Investing in Skills
Implementation and Guidance Notes

Aid Scheme part-financed by the European Union
Operational Programme II – Cohesion Policy 2014 - 2020
Investing in human capital to create more opportunities and promote the well-being of society

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1 Introduction

1.1 Scope of the Implementation and Guidance Notes

The scope of these Implementation and Guidance Notes is to provide assistance to applicants when applying for grants under the Investing in Skills Scheme. Investing in Skills is a scheme co-financed through the European Social Fund (ESF), the Maltese Government and the Beneficiary. Investing in Skills falls under Malta’s Operational Programme II of the ESF - ‘Investing in human capital to create more opportunities and promote the wellbeing of society’ for the 2014-2020 programming period.

All applicants must abide by the Implementation and Guidance Notes valid at the time of application and subsequent addenda, which can be found on the Jobsplus website. https://jobsplus.gov.mt/schemes-jobseekers/investing-in-skills.

1.2 Rationale of the Scheme

Investing in Skills is intended to promote access to the training of persons actively participating in the Maltese labour market, with a view to increasing productivity and enhancing adaptability. It seeks to increase and/or improve the knowledge and skills of employed persons through funds granted by this scheme.

1.3 Legal Basis

The scheme is in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the common market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU), known as the General Block Exemption Regulation (GBER).

1.4 Available Budget and Duration of the Scheme

Funds available under the scheme are subject to a total budget of approximately €8 million. The scheme is demand driven and grants will be provided on a first-come first-served basis subject to calendar year total ceilings of approximately € 2 million.

This scheme will be opened on the 29th March 2017. Training must commence and be completed between 19th April 2017 and 30th June 2020.

1.5 Main Parties Involved with the Implementation of the IIS Scheme

1.5.1 Jobsplus

The overall responsibility for the management and implementation of Investing in Skills is that of Jobsplus, hereinafter referred to as the Intermediate Body (IB).

1.5.2 The Beneficiary

a) In the case of Investing in Skills, the Beneficiary is the body implementing an operation that is approved by the IB and has signed a Grant Agreement with the latter;

b) The Beneficiary is responsible to implement the operation in line with the terms and conditions of the Grant Agreement signed with the IB and the Investing in Skills Implementation and Guidance Notes. The Beneficiary should always be guided by the principles of good governance, sound financial management, fairness and transparency; and

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1 The Regulation can be accessed using the following link: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN
c) The list of Beneficiaries benefiting from aid schemes funded through the ESF will be listed on the Jobsplus website: https://jobsplus.gov.mt/schemes-jobseekers/investing-in-skills.

1.5.3 The Line Ministry

The Line Ministry within the Ministry for Education and Employment (MEDE) reserves the right to conduct unannounced monitoring visits on a sample basis to ensure that training is ongoing as per application submitted and corresponding Grant Agreement.

1.5.4 The Treasury

The Treasury Department, EU Funds Management Unit (EUFMU) within the Ministry for Finance (MFIN) is mainly responsible for:

a) Carrying out relevant checks; and
b) Effecting reimbursement to Beneficiaries through the Central Bank of Malta (CBM).

2 Eligibility of Applications

2.1 Eligibility

The applicant must meet all the eligibility criteria to benefit from this scheme. Eligible applicants cover all undertakings, engaged in an economic activity, irrespective of their legal form. These include self-employed persons, family businesses, partnerships, associations or other body of persons.

2.2 Eligibility Criteria

Only applications meeting all the eligibility criteria for Undertakings will be approved for funding.

a) Complete documentation - The Applicant shall fill in and submit the latest available Investing in Skills Application Form found on the Jobsplus website https://jobsplus.gov.mt/schemes-jobseekers/investing-in-skills complete with all relevant details, enclosing supporting documentation, as applicable. Incomplete applications will not be accepted for processing;
b) Falls within the definition of undertaking;
c) Project implemented within / for the direct benefit of the eligible territory;
d) Incentive Effect: Aid shall be considered to have an incentive effect if the Beneficiary has submitted a written application for the aid before work on the project or activity starts. Therefore, claim and proof of deliverables should be dated after the submission date of the IIS application.
e) Eligible Training Programme: Aid shall not be granted for training which beneficiaries carry out to comply with National Mandatory Standards on training (in other words, it must be voluntary training as opposed to legally enforced training). Furthermore, Information Sessions and Team Building events are not eligible under Investing in Skills since these are not considered as training;
f) The trainee needs to be formally employed with the beneficiary during the training period;
g) Aid cannot be granted to any Undertaking found to be in difficulty. Jobsplus will conduct checks to ensure that every applicant Undertaking is financially sound.

