



In-Kind Contributions, Various types plus rules applicable to determine eligibility

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Table of Contents

1. Definition
2. The legal framework
3. Types
4. Rules on Eligibility
5. How to deal with in-kind contributions
6. Unpaid voluntary work
7. Maximum amount of in-kind contribution
8. ETC Programmes \ Contributions In - Kind



Definition:

- An in-kind contribution is a **contribution of a good or a service other than money**
- Considered as a « donation » to the project (no payment back)
- The test to determine whether a contribution made to a project is considered to be an in-kind contribution or not is whether a Project Partner has made a payment.



The Legal Framework

- Article 69 of Regulation (EU) No 1303/2013, outlines the specific rules surrounding contributions in kind:
- The Article states that contributions in kind may be eligible on condition that the eligibility rules of the European structural and investment (ESI) Funds and programmes allow for such contributions to be declared.



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Contributions in Kind - Types

They consist of the provision of

1. Works,
 2. Goods,
 3. Services,
 4. Land and Real Estate,
- For which no cash payment supported by invoices, or documents of equivalent probative value has been made by the partner.



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Contributions in Kind:

- In-kind contribution is a break with the principle of ‘real costs actually incurred by the partner’
- The core of the in-kind is that no expenditure is actually incurred by the project partner.
- On the other hand, the partner has secured resources to assist with implementing the project.



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Rules on Eligibility

- Only public or private in kind contributions from organisations outside the partnership are eligible
- The value of the contribution claimed must not exceed the normal market costs, and the rationale for the value given in the claim must be capable of being verified.
- For example, where a project receives the donation of a vehicle, it would be expected that prices for vehicles of a similar model, age, and condition would be sourced for comparison.



Rules on Eligibility

- In the case of provision of land or real estate, The value of land or real estate must be certified by an independent qualified valuer or duly authorised official body.
- In the case of contributions in kind in the form of unpaid work, the value of that work is determined by taking into account the verified time spent and the rate of remuneration for equivalent work.



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Rules on Eligibility

- In-kind contributions in the form of equipment can be deemed eligible insofar as the item of equipment was not previously paid for or co-financed by European funds.
- Contributions in-kind are eligible only if they are included in the approved application form.



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How to deal with In-Kind Contributions

Can be declared under 4 budget lines: –

- Staff Costs
- External expertise and services
- Equipment
- Infrastructure and works

How to deal with In-Kind Contributions

In-kind contributions should be included under the same budget lines as their real cost equivalents. For example,

- Voluntary labour should be counted under staff costs
- Donations of machinery should be counted under equipment
- Donations of land should be counted under Infrastructure and Construction budget line.



Unpaid Voluntary Work

- Unpaid voluntary work is defined as work which is carried out for the benefit of the project, carried out on the basis of the volunteer's own will and without receiving any financial compensation for it.
- Voluntary work cannot be part of the paid assignments of the volunteers and should not be assigned to employees receiving remuneration from a project partner or any other organisation.





Unpaid Voluntary Work

- Additionally, unpaid work cannot be assigned for statutory tasks of institutions and neither for project nor financial management. Instead, unpaid work should have a specific purpose, contribute to the content of the project and should be limited to a certain time period. The results of the unpaid work should be of added value to the project and contribute to the successful delivery of the project outputs.

Unpaid Voluntary Work

Documentation Required

The following documentation must be available;

- Signed agreement between the volunteer and the organisation specifying the duration and conditions of the unpaid work and;
- Signed time sheets indicating the hours undertaken by the volunteer to the project.



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Unpaid Voluntary Work

- Rate of remuneration for unpaid work in Ireland is currently set at €157.00 Per day.
- The daily rate is based on 8 hours per day.
- **COMMISSION DECISION of 10.4.2019** authorising the use of unit costs for declaring personnel costs for the work carried out by volunteers under an action or a work programme.

