
Streamlining claims

Clear advice on eligible costs



Does this apply to your claim?

More time to make a claim

The way Invest NI customers claim for eligible expenditure has changed, this information sheet will explain those changes and how it may affect your company.

In response to feedback from our customers Invest NI have endeavoured to streamline our claims process to make it easier for customers to claim eligible expenditure with more certainty of payment of expected grant.

Many customers have also queried why some expenditure is deemed eligible under one programme and not another. Invest NI has established a set of expenditure policies that will provide clarity and consistency across all our programmes. Ultimately Invest

NI want to make the claims process less onerous for customers when preparing claims and supporting evidence, and for Invest NI when processing your claim.

These policies are not intended to reduce the value of grant contained in any offer, but to improve the efficiency of grant processing and draw down.

To enable customers to manage their claims under previous policies we are allowing the following flexibility.



Up to 31 December 2016
to pay for the expenditure



Up to 31 March 2017
to claim the expenditure

Examples of Customer claims as follows:

| Letter of offer date | Expenditure date | Expenditure paid date | Claim date | Policy application |
|----------------------|------------------|-----------------------|------------|--------------------|
| Nov 2014 | Jun 2016 | Sep 2016 | Dec 2016 | Old |
| May 2015 | Jun 2016 | Nov 2016 | Apr 2017 | New |
| Nov 2016 | Dec 2016 | Dec 2016 | Jan 2017 | New |

The new expenditure policies being introduced cover the following areas:

- Project Labour Costs
- Travel and Accommodation
- Acceptable Methods of Payment

If you are a University / Further Education establishment or other Public Body in receipt of a Letter of Offer, a policy has been introduced to detail eligible project labour costs and travel and accommodation expenditure. Please check with your Client Executive how this will affect you.

Project Labour Costs

Invest NI are removing the requirement for the customer to calculate the Gross Equivalent Hourly Rate (GEHR) when claiming for eligible project labour costs. Invest NI have introduced a Scheme Rate for R&D offers from January 2016 and an equivalent rate through a Published List including the 2016 R&D offers, see investni.com/eligiblecosts for more. Customers are still required to provide payroll records for vouching purposes.

Invest NI are introducing a 'standard day' or 8 hour cap on project hours to safeguard customers against increased vouching requirements that arise when claims are submitted for hours additional to a 'standard day'.

Customers can claim for hours additional to the 8 hour cap but this needs to be agreed with your Client Executive before a Letter of Offer is issued. Customers also need to be aware of the additional vouching requirements that are required to vouch payment of additional hours.

Travel and Accommodation Policy

To provide clarity to customers on what can be claimed, the tables below outline Eligible and Non-Eligible Expenditure.

— TRAVEL

- Must be related to the project
- Evidenced by original invoice / receipt and confirmation of payment
- Economy class only



| Eligible Expenditure | Non-Eligible Expenditure |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Flights (including luggage & taxes)• Buses• Ferries• Trains• Car rental (basic rental cost only)• Arrangement / booking fees* <p>* the booking fee has to be for the specific expenditure being claimed for and not as part of an annual/ quarterly invoice which may include fee for other non Invest NI expenditure</p> | <ul style="list-style-type: none">• VAT• Seat allocation, additional optional premiums• Travel insurance• Mileage• Car rental fuel costs & other fuel costs• Taxi fares• Car parking |

The only exception to the above is for specific rates that may be set for Invest NI arranged trade missions or similar events.



— ACCOMODATION —

- Must be related to the project
- Evidenced by original invoice/receipt and confirmation of payment
- Includes breakfast invoiced on hotel bill
- Restricted to HMRC & NICS rates

| Eligible Expenditure | Non-Eligible Expenditure |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Hotel Bed & Breakfast • Tourist tax • Private rental* (rent only) <p>* The option for rental must have been agreed by Client Executive/ Invest NI during offer negotiation and the property must not be owned by the customer</p> | <ul style="list-style-type: none"> • VAT • Newspapers • Media Services • Meals other than breakfast • All other food & drink (bar bills) • Extras (room service, cleaning, laundry etc.) • Any other expense <p>Note: Accommodation is not eligible in training grants</p> |

The only exception to the above is for specific rates that may be set for Invest NI arranged trade missions or similar events.

— ACCEPTABLE METHODS OF PAYMENT POLICY —



The objective is to provide customers with clarity relating to acceptable and non-acceptable payment methods as outlined in the table below:

| Acceptable | Not Acceptable |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • BACS transfer • Direct debits / Standing orders • Any other electronic transfer • Corporate credit / debit cards • Company credit / debit cards used by staff to pay staff expenses (where staff are liable for payment directly and must claim expenses for project related activity) • Cheque | <ul style="list-style-type: none"> • Bitcoins / crypto currencies • Cash • Credit notes / vouchers / recharges • Directors loan account • Escrow • Inter Company off sets / journal entries • Over the counter trades/barter • Postal orders • Traveller's cheques |

The underlying principle is that the payment made is identifiable and actual payment is capable of confirmation to a financial account under the control of the customer identified in the Letter of Offer.

If you have any questions or queries about the policies and how they affect you please discuss this with your Client Executive.



Frequently Asked Questions

Why are you disallowing expenditure from my claim that was deemed eligible in previous claims?

The new policies are aimed to provide consistency and clarity for Invest NI customers and staff. Some expenditure was onerous to provide sufficient evidence for vouching purposes and in many instances concerned relatively small amounts of money. The policies will ultimately make it easier for customers to claim eligible expenditure with more certainty of financial return.

The full grant agreed in any offer is still available, if you think the policies will have a major impact on your ability to claim your grant discuss this with your Client Executive.

