



Llywodraeth Cymru
Welsh Government

GUIDANCE, DOCUMENT

EU Structural Funds 2014 to 2020: project closure FAQs

To provide beneficiaries with answers to common questions on project closure for the 2014 to 2020 European Structural Funds

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Introduction

This document aims to provide beneficiaries with answers to common questions on project closure for the 2014 to 2020 European Structural Funds. It should be read in conjunction with WEFO's [preparing for project closure guidance](#) and the [eligibility and compliance rules](#) for the 2014 to 2020 structural funds and for Ireland Wales operations the [Ireland Wales Programme Eligibility Rules and guidance](#).

The term project/operation is used interchangeably in this document. These are the proposals set out in your funding application and approved by us or by an Intermediate Body where designated by WEFO.

Please contact your Project Development Officer (PDO) / Operations Officer if you have any further queries on closing your project/operation.

1. How long will I need to retain documentation after my operation/ project has closed?

Retention of records is a core EC regulatory requirement (Article 140 of Regulation 1303/ 2013) and one which all beneficiaries must adhere to. This is outlined as a condition of your funding agreement and guidance can be located at Part 2 of the WEFO 'Eligibility Rules and Conditions for Support from the European Structural Funds 2014 to 2020' or for Ireland Wales operations, Section 5 of the Ireland-Wales Programme eligibility rules and guidance.

You must also take into consideration the following important obligations which may extend beyond this date and require you to retain documents for a longer period:

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- **State aid** - where the EU funding was awarded using State aid cover then you are required to assist WEFO with the requirement to retain documentation for ten years after the aid was granted.
- **Durability** – if your operation is an investment in infrastructure or ‘productive investment’ then you will need to retain documentation that supports compliance with Article 71 of Regulation (EU) No 1303/2013 for up to 5 years after the final payment is made by us. Question 2 provides more detail in terms of the ‘durability’ rule.
- **Revenue generation** - revenue generating projects covered by Article 61 of Regulation (EU) No 1303/2013 may have to retain documents for a longer period, i.e. up to three years from completion of the operation. You will need to check your Funding Agreement for details of what rules apply to your operation (Condition 10 ‘Operations Generating Net Revenue’)
- **Assets** – for any assets purchased with EU funds, you are required to inform us of any sale/transfer or disposal of those assets for up to five years following the final payment. Therefore, during that period, you must continue to retain documentation which supports compliance with this condition of funding. Question 7 provides more detail on asset rules.
- **Other requirements** – when deciding whether to dispose of records, you must also consider any other requirements that sit outside of the EU regulations. This includes, but is not limited to, your organisation’s own retention policy and HMRC rules.

In addition, if audits or investigations are underway you may be specifically advised to retain the audit trails until further notice. Following closure of your operation, we will write out and inform you of the document retention dates applicable to your operation.

2. What do the ‘durability’ rules mean for my

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operation after closure?

The 'durability' rule places an obligation on beneficiaries to maintain EU funded investments for 5 years after the final payment (3 years in cases concerning investments or jobs created by SMEs) where there is an investment in infrastructure or productive investment.

If any of the following events occur within 5 years of the final payment (i) The productive activity ends (ii) the project activity relocates outside of the programme region (iii) there is a change of ownership of an item of infrastructure which gives a firm/ public body an undue advantage (vi) there is a substantial change affecting its nature which would undermine its original objectives, then you may have to repay some of the EU contribution.

WEFO Management Verification Team will undertake project visits to check compliance with durability rules – the visit will occur at least once within the five years upon completion of an operation.

Operations that are not investment in infrastructure or productive investment are exempt from these rules (unless the applicable State Aid rules impose an obligation to maintain the investment).

3. What is considered an 'Investment in Infrastructure or productive investment'?

Article 71 of the Common Provision Regulations (EU 1303/2013) does not fully define the terms 'infrastructure' or 'productive investment', however, other EC regulations/ publications refer to both terms in a bit more detail.

Items of infrastructure can include land, buildings, large items of equipment,

plant and machinery, networks, utilities etc. Durability rules will not generally apply to things like consumables, moveable equipment, furniture etc.

Productive investments are investments made to increase the productive capacity of an enterprise. It can be further defined as investment in fixed capital or immaterial assets for enterprises, which are to be used for the production of goods and services, thereby contributing to gross capital formation and employment.

If you are unsure if your project is an investment in infrastructure or productive investment, please contact your PDO/ OO.

4. How long do I need to continue to display the EU plaque after closure?

For ESF operations there is no requirement to continue to display a commemorative plaque after it has closed. However, upon closure you will need to maintain all supporting documents until your respective retention period expires (WEFO will inform you of the applicable retention dates) and in terms of plaques we would advise you to maintain these (albeit no longer a requirement to display) with the supporting documents for each operation until the retention period has lapsed.

For capital ERDF operations, you must display **permanent** (i.e. indefinitely) signage (either a plaque or billboard) at a location readily visible to the public.

