

## European Social Fund convergence, competitiveness and employment programme 2007-2013

### Guidance on completing the CFO claim form

This document contains the guidance for completing the CFO Claim Form for the ESF programme 2007-2013. The form can be obtained from the ESF website ([www.esf.gov.uk](http://www.esf.gov.uk)). This form should be completed and signed by an appropriate person within your organisation with the authority to do so. The signed copy of the form should be posted to your local Government Office contact.

This version of the form is in spreadsheet (EXCEL) format and comprises of four separate worksheets all of which need to be completed. The numbers which follow relate to the numbered boxes on the form.

Note that all monetary values should be first rounded to the nearest pound and added in whole pounds on the spreadsheet.

This guidance relates to version 2 of the CFO claim form.

This is a temporary claim form to be used until the ESF 2007-2013 computer system is available when claims will be submitted online.

#### **Worksheet 1: Financial Summary**

0.1. Enter the agreement number. This is the nine character number that is shown on your copy of the signed agreement.

0.2. The normal claim periods are February (December 1 – February 28/29), May (March 1<sup>st</sup> – 31 May), August (June 1 – August 31) and November (September 1 – November 30). Enter the end period that this claim relates to as agreed on your agreement profile. This is in the format mm/yyyy e.g. 05/2008. This will normally cover a period of three months but exceptionally may be for a shorter period which must be agreed with your Government Office in advance. Note that when CFOs submit their first claim they should include all expenditure incurred up to the period end date.

The format of the period is mm/yyyy e.g 05/2008. In this example this would cover the claim period 01/03/2008 to 31/05/2008.

0.3. Insert Organisation Name

0.4. Insert Project Name

**Note: for the ESF 2007-2013 programme CFOs will declare expenditure in-period. This means that your claim will normally only include payments to providers and administration costs for the period of the claim. However you may include any payments to providers,**

**administration or other costs for previous periods if these have not been previously declared.**

1a. Enter the total amount of any payments that you have made to your providers for the period covering this claim. This figure should be in whole pounds only and rounded to the nearest pound. . Please see notes on page 8 relating to payments to providers

1b. Enter the amount that you originally anticipated paying to providers during this claim period as shown on your latest agreed profile form. This figure should be in whole pounds only.

1c. The worksheet will calculate the percentage variance between the amount that you originally anticipated paying to providers during this period and the actual amount that you paid to providers during this period. If this variance is more than 15% enter a reason in box 1d. Please note that a maximum of 250 characters including spaces can be entered, if further space is required please continue in the Project Progress Text worksheet.

1e. Enter the amount of any administration costs that you intend to claim for the period covering this claim. Bear in mind that administration costs are limited to a maximum of 5% of the total eligible costs as set out in the CFO agreement. This must be based on actual costs and cannot be an administration fee as such fees are not allowed under Structural Fund regulations.

1f. Enter the amount that you originally anticipated claiming for administration costs during this claim period as shown on your latest agreed profile form. This figure should be in whole pounds only.

1g. The worksheet will calculate the percentage variance between the amount that you originally anticipated claiming for administration during this claim period and the actual amount that you are claiming for administration during this period. If this variance is more than 15% enter a reason for this in box 1h. Please note that a maximum of 250 characters including spaces can be entered, if further space is required please continue in the Project Progress Text worksheet

1i. Enter the amount of any other costs that you have paid for the period covering this claim. There may be occasions where CFOs reimburse providers on the basis of actual rather than contract costs. Any payments to providers using actual costs should be recorded as other costs.

1j. Enter the amount that you originally anticipated claiming for other costs during this claim period as shown on your latest agreed profile form. This figure should be in whole pounds only.

1k. The worksheet will calculate the percentage variance between the amount that you originally anticipated claiming for other costs during this claim period and the actual amount that you are claiming for other costs during this period.

If this variance is more than 15% enter a reason for this in box 1h. Please note that a maximum of 250 characters including spaces can be entered, if further space is required please continue in the Project Progress Text worksheet.

Note: if for any of the three boxes (1c, 1g and 1k) there is a variance of more than 15% and there was also a variance of more than 15% in the previous claim then a revised agreement profile should be submitted with the claim.

2a. Enter the total amount of ESF funding you wish to claim during this period. Please note that this amount will lessen if there are any financial adjustments in worksheet 2 to be deducted.

2b. Enter the total amount of public match funding that you have calculated for this claim period. Please see notes on page 8 relating to sources and amounts of match funding

2c. The worksheet will calculate your total ESF and public match funding cost for you and insert this amount in this box.

2d. Enter the amount of any revenue generated during this claim period. If any of your provider contracts generate revenue as a result of ESF activity this must be recorded. Any revenue generated will be offset against the total costs recorded on this claim.

2e. The worksheet will calculate the total funding recorded on this claim i.e the total of the ESF funding and public match funding cost plus any revenue generated.

The total costs on the claim (as shown in this box 2e) must be the same as the total of the actual payments to providers + actual administration costs + actual other costs.

