

PARTNER INFORMATION, SKILLS DEVELOPMENTS, THE SOCIAL FUND

TO THE BUSINESS WHOSE EMPLOYEES ARE TO PARTICIPATE IN SKILLS DEVELOPMENTS, OR ARE TO BE COVERED BY DEVELOPMENTS FOR THE BUSINESS UNDER THE SOCIAL FUND

Your business or your employees are involved in a project that has obtained a commitment for EU subsidies from the Social Fund. When your employees are included in skills developments in a social fund project, or when entrepreneurs participate in skills development for the business, they are project participants. You can read more about what it means to be a project participant in "Structural Funds (ERDF and ESF) eligibility 2014-2020" at <https://regionalt.erhvervsstyrelsen.dk/regelsamling-2014-2020>.

If the business' costs eligible for grants will be included in the project budget/financial statements to the Danish Business Authority and thus trigger EU subsidies to the project, the business must be an economic partner. As an economic partner, the person or persons authorised to bind the business must sign a partner declaration.

The business' costs eligible for grants on which the EU subsidy must be calculated, can be costs for salary for the time that your project participants spend in the project, and any costs for external consultancy assistance. You can read more about what it means to be an economic partner in "Structural Funds (ERDF and ESF) eligibility 2014-2020" at <https://regionalt.erhvervsstyrelsen.dk/regelsamling-2014-2020>.

If you do not want to be an economic partner

The recipient of the commitment may offer your business or your employees the opportunity to participate in the project even if you do not want to sign a partner declaration. If that is the case, you will pay your employees' salary for the development, and the costs thus do not entail EU subsidies to the project.

Documentation that your payroll costs may entail EU subsidies

To obtain EU subsidies, your business must meet some requirements for documenting the costs. You must be able to document how many hours the project participants have spent for the project and which work the project participants have performed. As an economic partner, you guarantee that your project participants have participated in the project to the extent stated by you.

The salary may be determined as either the actual payroll costs or as a standard rate determined by the Danish Business Authority. You can only use one of the methods for all project participants, including owners. Irrespective of how you choose to determine the payroll costs, each project participant must perform registration of hours. If you choose to determine the salary as the actual payroll costs, the payslip is your documentation. You must therefore keep payslips for the months that will form part of the project accounts. The standard rate does not require documentation. The project participants cannot be employed for full time or part time to be project participants in the course but must always keep registration of hours. You can read more in "Structural Funds (ERDF and ESF) eligibility 2014-2020".



Documentation of the inclusion of expenses for external consultancy assistance

It must be visible to the public how the EU subsidy is spent and the effect of the subsidy. Therefore, as an economic partner, you must be able to document that:

- You have incurred and paid the costs.
- The costs are project-related, i.e. incurred in connection with the completion of the project and within the project period, and project-relevant, i.e. relevant and necessary for the completion of the activities of the specified project.
- In procurement, you have complied with the Danish Public Procurement Act.¹ You can read more about the Danish Public Procurement Act at the Danish Competition and Consumer Authority's website <http://www.kfst.dk/Offentlig-konkurrence/Udbud>.
- You have complied with the principles on sound financial management and economy by checking the market prices of various suppliers and substantiating why you have chosen the said supplier. The price need not be the factor that determines the final choice. The important issue is that you can document that you have checked the market prices and contemplated the choice, and that you are in general economical if the project is to obtain EU subsidies for the cost.

Documentation of cost price

You can only sell and buy services and goods to/from partners in the same project if you can document the cost, as you are related as partners. Therefore, you cannot send an invoice to one another, even if for example you determine the price at your usual list price. You should be particularly aware that an economic partner, which once has paid costs in the project, cannot subsequently change status to become an external supplier. However, it is possible that an external supplier can change status to become an economic partner in a project. Accordingly, the costs must be determined at cost.

The public grant may not be anti-competitive

Public funds paid to private businesses or public organisations which through the funds perform economic activities may inflict unfair competition on other businesses. Therefore, the EU has adopted resolutions on how many public funds a business (both private and public) may receive (the "State aid rules"). All economic partners must document that the aid they obtain is within the limits laid down in the State aid rules. The parties that are recipients of state subsidy according to the block exemption must be able to document an incentive effect. You can read more in the section "State aid" in "Structural Funds (ERDF and ESF) eligibility 2014-2020".

You must report to the Danish Business Authority at least twice a year

At least twice a year, at the end of February and August, the recipient of the commitment must submit a report and interim financial statements with related documentation on behalf of all economic partners of the project. The Danish Business Authority pays the EU grant to the recipient of the commitment.

The Danish Business Authority makes available tools which you will find at <https://regionalt.erhvervsstyrelsen.dk/halvaarlig-afrapportering>. We recommend that you use the tools because they take into account the documentation requirements.

As an economic partner, in due time before reporting, you must agree with the recipient of the commitment which deliveries you are responsible for and when you are to deliver them.

¹ Act no. 1564 of 15 December 2015.

You can obtain further information by:

- Contacting the recipient of the commitment or contacting the Danish Business Authority through the recipient of the commitment.
- Please visit www.regionalt.dk to read more about how to ensure a good project implementation process. Here you can also find "Structural Funds (ERDF and ESF) eligibility 2014-2020".
- Please visit <http://www.kfst.dk/Offentlig-konkurrence/Udbud> to read more about the Danish Public Procurement Act.

The Danish Business Authority, version 4, January 2020