5. How long do I need to keep my project website live after closure?

Beneficiaries only need to keep websites live and display the EU logo on the website until the end of the project. Once the project is closed and the website is no longer in use it does not need to be kept online/ live.

Beneficiaries should ensure however, that they retain evidence of the digital content/ website that was undertaken to publicise ERDF/ESF support. You do not necessarily have to save every page of the website - the only requirement, as noted in the information and publicity guidance, is that EU funds are acknowledged on the website. This includes publishing the ESF or ERDF logo in a prominent and accessible format and a short description of the project, including its aims and results, and the name of the fund from which the financial support has been approved. Where a website has been developed for the sole purpose of delivering the EU funded scheme, then the logo along with this information should appear on the homepage of the website.

Therefore, beneficiaries should retain evidence of the above elements from the website. This can be done in a few ways, either by saving the digital content via web archiving or by capturing the information contained on the website and saving it (electronically or hard copy) in line with one of the options in section 5.1.4.2 of the eligibility rules. This information should be retained in line with the projects document retention period.

6. Now that the UK has left the EU, do I still need to retain project documentation for future audits?

Yes, the same document retention requirements continue to apply and you

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should not destroy any documentation until advised to do so by WEFO in writing, as referenced in both the Funding Agreement and WEFO eligibility rules - Section 5.1.4.1 Document Retention and Record Retention Periods.

Your operation may be subject to audit and monitoring visits anytime up to the final date of your retention period or until at least 31 December 2027 (or later if EU grant awarded under State aid rules).

7. What obligations are in place for assets purchased with EU funds?

There is a condition within the WEFO Funding Agreement that requires beneficiaries to inform WEFO (notification event) where assets are used for purposes other than those originally intended or are disposed of, within 5 years of the final payment. The WEFO Eligibility Rules and Ireland Wales Co-operation Programme Eligibility Rules, set out a requirement for a full asset register to be maintained for all assets/ equipment purchased with support from EU funds. This register should include full details of dates of purchase, cost, description, location, depreciation and sale/disposal date where applicable.

Best practice is to retain and maintain an inventory log of all equipment purchased using support for EU funds, in order to support any audit challenges. Equipment with an asset life of less than one year can be regarded as a revenue cost.

8. Can I sell or donate project laptops/ equipment/ furniture after closure if they are no longer needed?

EU durability regulations do not apply to laptops or office furniture however, as noted at Q7, there is an overall requirement to ensure that funds are used for their intended purpose. Therefore, where laptops/ equipment/ furniture is donated then details should be maintained i.e. serial numbers of laptops donated and date of donation and recorded on the asset register. If equipment is sold, any sale proceeds may also need to be reported to WEFO as 'revenue'. For any donation or sale of laptops, beneficiaries will also need to ensure that:

- Where beneficiary data is contained on laptops this must be transferred to any new kit ensuring document retention and integrity requirements are met along with compliance with GDPR requirements
- stored data is beyond recovery (i.e. data erasure by deleting or reformatting hard drives) and where this is undertaken, ensured that the appropriate ISO credentials and IT accreditations are in place for those undertaking this work.

9. Can I continue to use learning materials/ training materials developed by our project after closure?

Yes, any learning/ training materials that have been developed by your project and supported with EU funds can continue to be used after the project has closed.

10. Are redundancy costs including enhanced redundancy payments for EU funded staff an eligible cost?

Yes, redundancy costs can be eligible if in line with the principles set out at section 9.2.5 of the eligibility rules or section 8.2.5 of the Ireland Wales eligibility rules. Costs must already be factored into the beneficiaries agreed delivery profile/ existing staff cost budget. If an organisations standard contractual terms/ redundancy policy is applicable to all staff (regardless of the redundancy scheme) and offers enhanced redundancy payments (i.e. in excess of statutory requirements) then in such cases any costs associated with the redundancy payment will be eligible for support via the structural funds.

11. Do I need to provide WEFO with a copy of the project's privacy notice?

Your project should have an up-to-date privacy notice. For operations that have been awarded financial support from the structural funds, WEFO is the Data Controller, the lead beneficiary is the Data Processor and any joint beneficiaries are considered Sub-Processors. These roles are outlined within each individual funding agreement via a Schedule entitled, 'Requirements of the GDPR' (General Data Protection Regulation). WEFO may request to see a copy of your privacy notice as part of its closure checks.

To note: WEFO has recently revised its [Privacy Notice](#).

12. Can I claim for advance payments to cover

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certain costs that the project will incur after closure?

Costs must be incurred and paid during the implementation period of an operation. The purchase of services/ goods, during the project period, but that will be used after the project has closed cannot be reimbursed by EU funds and would be considered ineligible. The Financial Completion Date of the operation sets out the final date by which costs can be incurred and defrayed.

