

## Ineligible expenditure

Under EU rules and guidance, the following items are not eligible for reimbursement as part of your project;

- expenditure incurred before the date of the Grant Confirmation Letter
- overheads allocated or apportioned at rates materially in excess of those used for any similar
- work carried out by the applicant;
- costs incurred prior to the date of the Grant Confirmation letter;
- notional expenditure;
- payments for activity of a political nature;
- depreciation, amortisation and impairment of assets purchased with the help of the Grant;
- provisions;
- contingent liabilities;
- contingencies;
- profit made by the claimant;
- dividends;
- interest charges unless under an approved State Aid scheme;
- service charges arising on finance leases, hire purchase and credit arrangements;
- costs resulting from the deferral of payments to creditors;
- costs involved in winding up a company;
- payments for unfair dismissal;
- payments into private pension schemes;
- payments for un-funded pensions;
- compensation for loss of office;
- bad debts arising from loans to employees, proprietors, partners, directors, guarantors, shareholders or
- a person connected with any of these;
- payments for gifts and donations;
- entertainments;
- reclaimable VAT;
- statutory fines and penalties;
- criminal fines and damages;
- legal expenses in respect of litigation;
- expenditure on activities of a political or exclusively religious nature;
- expenditure supported from other government sources, local authority Grants, charges paid by
- leaseholders, or EC structural funds, to the extent that the combined Grants and other support total
- more than 100% of the Project or scheme costs;
- any liability arising out of negligence;
- payments made in advance of need;
- any cost relating to insurance policies.

### VAT

Recoverable VAT is not eligible whether or not the applicant elects to recover. It is, however, recognized that some financial beneficiaries are unable to recover VAT.

Applicants who are not VAT registered may therefore include the VAT element in their applications and claims.

Applicants who are not VAT registered will be required complete and sign a VAT Declaration with their application at Stage 2.