2 Please refer to Annex I of these Implementation and Guidance Note for concise definitions.
3 Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not eligible. Refer to Section 5.7.
4 Please refer to Annex I of these Implementation and Guidance Note for concise definitions.
2.2.2 Eligible Aid Intensity

Training Aid Intensity refers to the aid amount expressed as a percentage of the training programme’s eligible costs. The proportion will vary according to the size of the undertaking (Large, Medium, Small or Micro) as indicated below. **The Co-financing rate will be applied on the total eligible cost.**

The size of an undertaking determines the level of assistance which is established by staff headcount and financial thresholds as explained below:

### Classification of Undertakings and Relative Aid Intensity of the eligible costs

<table>
<thead>
<tr>
<th>SME Definition</th>
<th>Aid Intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large No of employees exceeds 250</td>
<td>50%</td>
</tr>
<tr>
<td>Medium No of employees not exceeding 250 persons and Annual Turnover not exceeding €50m and/or Annual balance Sheet Total not exceeding €43m</td>
<td>60%</td>
</tr>
<tr>
<td>Small No of employees fewer than 50 persons and Annual Turnover and/or Annual balance sheet total not exceeding €10m</td>
<td>70%</td>
</tr>
<tr>
<td>Micro No of employees less than 10 persons and Annual Turnover and/or Annual balance sheet total not exceeding €2m</td>
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The Applicant will indicate the size of the Undertaking on the IIS Application Form. It is also understood that the Applicant Undertaking is to have all accounts including Annual Reports and Financial Statements updated with the relevant authorities, such as the MFSA. The IB will conduct the necessary checks to confirm the composition and size of the applicant undertaking. Verifications are also carried out to determine if the applicant undertaking is in difficulty. This will be ascertained through the Jobsplus database, information obtained through the MFSA company accounts records (if applicable) and other sources.

If the latest updated records are not available, the IB will request such documents from the applicant undertaking. **Failure to present the relevant documents within a stipulated timeframe of two weeks and subject to such documents being registered with the relevant authority within an additional week, will lead to the rejection of the application.**

In case of newly-established enterprises which have commenced operations within the previous three years and whose accounts have not yet been submitted, the data to be applied is to be derived from a bona fide estimate made in the course of the financial year. These will be obtained from estimates signed by the accountant of the company.

All other applicant entities, for example self-employed persons and partnerships, need to submit the latest Tax Return Form and Income Statement (Profit and Loss Account) as part of the application documentation. In cases where the entity has just started up (has commenced operations within the previous three years), signed estimates/projections would need to be submitted.

Where variations are detected, the IB reserves the right to review the grant’s aid intensity to that of a larger size.

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2.3 Eligibility and Evaluation of Operations

Projects received will be evaluated by the Evaluation Committee, according to a set of eligibility criteria which are identified above in Section 2.2. These criteria have been approved by the Monitoring Committee in line with Article 65 of Council Regulation 1083/2003.

2.3.1 Eligible Costs

a) Trainer/s personnel costs, for the hours during which the trainers participate in the training;
b) Trainers’ and trainees’ operating costs directly related to the training project such as travel expenses; and
c) Trainees’ personnel costs for the hours during which the trainees participate in the training.

2.3.2 Some Examples of Ineligible Costs:

a) Minimum 100% eligible training aid costs per application. The total eligible cost per application should be a minimum of €500 in the case of Medium and Large Undertakings. In the case of Small or Micro Undertakings, this threshold is set at €200;
b) Any training provided by a linked company (over 50% shareholding); and
c) Internal training.

The applicable Co-financing rate will be applied on the total eligible cost.

Origin of funds: The Undertaking shall be solely responsible to ensure that to the best of its knowledge, no funds invested in this Operation by such Undertaking are of illicit origin, including products of money laundering or linked to the financing of terrorism.

Applicants that are subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market, will not be eligible to apply for assistance under this scheme.

2.4 External Trainers’ Costs

External trainers’ fees, for the hours during which the trainers participate in the training.

Only the direct hours, excluding breaks, during which the trainer/s actually participate in the training, may be taken into account.

The maximum number of hours that can be claimed in the form of training fees cannot exceed 8 hours per day and 40 hours per week.

Reimbursement will be calculated on the hours listed on certified attendance sheets, when using the Standard Scale of Unit Cost of €25 per trainee per hour.

Under no circumstances can the IB reimburse more than 15 trainees for the same training under IIS, irrespective if these claims derive from separate and unrelated Beneficiaries.

In cases where the training is exclusive to the beneficiary, the IB will reimburse up to a maximum of 15 trainees per group for each training programme. By this it is implied that if, for example, a beneficiary sends a group of 20 trainees for training, the IB will reimburse up to 15 trainees.