2.1.a. Enter the total number of participants who have started on ESF funded activity during this claim period. Always enter a figure even if it is zero for a particular claim period.

3a. If you have agreed with the Managing Authority in advance that certain project costs fall within the scope of ERDF, record the amount of the expenditure in this box. This should be the total of the ESF funding and the public match funding added together. The ERDF expenditure amount can be no more than 10% of the total agreement costs.

4a. In this box enter the cumulative amount of ESF that you have committed to date through contracts with providers. Note this is the only CUMULATIVE figure on the claim form. All other figures required on the form are IN-PERIOD i.e relating to costs or revenue recorded during this claim period only.

## **Worksheet 2: Financial Adjustments To Earlier Claims**

If this is the first claim for your agreement this worksheet does not need to be completed.

This worksheet is used to record financial adjustments to earlier claims, either caused by irregularities discovered for example as a result of an audit visit, after the claim has been paid or voluntary adjustments that your organisation is making as a result of an incorrect earlier claim.

The total of any irregularities and any voluntarily declared adjustments recorded on this worksheet will be deducted from the amount of ESF claimed and the payment to your organisation reduced accordingly.

Irregularities or voluntary declared adjustments should only be notified once on a claim form to avoid your payment being reduced in error.

### **Irregularities**

5.1. The table at 5.1 should be used to record any irregularities that you will be making financial adjustments for during this period but relating to an earlier claim. It is essential that an irregularity reference number should be entered for each irregularity recorded on the form. An irregularity should only be entered in this table when it has been quantified i.e it is not an estimate and the exact amount has been quantified during the irregularity process.

Note: monetary values entered should be in whole pounds. e.g an ESF reduction adjustment of £ 5000 would be recorded as -5,000..

**Original claim period:** Enter the claim period that this irregularity relates to (this must be for an earlier claim period). This should be entered in the format mm/yyyy e.g 05/2008 and refers to the period end date for that particular period. It is only possible to use this form to record an irregularity adjustment when it has been quantified i.e. it is not an estimate and the exact amount has been quantified during the irregularity process.

EC regulations require that irregularities are correctly recorded against the original claim period in which the irregular expenditure was declared.

**Irregularity reference number:** Enter the reference number of this irregularity. This is the number that uniquely identifies this irregularity and can be obtained from ESFD.

**Reason category:** Enter the irregularity category (reason) that this irregularity was identified. A list of valid categories follows:-

<b>Irregularity reason category</b>	<b>Reason the irregularity was identified</b>
Article 13	The irregularity was identified during an Article 13 monitoring visit

Article 16	The irregularity was identified during an Article 16 audit visit
Bankruptcy	The irregularity has occurred due to bankruptcy or liquidation of the provider.
RAD investigation referral	The irregularity was identified because of a DWP RAD fraud investigation referral.
Other audit visit	The irregularity was identified during a visit by an EC, OLAF, or NAO audit visit.
Other	The irregularity was identified by some other method e.g Certifying Authority action.

The irregularity 'reason' is a mandatory item and is used when reporting on irregularities to the European Commission.

**Amount of ESF adjustment:** Enter the amount that you are adjusting your ESF funding by as shown on the original claim that this adjustment relates too. For example – if the amount of ESF claimed on the original claim form was £7500 and an Article 13 visit showed that this should only have been £7,000 then the adjustment recorded in this cell would be -500. The adjustment amount may have been notified to you at the time of the Article 13 visit.

**Amount of public adjustment:** Enter the amount that you are adjusting the public match funding amount by as shown on the original claim that this adjustment relates too. For example – if the amount of public match funding shown on the original claim form was £8000 and an Article 16 visit showed that this should only have been £6,500 then the adjustment recorded in this cell would be -1,500.

**Amount of revenue adjustment:** Enter the amount of revenue that you are adjusting as shown on the original claim form. (See previous examples comments for explanation of calculation involved).

**Irregularity total for this period:** The spreadsheet will calculate the total irregularity cost for this period and place the amount in this column. (The total is the amount of ESF adjustment, amount of public match funding adjustment and the amount of revenue adjustment for the original claim period added together).

**Amount of provider cost adjustment:** Enter the amount of 'provider cost' that you are adjusting as shown on the original claim form for the period as defined in column 1 on the table. For example – if the amount of provider cost shown on the original claim was £75,000 but an Article 13 visit identified that this should only have been £62,000 then the adjustment recorded in this cell would be -13,000.

**Amount of admin costs adjustment:** Enter the amount of ‘admin cost’ that you are making as an adjustment to an earlier claim (see earlier examples).

**Amount of other costs adjustment:** Enter the amount of ‘other costs’ that you are making as an adjustment to an earlier claim (see earlier examples).

Note: the total of the provider cost adjustment, the admin costs adjustment and the amount of other costs adjustment should equal the irregularity total for this period as shown in column 7 on the irregularity table (5.1) on the form.

