the colour logo should be used. The black and white logo should be used sparingly and only when justified.

### **The BBO logo was recently changed. Are we able to continue using materials already produced using the old logo?**

You may continue to use existing materials which contain the old logo. New materials should be designed using the new logo.

### **What logos should be used on email signatures if a staff member is funded by more than one organisation?**

It will be acceptable for your email signature to include extra logos, in addition to that required for BBO, in these circumstances.

### **Can the BBO and ESF composite logo be split up into two separate logos?**

No, the composite logo should not be split.

### **What frequency should grant holders post updates on Twitter/Facebook?**

It is for grant holders to decide on the frequency of posts publicising their project. You must include the BBO logo in all social media posts about your project.

## Annexes

### **Are there any plans to provide a version of Annex L that could be used within a grant holder's database, enabling a report to be run each quarter and avoiding significant data input?**

There are no plans to revise Annex L at this time. The current version of Annex L included the following updates:

- All of the manual entry fields are now included on the same sheet rather than spread across three sheets
- The fields have been re-ordered to better match Annex H making it easier to transpose the information from the forms the spreadsheet
- There is a filter function on the front sheet that allows selection of the time period to show the data for different quarters
- Grant Holders will be able to copy and paste between partner versions of the spreadsheet to ease aggregation
- Leads with a dedicated MIS should be able to export data to excel and paste it in, the data schema provided will help developers understand the requirements for each field
- Alerts to show errors with the data are more visible and have clearer explanations
- A warning message will appear on the summary page if any data is missing or if there are any invalid combinations of answers included in the data.
- New 'question not answered' options available to align with the Managing Authority's data schema.
- Some results are now auto-calculated based on the employment status.

### **Why have there been so many changes to annexes?**

Annexes have been updated in response to feedback received from grant holders and also to address issues identified. The programme is now more settled with changes expected to be much less frequent.

### **Would it be possible for the Annex I to be re-designed to ask for more information than it currently does in order to encourage partners to include more detail in their evidencing of progress?**

We have no plans to revise Annex I in this way. Whilst entries on Annex I should record sufficient detail about how activities undertaken are helping the participant address their development needs it is not viewed

in isolation and grant holders are required to retain separate evidence of progress, for example attendance sheets, course notes, submitted work and certificates of completion. It is a requirement to retain such evidence in addition to Annex I.

## Partnership Working

### **Leads are struggling with the 'differing levels of professionalism and quality' among partners.**

Lead organisation do need to take the lead and consider giving a lot of extra support to partners where needed. Networking may be used to share best practice etc.

### **What is the best way to do communications with partners?**

You should consider on-going constant communication with your partners making use of all channels available to you.

### **What is the best way to absorb staff changes?**

Staff changes should be absorbed by re-profiling your grant forecast, ensuring that your partners are doing the same.

### **What's the best way to manage participant exit?**

To ensure the partnership make the decisions about participant exit together it was suggested the partner should discuss a recommendation to exit with the lead.

## Other

### **Will BLF be coordinating/facilitating LEP networks and regular LEP meetings?**

Whilst we recognise that such networks would be useful, we would expect grant holders to take ownership of organising and managing those networks.

### **Are there any plans to hold an event on cross cutting themes?**

We are considering holding an event on this topic.

### **When and at what regularity will the BBO newsletter be released?**

The BBO newsletter is will be issued quarterly. Any urgent items in-between will be issued in the form of a news flash to grant holders

### **What's being done to identify the smaller project awards, and smaller Leads and to give them more support?**

Our BBO ESF Support team provides support on working under ESF rules and regulations including eligibility, actual costs, record-keeping, data reporting, publicity and cross-cutting themes for the Building Better Opportunities (BBO) programme. This is to increase capability to handle European funds, both for the current BBO programme and in the future.

If you feel you need additional support, over that already provided, please discuss that with your Funding Officer.