In cases where the training is not exclusive, and if two separate beneficiaries apply for the same training programme that is delivered by the same trainer with the same training schedule, the IB will still reimburse up to a maximum of 15 trainees per group. Therefore, for instance, should two separate beneficiaries send 20 trainees each to the same training, the IB will pro-rate the grants of both beneficiaries accordingly to a maximum reimbursement amount of 7.5 trainees per beneficiary.
The IB will reimburse the unit cost based on the training hours actually attended by each trainee up to a maximum of 25 hours per trainee for non-accredited training. If training is accredited by the NCFHE (National Commission for Further and Higher Education), ITS (Institute of Tourism Studies), UOM (University of Malta) and MCAST (Malta College of Arts, Science & Technology) the capping of 25 hours will not be applied. In this case, the IB will reimburse each trainee to the maximum of contact hours approved by the NCFHE, ITS, UOM or MCAST.

In the case of accredited training, MQF/EQF Levels 1-5 will be accepted under Investing in Skills.

In the case of Distance Learning or e-Learning, reimbursement will be calculated on the number of hours indicated by the training service provider using the Standard Scale of Unit cost up to a maximum of 25 hours for non-accredited training. In the case of accredited training, the reimbursement will be based on the number of hours indicated by the NCFHE or the training service provider in the case of self-accredited institutions.

### 2.5 Trainees’ Personnel Costs

Trainees’ Personnel Costs for the hours during which the trainees participate in the training.

A Standard Scale of Unit Cost of € 4.90 per trainee per hour will be applied for external training that occurs during the normal working hours of the trainees. Attendance sheets will also determine the final amount of personnel costs to be reimbursed. Trainees’ personnel costs cannot be claimed in the case of Distance Learning or e-Learning.

Furthermore, no more than 8 hours per day to a maximum of 40 hours a week can be reimbursed.

### 2.6 Trainers’ and Trainees’ Flight Expenses

If the training provider resides abroad, travel costs pertaining to air travel can be claimed by the trainer/s coming to Malta or the trainee/s going abroad. Travel costs will be based on the Erasmus Plus Grant Support for the mobility of staff. Beneficiaries are to calculate the distance through the following link: [http://ec.europa.eu/programmes/erasmus-plus/resources_en#tab-1-4](http://ec.europa.eu/programmes/erasmus-plus/resources_en#tab-1-4) (for Malta please type Luqa, Malta).

<table>
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<tr>
<th>Applicable Rates according to Distance</th>
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<tr>
<td>For travel distances between 100 and 499 KM</td>
<td>€ 180 per participant per round trip</td>
</tr>
<tr>
<td>For travel distances between 500 and 1999 KM</td>
<td>€ 275 per participant per round trip</td>
</tr>
<tr>
<td>For travel distances between 2000 and 2999 KM</td>
<td>€ 360 per participant per round trip</td>
</tr>
<tr>
<td>For travel distances between 3000 and 3999 KM</td>
<td>€ 530 per participant per round trip</td>
</tr>
<tr>
<td>For travel distances between 4000 and 7999 KM</td>
<td>€ 820 per participant per round trip</td>
</tr>
<tr>
<td>For travel distances between 8000 KM or more</td>
<td>€1,300 per participant per round trip</td>
</tr>
</tbody>
</table>

Reimbursement of air travel expenses will be given upon presentation of original boarding passes. Original boarding passes need to be provided for each connecting flight (if applicable). Printed mobile screenshots that indicate ALL flight details are accepted too.

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6 If boarding passes have been lost, you can ask the airline to issue a Virtual Coupon Record (VCR). Only those VCRs that have the status marked as USED will be accepted instead of the original boarding passes.
3 Application and Evaluation Process

3.1 Application Process

Investing in Skills applications will be processed on a first come first served basis. Complete applications must be received by the Investing in Skills Unit at least three weeks (twenty-one calendar days) before the start date of training.

a) Only the latest application form downloadable from the Jobsplus website [https://jobsplus.gov.mt/schemes-jobseekers/investing-in-skills](https://jobsplus.gov.mt/schemes-jobseekers/investing-in-skills) will be acknowledged;

b) Complete applications, together with all supporting documentation must be submitted in full, signed and dated by the Beneficiary. Applications are to be received in original and can be submitted by hand or by registered post to the Investing in Skills Unit, Jobsplus Head Office, Hal Far BBG 3000. Incomplete applications will not be accepted; and

c) Delegated persons will be able to liaise with the Investing in Skills Unit with any endorsements, queries or clarifications pertaining to the application.

3.2 Documents to be submitted at Application Stage:

The Investing in Skills Application Form MUST be filled in electronically and printed in DUPLEX (back-to-front). The applications must indicate the Legal Name of the potential Beneficiary. Only one training programme per application can be applied for, hence the duration of training should be the same for all trainees.

Applicants should submit an original and complete Investing in Skills Application Form together with the supporting documents indicated in the Implementation and Guidance Notes and listed hereunder:

a) Complete Application Form;

b) Training Schedule Template duly filled in;

c) Training Programme Template with detailed course content which is to be filled in by the training service provider; and

d) Financial estimates/latest Tax Return Form and Income Statement (Profit and Loss Account) (where applicable). Please refer to Section 2.2.2.