### **Voluntarily declared adjustments**

5.2. On the worksheet at 5.2 there is a table which should be used to record any adjustments required to previous claims that you as a beneficiary are declaring voluntarily. This should be used in situations where you have recorded expenditure in a previous claim but subsequently found the expenditure to be ineligible. If the result is a negative adjustment to the amount of ESF claimed in the original period then the amount paid in the current claim will be reduced accordingly.

Note: Self-declared adjustments relate only to expenditure declared in a previous claim, ESF expenditure from a previous period not declared at the time may be included in the claim for this period (see note at bottom of page 1 of this guidance).

There may be exceptional circumstances where the original claim did not record all ESF expenditure during that period. This can be notified on this claim by adding it to the ESF expenditure declared for this claim period on the financial summary worksheet.

All voluntarily declared adjustments associated with one particular claim period should be entered on one row of the table.

Note: monetary values entered should be in whole pounds only.

Example 1: An ESF adjustment of £ 5000 caused by ineligible expenditure declared in an earlier claim would be recorded as -5,000.

**Original claim period:** Enter the period that this voluntarily declared adjustment relates to (this must be for an earlier claim period). The period date should be entered in the format mm/yyyy (e.g 05/2008) and refers to the period end date for that particular period.

**Reason category:** Enter the voluntary declared adjustment reason. At present the expected reason will be “Self-declared irregularity” although further reasons may be added in future. This is mandatory.

<b>Adjustment category</b>	<b>Reason the adjustment is being made</b>
Self-declared irregularity	Expenditure declared in a previous claim has subsequently being found to be ineligible by your

	organisation and you are declaring it voluntarily.
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**Amount of ESF adjustment:** Enter the amount that you are adjusting your ESF funding by as shown on the original claim that this adjustment relates too. For example – if the amount of ESF claimed on the original claim form was £7500 and subsequently you have discovered that this should only have been £7,000 then the adjustment recorded in this cell would be -500. This figure can only be for a negative amount.

**Amount of public adjustment:** Enter the amount that you are adjusting the public match funding amount by as shown on the original claim that this adjustment relates too. For example – if the amount of public match funding shown on the original claim form was £8000 and subsequently you have discovered this should only have been £6,500 then the adjustment recorded in this cell would be -1,500.

**Amount of revenue adjustment:** Enter the amount of revenue that you are adjusting as shown on the original claim form. (See previous examples comments for explanation of calculation involved).

**Total adjustment for this period:** The spreadsheet will calculate the total voluntary declared adjustment for this period and place the amount in this column. (The total is the amount of ESF adjustment, amount of public match funding adjustment and the amount of revenue adjustment for the original claim period added together).

**Amount of provider cost adjustment:** Enter the amount of ‘provider cost’ that you are adjusting as shown on the original claim form for the period as defined in column 1 on the table. For example – if the amount of provider cost shown on the original claim was £75,000 but you have subsequently discovered that this should only have been £62,000 then the adjustment recorded in this cell would be -13,000.

**Amount of admin costs adjustment:** Enter the amount of ‘admin cost’ that you are making as a voluntary declared adjustment to an earlier claim (see earlier examples for example of calculation involved).

**Amount of other costs adjustment:** Enter the amount of ‘other costs’ that you are making as an adjustment to an earlier claim (see earlier examples for examples of calculation involved).

Note: the total of these last three columns (provider cost adjustment, admin costs adjustment and other costs adjustment) should equal the voluntarily declared adjustment total for this period as shown in column 7 on the voluntarily declared adjustments table (5.2) on the form.

### **Worksheet 3: Project progress**

Box 6a should be used to report on project progress during the reporting period in implementing the CFO plan. Reports should cover contributions to the regional ESF framework, progress on participant starts and results, support provided for specific target groups, progress towards key milestones, examples of good practice, ESF publicity and so on. The information provided will help to provide alongside financial and participant management information, a broader picture of ESF progress at regional and national level and information provided will be used to provide reports to committees.

To ensure a robust audit trail is in place Risk Assurance Division (RAD) have asked for additional information in relation to Payments to providers and Match funding to be included in every claim. Therefore, it is necessary to provide a breakdown of the figures shown in box's 1a, and 2b of the claim form as follows:

- ESF – you must enter the names of all the providers (both ESF and match) and the amounts paid to them which are included in this claim. The amounts must total the figure entered in box 1a.
- Public match funding - you must enter all the sources of matchfunding included in the claim and the associated amounts which equal the amount shown in box 2b

This is a mandatory requirement and the claim will not be paid unless these breakdowns have been included.

For the claim covering the period September – November each year, CFOs are required to provide a more detailed report covering the information set out in section 2.33 of the CFO beneficiary guidance. The information provided for this period will be used to provide information on programme progress in the Annual Implementation Report. It is possible that the European Commission may ask the Managing Authority for additional information to that included in section 2.33. If additional information is required, ESF Division will advise CFOs by 31 October each year of any additional reporting requirements.

#### **Worksheet 4: Declaration**

Enter the date, your name and position in the organisation and then print off the form. You must then sign the form and place an office stamp on it. The claim form should then be posted to your local Government Office using recorded delivery.