The only exception to this is:

- National Insurance and tax pension costs linked to salary payments, as WEFO is aware it may not be possible for beneficiaries to pay such costs within the same month as the associated salary costs. This only applies to salary costs that have been defrayed within the agreed financial lifetime of the operation.
- Final evaluation costs, where there are delays in final evaluations and the payment date falls outside of the project closure date. Upon agreement with WEFO, the cost of the evaluation can be claimed as part of the final claim. Beneficiaries should enter a transaction into their transaction list with a defrayment date within the life of the operation and either the final cost or the most accurate estimate of the final cost to be claimed. Once the final invoice has been paid, you must provide the WEFO Payments team with evidence of the defrayment i.e. a bank statement, and a copy of the final invoice.

It will fall to grant beneficiaries to absorb any costs from events that happen beyond project closure, such as records storage and retrieval, audit inspections and investigations.

13. As beneficiaries must retain project

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documentation for a number of years after closure, is the cost of this storage eligible?

An operation/ project can claim costs for storage during its implementation period, including advance payments for storage hire facilities/ IT licences for the post-completion period but only when contracting with an external supplier on standard commercial terms (i.e. paying upfront for rental of storage space or paying in advance for software licences to support e-records storage). You must not however, voluntarily offer this arrangement to suppliers or misuse the rule to speed up access to the EU funds.

14. Am I required to publish my evaluation?

There is no requirement for beneficiaries to publish final evaluations. However, for the purposes of transparency, we would strongly encourage beneficiaries to publish their final evaluations. As part of the closure process, WEFO will request a copy of the final version of your project's evaluation. WEFO will publish a list of all final evaluations undertaken by beneficiaries on its website, outlining:

- the relevant programme,
- name of the operation,
- beneficiary,
- report title/ year,
- report author

In addition, and where available, WEFO will include within the list a hyperlink to a beneficiary's website where the final evaluation report can be located.

15. Have there been any changes to the process

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for submitting monitoring data?

It is important that operations ensure accuracy and completeness of monitoring data that is submitted through the claims process to report fully against the indicator targets for your operations. This is not only important at an operation level but for enabling WEFO to report on the benefits achieved by the ERDF and ESF Programmes in Wales.

For operations reporting against enterprises and /or participants, last year we introduced enhancements to the validation reports that are generated when you upload either ERDF Enterprises or ESF Participants and/or ESF Enterprises data on your claims. These changes included:

- The addition of separate screens for each field within the validation report
- Details of the validation rule that is applied to a given field, including the format of the data required and the list of valid data values
- Totals for number of rows with invalid data and totals for number of rows with missing data; and
- A list of the first twenty rows of errors, showing whether it is missing or populated with invalid data.

There are still limitations to the validation reports generated, as they are generic and not operation specific. Therefore, the report may show that there are errors, such as missing data for fields that you don't report against for your operation. Therefore, please check the 'indicator details' section on the claim, once you have uploaded any Participants or Enterprises file(s) and checked the validation report(s) and accepted the file(s), to ensure that the cumulative achieved data calculated by the system is returning the achieved values you are expecting.

For indicator achieved data that are entered manually on the 'indicator details' section, ensure that the data are up to date and accurate. If you encounter any problems, please contact the [WEFO RME Mailbox](#) or your PDO/ Operations

Officer for assistance.

16. Have the EC extended the programme closure period?

There are no proposals to extend the programme eligibility end date, which remains as 31 December 2023.

A proposal has been published to extend the deadlines for WEFO's submission of the 2014-20 final claim and closure documents to the EC by 12 months. This would not affect the closure timetable for beneficiaries as we still need to process claims promptly, but it would mean that we may all be exposed to audit processes for a year longer than we had anticipated.

The proposed changes are part of a much larger initiative called the 'Strategic Technologies for Europe Platform' which is set within in the context of the mid-term review of the 2021-2027 Multiannual Financial Framework. The work on this is being done through a specific working party and final political agreement on the proposals, including the extension to the 2014-20 programme closure deadlines, is not expected until later this calendar year.

In the meantime, all beneficiaries must continue to work to the closure deadlines provided by their PDO/OO.

17. Who should I contact to advise that a ‘Notification Event’ has or is about to occur and my project has ended?

‘Notification Events’ that may occur during implementation and post completion of an approved project’s activity are outlined at Schedule 2 of your WEFO Funding Agreement. In addition, Condition 9 of the WEFO Funding Agreement instructs beneficiaries and WEFO of the process to be followed in terms of ‘Notification Events’. This same process will need to be adopted by beneficiaries and WEFO once a project has completed/ closed and a ‘Notification Event’ is in evidence. Beneficiaries will need to contact their PDO/ OO in the first instance and immediately upon identifying the existence of a ‘Notification Event’. Where your PDO/ OO is no longer available, you will be directed to another member of WEFO and/ or to the Welsh Government Department assigned responsibility for ensuring the 2014-2020 Structural Fund Programmes have been administered, implemented, closed, monitored, audited etc; in compliance with the EU Regulations.

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