Other documentation may be requested at any time for additional verification purposes.

3.3 Evaluation Process

The potential Beneficiary must meet all the eligibility criteria listed in Section 2.2 above, to benefit from this scheme. The Evaluation Committee will assess the application by applying criteria (a, b, c, d, e and g)\(^8\).

Funding for ineligible costs claimed will be deducted from the grant.

Beneficiaries are to ensure that they are compliant with Subsidiary Legislation 343.23: Manpower records (commencement or termination of employment) regulations\(^9\).

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7 The ‘Legal Name of Undertaking’:
   a. The legal name of the applicant undertaking as registered under the law applicable to its establishment. E.g. Applicant undertakings registrable under the Companies Act – Chapter 387 of the Laws of Malta, should provide the name as registered with the Registrar of Companies.
   b. Undertakings which are not vested with a legal personality acquired through the law applicable to their establishment, e.g. Associations, are to include the name as registered under the Second Schedule of the Civil Code (Chap. 16 Laws of Malta).
   c. Self-employed/Sole Traders should include the name of the self-employed person.

8 The Incentive Effect (Criterion d) could be checked at application and reimbursement stage whilst the trainee eligibility (Criterion f) will be checked at reimbursement stage.

If the eligibility criteria are not all met, a non-acceptance letter will be issued and the request for funding will not be approved. An application could be partially accepted\(^{10}\), in this case a partially acceptance letter will be issued.

The ineligible or partially eligible applicant has the right to submit an appeal to the Aid Schemes Appeals Board within **ten working days from the date of the non/partially acceptance letter**. The appeal should include a detailed explanation as to why the applicant cannot accept the decision. The Aid Schemes Appeals Board will take into consideration the issues raised during the evaluation process and if the case is upheld, the application process will proceed. Late appeals will not be considered. The decision of the Aid Schemes Appeals Board will be final.

### 3.4 Basic Terms and Conditions

European Union (EU) funds will be offered on terms and conditions as stipulated in the Grant Agreement and the Investing in Skills Implementation and Guidance Notes. In accepting the offer of EU funds the applicant will take the responsibility for compliance with these terms and conditions.

The Grant Agreement will be issued with separate cost components. At Reimbursement Stage the public eligible per cost component will be capped on each amount cost as per Grant Agreement.

No amendments or variations to the terms of the Grant Agreement and training schedule will be effective unless agreed to in writing by the IB. Such requests are to be accompanied by a justification note stating the reason for the change. Notwithstanding this provision, should the reason for the delay or change be unacceptable, the IB reserves the right to refuse payment of the grant amount to the Beneficiary.

**Requests for changes in external training providers or training programmes will not be entertained.**

### 4 Compliance with Community Policies

#### 4.1 General Principles

A Beneficiary should ensure coherence with Community Policies namely, state aid requirements as well as equal opportunities, sustainable development and environmental sustainability.

##### 4.1.1 State Aid Requirements

EU State Aid rules apply in the case of Investing in Skills as it involves direct financial support from the public sector to commercial enterprises or organisations carrying out an economic activity. It is important to note that if an aid recipient (i.e. the Beneficiary) is found to be in breach of state aid requirements, the funds will be recovered from the Beneficiary including possible interests and fines.

##### 4.1.2 Equality

It is important to note that every Beneficiary is required to take a pro-active approach to Equal Opportunities. The Beneficiary must ensure that Equal Opportunities are taken into consideration at all stages of the Investing in Skills operation. Equal Opportunities should be understood to encompass not just gender discrimination but also discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Therefore, the beneficiary must have in place the necessary safeguards to prevent any form of discrimination based on sex, racial and ethnic origin, religion or belief, age, disability or sexual orientation as referred in terms of Chapter 452 and Chapter 456 of the Laws of Malta.

##### 4.1.3 Sustainable Development

All efforts should be made by the Beneficiary to include sustainable development related actions at all stages of the operation (training programme). The Beneficiary must ensure that the operation is structured in such a manner that concrete positive actions towards better sustainability are mainstreamed throughout.

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\(^{10}\) For example, parts of the training programme are considered as ineligible.
4.1.4 Environmental Sustainability

It is important to note that environmental matters should be taken into consideration at all stages of the design and implementation of the operation. The operation should be structured to ensure minimum environmental damage and maximum benefits.

5 Investing in Skills Reimbursement Process

5.1 Payment Procedures and Reimbursement

As part of the Payment and Reimbursement Procedures, the Investing in Skills Unit will be responsible to ensure that the:

a) Applications for reimbursement by the Beneficiary are correct.
b) Services have been delivered in accordance with the Grant Agreement.
c) Incentive Effect (Section 2.2 Criterion d) has been respected.
d) Eligibility check of the trainees has been conducted (Section 2.2 Criterion f).