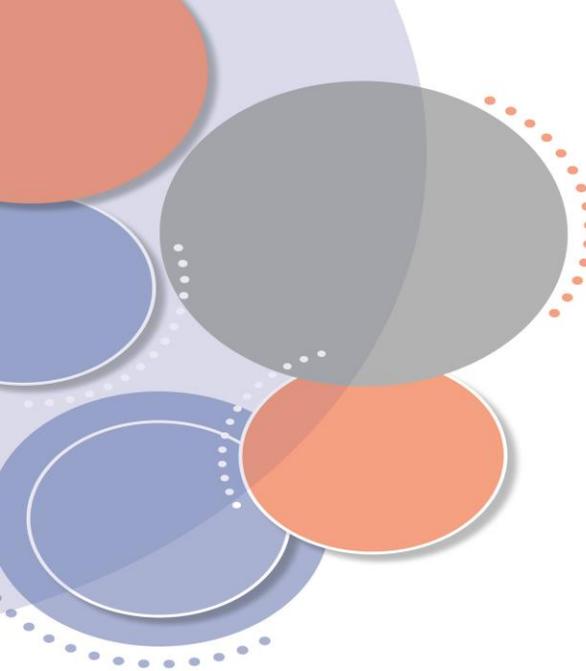


Extract from COMMISSION DECISION of 10.4.2019

Amounts per volunteer per day for the EU/EEA Member States in which the activity takes place:

- Denmark, Ireland, Luxembourg, Netherlands, Austria, Sweden, Liechtenstein, Norway. **Amount per Day(EUR) €157**
- Belgium, Germany, France, Italy, Finland, United Kingdom, Iceland. **Amount per Day(EUR) €131**
- Czech Republic, Greece, Spain, Cyprus, Malta, Portugal, Slovenia. **Amount per Day(EUR) €78**
- Bulgaria, Estonia, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovakia. **Amount per Day(EUR) €47**





Maximum amount of In-Kind Contribution

- The total amount paid to the project from the Programme cannot exceed the amount of real costs that the Partners have incurred.
- In other words, the percentage of eligible expenditure consisting of an in-kind contribution may not exceed the co-financing rate of the project.



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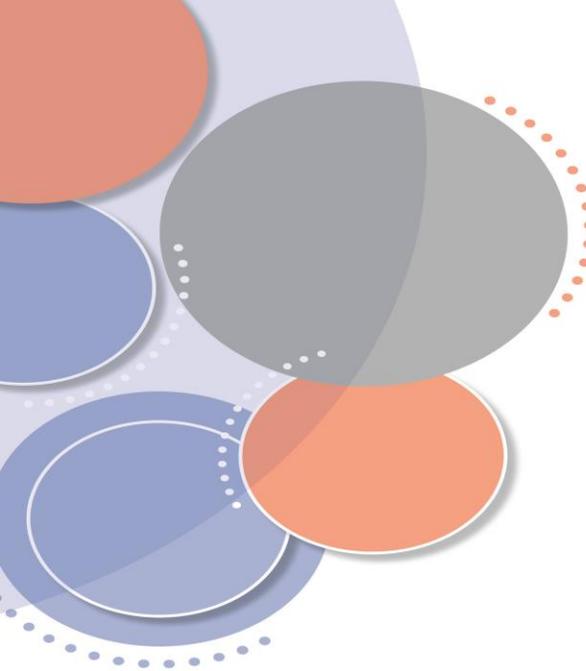


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Maximum amount of In-Kind Contribution

Example:

- A project has a total budget of 200,000€, with a co-financing rate of 60%, meaning the Programme would normally pay 120,000€ of this amount, whilst the Partner Contribution would be 80,000€. However, when the project compiles its claim the expenditure is as follows;



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Maximum amount of In-Kind Contribution

In-Kind Contributions: 100,000€

Real Cost: 100,000€

Total: 200,000€

- Programme payment to the project would be capped at 100,000€ as this is the total amount of cash paid out by the Project Partners, reducing the co-financing rate to 50%
- Partners should consider this carefully whilst budgeting and managing their project to ensure they have sufficient real costs to be able to claim the full amount their Budget.



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ETC Programmes \ Contributions In - Kind

- Interreg Europe – Not Eligible
- North-West Europe – Eligible
- Northern Periphery and Arctic Programme – Eligible
- Ireland Wales – Eligible
- URBACT – Not Eligible



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