

## How to handle revenues?

### ➔ Background Information

Art 55 of Council Regulation (EC) No 1083/2006 deals with the handling of revenues. It is laid down that the eligible expenditure of revenue-generating projects shall not exceed the costs reduced by the revenues over a specific reference period.

### Definition

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Revenues are income generated by a project from sales, rentals, services, enrolment/fees or other equivalent receipts.

Examples for revenues that might occur on project level could be attendance fees for workshops, advertisements and sales revenues of books and brochures, in case the named examples are co-financed by the Alpine Space Programme.

Furthermore donations and sponsoring granted to a project participant from third parties from the private sector such as companies and banks are to be considered as revenues which have to be deducted before the ERDF-contribution to a project is calculated.

In the Alpine Space Programme financial contributions are regarded as donations and sponsoring and have to be deducted from eligible costs:

- + if they are granted with regard to an attributable return service (e.g. funds are provided for a project whereby the respective project participant is expected to commission the "sponsor" to deliver services, goods, etc. so that in the end the sponsor makes profit) - a general donation/sponsoring indication (e.g. "this project is financially supported by the company XY") is unproblematic and
- + if they are granted project-related.

Services in return and sponsoring/donation have to be at an appropriate rate. In case the sponsoring/donation is higher than the return service a part of the sponsoring can be regarded as co-funding of the project.

## **Guidance**

Revenues generated by a project are monitored and treated by the programme as follows:

### **1 Project application**

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The project holders are asked to indicate in the financial tables of the Application Form (AF) the revenues that are expected to be generated by the project. The figures indicated there reduce the project costs that shall be co-funded by the programme.

### **2 Project evaluation**

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During project evaluation the Joint Technical Secretariat (JTS), the Alpine Space Contact Points (ACP) and the Managing Authority (MA) carry out a plausibility check of the indications in the financial tables including those on revenues and may ask project participants for further information/clarification before the project proposal is forwarded to the Programme Committee (PC) that selects the projects to be co-funded.

### **3 Project implementation**

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Each project participant has to provide the First Level Control (FLC) body with information on any revenues generated in the reporting period and to support this with accounting or equivalent documents. The FLC body checks the submitted documents. In the certification of expenditure the FLC body clearly indicates how much costs have been reported by the project participant and how much revenues have been generated. The latter amount is deducted from the costs certified by the FLC body and as a result the expenditure found eligible is set out in the certification of expenditure. In the financial part of the progress report the Lead Partner (LP) provides for information on expenditure made by the project participants and revenues received by them as well as the eligible costs as confirmed by the FLC bodies. JTS and MA carry out a plausibility check of these indications before the MA asks the Certifying Authority (CA) to pay out the ERDF-funds to the project.

## 4 Project closure

As the programme has to ensure that not only revenues generated by the projects during project implementation but also those revenues directly linked with the results and outputs of the project and generated within five years after the project implementation (e.g. by the selling of products which have been produced during project implementation and which were co-financed by the Alpine Space Programme) are deducted from the project costs and therefore reducing the funding accordingly, the projects have to provide a further estimation of revenues occurring within the following five years within the final report. These will be considered in the calculation of the final balance and will be followed up by the body responsible.

### ➔ Reference Documents

- + Article 55 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999
- + Final Report

### ➔ Annexes

- + Application Form Step 2 with guidance
- + Template Certification of Expenditure
- + Progress Report guidance