5.2 Documentation to be presented at Reimbursement Stage

The Beneficiary must pay from own funds the total expenditure incurred to the service provider. Once the operation has been successfully completed, the Beneficiary is to provide the following documentation which will be retained by the Investing in Skills Unit, in order to process the Claim for Reimbursement in line with the co-financing rate and maximum subsidy payable in the Grant Agreement:

a) ORIGINAL Request for Reimbursement
b) ORIGINAL Financial ID Form (TRS9)11
c) Attendance Sheets (Signed by trainees & trainers)
d) Certificate and/or result slips12
e) Trainees’ Wage Cost Calculator indicating normal working hours.
f) ORIGINAL Boarding Passes in the case of Air Travel
g) Participants Report signed by the trainee/s
h) Photo/s of the IIS Publicity Poster which was provided by the IB, affixed at a location readily visible to the public, such as the entrance area of a building.

All necessary documents can be found and downloaded from the Jobsplus website: https://jobsplus.gov.mt/schemes-jobseekers/investing-in-skills

5.3 Financial ID Form (TRS9)

The Financial ID Form (TRS9) is downloadable from the Jobsplus website. It is important that the details entered in this form match the company name and address as registered with the VAT Department and/or MFSA.

5.4 Proof of Successful Completion and Attendance

The Beneficiary is to submit a copy of the Certificate/s (Achievement/Attendance) or result/s issued by the training provider/awarding body.

Proof of attendance of the training programme will be derived from attendance sheets covering the training period, including date/s, time/s of training and break time. Investing in Skills attendance sheets need to be signed by the trainee/s, and the trainer/s for training programmes with the exception of Distance Learning and e-Learning. These Investing in Skills attendance sheet templates are downloadable from the Jobsplus website.

5.5 Payment of External Trainers’ Costs and Air Travel Costs

a) Reimbursement will be calculated on the applicable calculations (indicated in these Implementation and Guidance Notes) when using the Standard Scale of Unit Cost of € 25 per trainee per hour to a maximum of € 11

11 The original Financial ID Form needs to be submitted once. For subsequent claims a copy of the original form will suffice.
12 Certificates should ideally include the start and end date of training.
15 trainees per group. The capping of approved contact hours and trainees as stipulated in Section 2.4 will also apply; and;

b) Trainers’ and Trainees’ Flight Expenses Original boarding passes or Virtual Coupon Records marked ‘USED’ for all relevant flights being claimed. Printed mobile screenshots that indicate ALL flight details are accepted too.

### 5.6 Invoice Payment Process

Reasonable care shall be taken by the Investing in Skills Unit to ensure that the payment process is not unduly delayed. The Investing in Skills Unit shall not be held responsible for delay or loss due to reasons beyond its control. It is the responsibility of the Beneficiary to ensure that claims for reimbursement together with relevant documentation are sent duly completed and correctly (i.e. first time round) by not later than **four weeks from the end date of training** for projects that require a Certificate of Attendance.

Where a Certificate of Achievement is required, the claim for reimbursement must be submitted by **not later than eight weeks from the end date of training**.

**Notwithstanding the above, all claims for reimbursement together with complete supporting documentation must be submitted by not later than 31st August 2020.**

Claims for reimbursement that are not submitted by the above mentioned time frames could be de-committed.

Training that goes beyond the eligibility period cannot be considered for funding.

Once the Investing in Skills Unit is satisfied that reimbursement of expenses incurred is in accordance with the approval and also in line with other conditions that may have been subsequently agreed with the Beneficiary, a request for payment will be forwarded to the Treasury Department within the (EUFMU). Jobsplus will not be held liable for delays in the approval process or for any overturning of Jobsplus’s approval of payment.

### 5.7 Double Financing

To avoid double-financing of expenditure with other Community or National schemes and with other programming periods, Jobsplus reserves the right to share information with other public entities/public authorities in order to ensure that no other public funds are made available to the Beneficiary in respect of the same activity.

Funding/reimbursement of eligible cost for the same training programme, for the same employees, from any other sources is strictly prohibited. Accordingly, should the Beneficiary, in any way, gain financially from any National scheme or EU funded Aid scheme for the same cost component, funding for such cost will be ineligible.

### 5.8 Beneficiaries Subject to Recovery of Community and National Funds

The Beneficiary should notify Jobsplus if it is subject to any recovery of funds in Malta and in any other member state.

### 6 Monitoring and Evaluation

#### 6.1 Monitoring by the Beneficiary

The Beneficiary has the responsibility of ensuring effective monitoring of the project through its project leader/contact person or delegated person/s. The responsibility of the Beneficiary extends beyond the achievement of results but entails also the monitoring of physical implementation on the ground. The attendance sheets submitted by the Beneficiary will be considered for all intents and purposes as an official declaration by both the trainer/s and the trainee/s that the training was delivered as stated in the attendance sheets. This means that the IB will issue payment according to the details provided. It is up to the Beneficiary to choose the most appropriate tool to ensure effective and timely monitoring of the project (training programme). The Beneficiary must keep continuous track of the activities related to the project. Such activities may take the form of reports on coursework.
done, reports by trainers, checks on attendance sheets (these must be endorsed by both the trainer and trainee/s). It is being recommended that the Beneficiary keeps photos of the training session.

