Fact Sheet 6 - Equipment

	Valid from	Valid to	Comments to change
Version 1	16.11.2021		

Core message: Costs for equipment can be funded provided that they are necessary to the project and that the transnational benefit is clear. Projects need to be aware of whether they can claim full purchase value or only depreciation value.

Background

The equipment budget and associated costs must be essential for the delivery of the approved project. Expenditure under this budget line, therefore, needs to be itemised in the approved project application so that the relevant of each item can be assessed. Costs related to equipment purchases that are (i) not covered in the application or (ii) approved subsequently as part of a change are ineligible.

Cost items

In accordance with the applicable regulation[1] costs for equipment purchased, rented or leased by the project partner shall be limited to the following:

- office equipment
- IT hardware and software
- furniture and fittings
- laboratory equipment
- machines and instruments
- tools or devices;
- vehicles
- other specific equipment needed for operations.

Standard office equipment (e.g. a copy machine), standard IT hardware and software (e.g. laptops and word processing software), and office furniture and fittings cannot be claimed under the equipment budget line. These items fall under the office and administration flat rate (see Fact Sheet 3).

[1] Interreg Regulation No. 1059/2021 Article 43

Full purchase cost vs. depreciation

In some cases, the accounting rules will not permit the full value of a piece of equipment to be claimed at once (this also covers purchase of second hand equipment). Instead, it is necessary to depreciate the value of the piece of equipment over a period of years. If this is the case, and the item has not been fully depreciated by the end of the project, only the depreciated value is considered eligible. You must consult your national and/or other relevant accounting rules on this.

Similarly, when a project makes use of equipment which was purchased by a partner before project start but which is still being depreciated in the partner's accounts according to the relevant rules, the programme may fund the amount depreciated on the equipment for each year of the project.

In general, depreciation costs may be considered eligible and can be reported to the programme if[2];

- No other assistance has been received for it from the Interreg funds or other European funds (See Fact Sheet 1 – double funding)
- The price does not exceed the generally accepted price on the market in question
- It has the technical characteristics necessary for the project and complies with applicable norms and standards.

The amount charged to the project should correspond to the amount of time in which the equipment is used by the project, i.e. it would only be possible to charge 100% of the annual depreciation value to the project if the item was used exclusively by the project in that year. It is important to note that it is not possible to charge any depreciation to the programme in this way when the original purchase was made with European Union funds.

Second-hand equipment

It is possible to buy second-hand equipment for the implementation of the project. The second-hand cost for the item can be reported under either of the options explained above (full purchase value or depreciation value). It is essential for second-hand purchases that:

- No other assistance has been received for it from the ESI Funds
- Its price does not exceed the generally accepted price on the market in question
- It has the technical characteristics necessary for the operation and complies with applicable norms and standards.

This must be verified in the project's records.

[2] Interreg Regulation No. 1059/2021 Article 43(2)

References

- Interreg Regulation No. 1059/2021 Article 43