What programmes are the policies relevant to?

The policies are relevant to all programmes where project labour, travel and accommodation costs can be claimed for reimbursement.

Who do the eligible costs apply to?

Eligible costs apply only to persons 'employed' by the legal entity to which the Letter of Offer was issued. For labour cost claims the basic pay for individual employees is vouched to payroll records, you must be able to provide these records for a successful claim. There may be a need to vouch basic salary / wage amounts to employment contracts.

What rate do I claim for labour if I have an R&D offer?

For R&D offers issued from January 2016 a specific scheme rate has been introduced where the Project Hourly Rate is expressly determined in the Letter of Offer.

R&D offers issued prior to 2016 will move from a GEHR calculation to an equivalent hourly rate per employee from an Invest NI Published List. This list is available at: www.investni.com/eligiblecosts

R&D offers issued prior to 2016 using Scaled Costs will be unaffected.

What if my offer does not specify a labour hourly rate?

Invest NI are introducing a Published List that identifies the Project Hourly Rate to be claimed for an employee. The Published List is available at: www.investni.com/eligiblecosts

The Project Hourly Rate for an individual employee is specified by identifying the corresponding Basic Annual Gross Salary band / Gross Basic Hourly Rate (but not higher than) and reading across to the column titled Project Hourly Rate.

What is included within the Gross Basic Salary Cost?

The Gross Basic Salary Cost of an employee is determined by the gross basic salary (including paid holidays) but before payment of shift premiums, overtime, bonuses etc. For clarification, the Gross Basic Salary Cost does not include Employer's National Insurance costs nor any other employer costs (e.g. Employer's pension contributions, in-kind costs etc.).

Do I still have to maintain attendance sheets for project hours?

Yes daily attendance records must be maintained for all hours worked on eligible project activity.

If I have a system to generate weekly or monthly attendance records – will this be sufficient going forward?

Records can be weekly or monthly but they must be able to break down hours daily.

Why is the restriction on the numbers of hours worked daily being introduced?

Capping support to a 'standard day' or 8 hours is to safeguard customers against the increased vouching requirements that arise when claims are submitted for hours additional to a "standard" day. This is extremely difficult to vouch when employees are salaried and the claim specifies they are claiming for additional hours to a standard day.

Can a cap in excess of the standard day be set?

A cap of greater than 8 hours per day can be agreed in the Letter of Offer however Invest NI must be satisfied that:

- The customer pays for hours worked in excess of 8 hours per day (TOIL / FLEXI arrangements are NOT sufficient for this purpose);
- The customer has robust and sufficient systems in place to record and clearly demonstrate the payment of "additional" daily hours;
- The customer must be aware of and is in agreement to the additional vouching requirements that are required to vouch payment of additional hours.

What happens if I book travel at any other than economy rate?

We only support economy rate travel. The only exception to this is when specific rates have been set for Invest NI arranged trade missions or similar events.

What happens if I pay an annual fee to a travel company to arrange bookings/ flights etc?

Arrangement / booking fees paid on individual items claimed are eligible. Annual / quarterly fees are not eligible and should not be claimed.

What happens if I claim for preselected seats, newspapers and food?

These items are no longer eligible and will be disallowed if they are claimed as part of travel expenditure.

What happens if I claim for mileage?

Mileage is no longer a claimable expense and will not be reimbursed if claimed.

What happens if I claim breakfast that was purchased outside the hotel?

Breakfast can only be claimed if invoiced on the hotel bill, therefore other receipts and claims for breakfast outside of this cannot be claimed.

Are evening meals on the hotel bill allowed?

No, only breakfast is eligible.

What is the rationale for excluding taxis?

Receipts for taxi travel are usually hand written, paper based, and paid by cash. Claims for these types of transaction are the most likely to be disallowed due to the inability to vouch back through petty cash and payment records.

When can renting accommodation be eligible?

In order to be eligible, renting, as the preferred method of accommodation, must have been agreed, in advance, with the Client Executive as part of the offer negotiation.

Why is VAT exempt and how will this affect customers who are VAT exempt?

VAT is a complex issue so for simplicity and consistency VAT is no longer deemed eligible. All VAT is presumed recoverable unless satisfactory and sufficient evidence has been provided by the customer confirming VAT is permanently irrecoverable. For claim purposes, each claim which includes VAT must be supported by an independent accountant's report confirming that VAT is permanently irrecoverable. The burden and costs of this shall rest with the claimant.

What HMRC / NICS rate will apply? Does the HMRC/NICS apply at the date of the incurred costs or the date of the claim submission?

NICS / HMRC rates are static. Foreign payment rates will be taken from the date of payment.

Will the HMRC & NICS rates be published for the customers?

NICS rates are applicable to any claim for accommodation expenditure in the UK and Republic of Ireland. For Central London (i.e. 5 miles from Charing Cross) and Republic of Ireland, receipted actuals for bed and breakfast up to a ceiling of £140 including VAT should be applied.

Elsewhere in GB and Northern Ireland receipted actuals for bed and breakfast up to a ceiling of £100 including VAT should be applied.

A link to the HMRC rates has been published and made available through the Invest NI website: www.investni.com/eligiblecosts

If you require this leaflet in an alternative format (including Braille, audio disk, large print or in minority languages to meet the needs of those whose first language is not English) then please contact:

Invest NI Equality Team

T: 028 9069 8273

Text Relay Number: 18001 028 9069 8273

E-mail: equality@investni.com



Bedford Square
Bedford Street
Belfast BT2 7ES

T: 028 9069 8000

F: 028 9043 6536

Text Relay Number: 18001 028 9069 8000

investni.com