6.2 Monitoring Visits (Physical On-The-Spot Checks) by the IB

The IB’s Monitoring Officers will conduct unannounced monitoring visits on a sample basis to ensure that training is ongoing as per application submitted. Each monitoring visit will be supported by a monitoring report and photos.

The Beneficiary must inform trainers, trainees and training providers that such monitoring visits may be conducted and that photographs may be used for publicity purposes. It is the beneficiary’s responsibility to ensure consent of the trainers and participants. Should any photograph be subsequently required for publication, the prior written consent will be obtained from the Beneficiary, and such consent should not unreasonably be withheld.

6.3 Participation in Monitoring and Evaluation Activities

The Beneficiary accepts to participate in and contribute to monitoring and evaluation activities organised by Jobsplus, the Managing Authority\(^{13}\), the European Commission as well as other Authorities.

7 Audit and Control

7.1 Internal Control

Officials from the Managing Authority\(^{14}\), the IB and other horizontal stakeholders\(^{15}\) and audit bodies will also have the right of access to all information related to the funded operation. This will include (but will not be limited to) the performance of documentary and physical on-the-spot checks to monitor compliance with the Grant Agreement, with the horizontal priorities of publicity, state aid, equal opportunities, the environment and sustainable development, evaluation and with the prevailing EU Regulations for Structural Funds.

The Beneficiary also understands that the IB reserves the right to implement preventive and detective control mechanisms to combat fraud and corruption. The IB is also committed in transmitting cases to the competent authorities for investigations and sanctions.

7.2 First Level of Control & On-The-Spot Checks (Jobsplus and other Authorities)

Management verifications (administrative/monitoring and physical) shall be carried out by Jobsplus and in instances the Managing Authority and the Certifying Authority\(^{16}\) to ensure that training was carried out in line with the Grant Agreement that the relevant procedures have been followed and that operations compliance with Community and National rules (e.g. State Aid, protection of the environment, equal opportunities and publicity throughout the implementation of the operation) were adhered to.

**Jobsplus may conduct three types of checks:**

- **a)** Physical On-the-Spot Checks (Monitoring) – This will be carried out ad hoc to ensure that the training is ongoing as per application form submitted and signed Grant Agreement;

- **b)** Desk-Based On-the-Spot Checks at the Beneficiary – In-depth checks may be carried out on a sample basis, in terms of verification of documents. Further documents may be requested from Beneficiaries to assist Jobsplus during these checks; and

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\(^{13}\) The Managing Authority (MA) is the body responsible for the overall management of the EU Cohesion Policy. The MA is the Planning and Priorities Co-ordination Division within the Ministry of European Affairs and Equality.

\(^{14}\) The Planning and Priorities Co-ordination Division (PPCD) within the Ministry for European Affairs and Implementation of the Electoral Manifesto.


\(^{16}\) The Certifying Authority (CA) is responsible for certification process of EU funds. The CA is the EU Paying Authority Directorate within the Ministry of Finance, Economy and Investment.
c) Desk-Based Documentary Checks – The IB will ensure that documents submitted by the beneficiaries are correct.

It should be noted that these checks are NOT audits but administrative and physical verifications. Jobsplus will coordinate such checks. Any queries that may arise from such checks are submitted to the Beneficiary and should be answered within a stipulated deadline to ensure that funds are not at risk.

These checks focus on the administrative, publicity and physical aspects of the project (during or after the training to verify the reality of the operation and subsequent reimbursement). The Beneficiary should note that the following documents form an integral part of the project dossier which may be checked during on-the-spot checks:

a) Copy of the Application Form and supporting documentation;
b) Original Grant Agreement;
c) Correspondence on agreed changes to the operation;
d) Copies of all reimbursement documentation submitted;
e) Publicity records including a photo of IIS poster affixed at a location readily visible to the public, such as the entrance area of a building.

The Managing Authority, Certifying Authority and other authorities may also carry out these checks.

7.2.1 Follow-up Action to the On-The-Spot Check

Following an on-the-spot check, Jobsplus/MA/CA shall fill out the OTS report (outlining findings and where necessary follow-up/recommendations\(^\text{17}\)) which shall be signed by a representative of the Beneficiary or a representative of the Institution contracted by the beneficiary to provide training services and the monitoring officer. The finalised report is uploaded on a Database (Structural Funds Database 2014-2020) by Jobsplus for the benefit of the relevant stakeholders\(^\text{18}\).

Any follow-up action is to be undertaken by the Beneficiary within a stipulated deadline. Failure to do so may result in suspension of the grant or potential recovery of funds if paid.

Jobsplus undertakes a follow-up spot check if necessary.

7.3 Second Level of Control

The 2\(^{\text{nd}}\) level of control refers to audits (on systems and operations) that are carried out by local and foreign audit institutions. The Internal Audit and Investigations Directorate (IAID) is the designated audit authority and it is the main entity responsible for second level of control. The audits are carried out on an ongoing basis throughout the programming period; therefore, documents are to be retained for five years after the end date of the project (training programme).

Beneficiaries should note that other organisations including the National Audit Office (NAO) as well as the European Commission and the European Court of Auditors may undertake audits on the projects. Other organisations such as the State Aid Monitoring Board (SAMB) or the VAT Department may carry out checks on the project in order to ensure that the project is being implemented in accordance with state aid or VAT regulations.

The Audit Authority will inform the Beneficiary of the audit at least one day in advance. The Beneficiary must ensure that all relevant documentation is made available to the auditors. The Beneficiary should provide the necessary support to the auditors in carrying out their work.

A report will be sent by the Audit Authority to Jobsplus, copied to the MA, the CA and the Line Ministry. The Audit Authority may organise follow-up audits if necessary.

\(^{17}\) Where applicable.

\(^{18}\) Managing Authority, Certifying Authority, Audit Authority and any other relevant organisations.
7.4 Preparing for Audit Visits (applicable to all audits)

As part of their preparation for an audit, Beneficiaries should:

a) Ensure that all persons (including technical personnel) within the Beneficiary organisation involved in the implementation of the operation being audited are available during the audit. It is important that the Contact Person/Project Leader or his/her delegate are present during the audit;

b) Ensure that all the project documentation is made available and filed to facilitate easy access to the necessary documentation during the audit; the auditors may ask for copies of documents that are in file; and

c) It is important to note that auditors may give no prior notice to visit the site and may ask the Beneficiary at short notice for an ad-hoc site visit.

Typically, auditors will seek to examine the following documentation during an audit visit:

a) **Project Documentation:**
   i. Copy of application submitted and supporting documentation;
   ii. Acceptance Letter and Signed Grant Agreement and between IB and the Beneficiary; and
   iii. Addenda and Corrigenda to the Grant Agreement and related correspondence.

b) **Payments:**
   i. Copies of the claims for reimbursement of the operation sent to Jobsplus together with copies of attendance sheets, certificates and boarding passes where applicable.

c) **Information and Publicity such as:**
   i. Photos or recordings evidencing information activities or publicity undertaken in relation to the operation;
   ii. Copies of handouts, documents, attendance sheets, certificates, agendas and other publications displaying EU information and publicity requirements;
   iii. Copies of press articles (where applicable); and
   iv. Verification of compliance with compulsory EU information and publicity requirements at the beneficiary’s premises.

d) **Any other documents** submitted at application, implementation and reimbursement stage.

7.5 Follow-up to an Audit

Once the audit is concluded, the auditors will write a report with the findings and any recommendations. Should there be the need for any clarifications; the auditors will seek feedback from both the IB and the beneficiary.

7.6 Closure

Beneficiary should note that projects can be audited even after completion of the project implementation. In view of this all project documentation must be retained by the Beneficiary for **five years** after the end date of the project (training programme).

8 Reporting on irregularities

8.1 How to Detect an Irregularity

Irregularities are mainly detected though checks and audits carried out. However, irregularities can be detected through other means including evaluation, grievance or compliant (anonymous or not), and/or press information.

8.2 Reporting an Irregularity by the Beneficiary

The Beneficiary is duty bound to **IMMEDIATELY** report any irregularities noted to the Project Leader of Investing in Skills Scheme within Jobsplus.
8.3 Financial Recoveries

In case an irregularity necessitates recovery of funds, the organisation detecting the irregularity must ensure that recovery procedures are initiated immediately.

8.4 Financial Corrections

It is important to note that failure to apply rules and regulations can result in irregularities. These in turn, could lead to financial corrections up to 100% of the amount paid with the possibility of additional interests and fines. Such irregularities will be reimbursed by the Beneficiary by simple demand.

9 Information and Publicity

a) In accordance with Article 115(2) of Regulation (EU) No. 1303/2013, in order to enhance transparency regarding use of the Funds, the names of the Beneficiaries, the title of the operations, applicable aid intensities and the amount of public funding allocated to operations will be published electronically by the IB and the MA;

b) As part of such publicity, the Beneficiary will be obliged to affix a poster (minimum size A3) at a location readily visible to the public, such as the entrance area of a building. This poster will be provided by Jobsplus and indicate the participation in Investing in Skills, including the funding sources of the training programme. This poster must be exhibited until one year after the last end date of training supported under the scheme;

c) Photographic evidence of the above mentioned poster shall be kept in file;

d) Where an operation receives funding under the Investing in Skills, the Beneficiary shall ensure that those taking part in the operation (employee/s, trainers and training providers) have been informed of that funding by making reference to the name of Fund and the European Union;

e) The Beneficiary must collaborate with the IB during the organisation of events or promotional activities, including networks and exchanges of experience at both National and European level; and

f) Furthermore, any documents, including any attendance sheets, certificates concerning such operation shall, where practically possible, include the logos indicated below as indicated in the Managing Authority’s Visual Identity Guidelines.

For any further details or clarifications, kindly contact the Communications Unit at the Managing Authority.

9.1 Data Protection

All data is collected and held by Jobsplus and/or transferred to third parties in order to fulfil Jobsplus’s functions including publicity and research and other Community obligations according to law and in line with the provisions of the Data Protection Act.

Beneficiaries should disclose to Jobsplus, data which is correct and accurate. The Beneficiary has a right to access all data as well as to request that any incorrect data be rectified. The Beneficiary should ask for assistance, if any queries arise. Where the data pertains to a third party, the employee should be informed by the beneficiary and the accuracy of the data should be ascertained.
10  Retention of Documents

The Beneficiary in Investing in Skills is obliged to keep all documents related to the operation for audit purposes for five years after the end date of the project (training programme). Beneficiaries will be required to maintain documents in their original or copy format as required. Refer to Section 7.4 for details of the documents to be retained and can be checked during audit visits.

11  Examples of Ineligible Training Programmes

This list of Training Programmes carried out to comply with National Mandatory Standards on training is NOT exhaustive.

Anti-money laundering training – Subsidiary Legislation 373.01: Prevention of Money Laundering and funding of Terrorism Regulations.


Health & Safety Training - Subsidiary Legislation 424.18: General Provisions for Health and Safety at Work Place Regulations.

Seafarers security training – Subsidiary Legislation 234.17 Merchant Shipping (Training & Certification) Regulations.


Training on Aircraft Maintenance: EC Regulation 1321/2014 on the continuing airworthiness of aircraft and aeronautical products, parts and appliances, and on the approval of organisation and personnel involved in these tasks.
12 Investing in Skills Scheme System Flow Chart

IIS application is submitted

Acknowledgement Letter is sent.

Application and supporting documentation are vetted by the IIS Unit.

Is documentation correct?

File is sent to the Mapping Unit and the Evaluation Committee.

Additional clarifications or documentation may be requested against a stipulated deadline.

Applicant is contacted to supply missing documentation.

If deadlines are not adhered to the application could be deemed ineligible.

The Mapping Unit conducts checks on the Undertaking and the Evaluation Committee adjudicates the application against set criteria.

Non or Partially Acceptance Letter is issued indicating the reason for ineligibility, together with an Appeal form.

Is Application eligible?

Acceptance Letter is issued inviting the applicant to sign a Grant Agreement.

A Grant Agreement between Jobsplus and the Beneficiary is signed.

The Monitoring Unit will conduct unannounced on the spot checks to ensure that training is ongoing in line with the application submitted and the signed Grant Agreement.

The Beneficiary is to submit a Claim for Reimbursement, together with all documentation following the completion of training. File is sent for re-evaluation to check eligibly of trainees.

The Treasury Department will conduct further checks.

Payment is issued.

The Appeal Form must be submitted within 10 working days from the date of the Non Acceptance or Partially Acceptance Letter. Late Appeals will not be accepted. The decision of the Board is FINAL.
13 Annex I – Definitions of Undertaking and Undertaking in Difficulty

Definition of Undertaking: including a partnership, company, self-employed persons, family businesses, association or other bodies, whether vested with legal personality or not, having an economic activity. The term Undertaking is to be taken to have the same meaning of undertaking as per Commission Regulation (EC) No 651/2014. For the purpose of establishing the aid intensities under Investing in Skills, an undertaking shall be considered as the sum of all partner and linked organisations related to the Beneficiary.

a) **Autonomous undertaking:** An undertaking that is totally independent, if it holds less than 25% ordinary share capital of another undertaking or if another undertaking holds less than 25% of its ordinary share capital;

b) **Partner undertaking:** an undertaking holding ordinary share capital equal to or greater than 25% but not greater than 50% in another undertaking; or

c) **Linked undertaking:** An undertaking holding the majority of the ordinary share capital of another undertaking.

Definition of an Undertaking in Difficulty: an undertaking in respect of which at least one of the following circumstances occurs:

a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and ‘share capital’ includes, where relevant, any share premium;

b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU;

c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors;

d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan; and

e) In the case of an undertaking that is not an SME, where, for the past two years:
   i. The undertaking’s book debt to equity ratio has been greater than 7.5; and
   ii. The undertaking’s EBITDA interest coverage ratio has been below 1.0.