

Service Agency Communities in One World Information Sheet: Starter Kit

This information sheet will be sent to your German partners once the onward funding agreement between Engagement Global and your partner municipality is issued. To ensure that the project implementation is secured through careful project administration, this document summarises important information on the onward funding agreement, project implementation and reporting. The information is based on the German standards, in accordance with which public bodies transfer funding for projects.

We are very pleased to be supporting you in the implementation of your project. We would like you to safeguard your engagement, and ensure that you succeed in implementing your approved development project by practising prudent project management in accordance with the requirements under the German law of grants. Therefore, please find some important information below concerning

- the onward funding agreement,
- project implementation and
- reporting.

First of all, please read the private-law onward funding agreement carefully and in full. To ensure that you always have clear guidance on the onward funding agreement, please find enclosed an information sheet on the key stipulations it contains. Please make sure that all staff members entrusted with the management and administrative handling of the project are informed of the stipulations laid down in the agreement.

Most of the stipulations of the onward lending agreement relate to project implementation. It is especially important to align project implementation with the purpose of the grant, and the objectives and measures along the timeline as described in the proposal and approved with the onward funding agreement, as well as to observe the obligations to notify Engagement Global if there are any deviations from these plans. These stipulations, as well as many others, such as those relating to financial management (see below), are also relevant for reporting, as here the use of the grant in accordance with the agreement must be accounted for and deviations must always be plausibly justified.

If you are implementing a project spanning more than one year (i.e. going beyond 31 December of the year) you must always submit an interim report to Engagement Global for each financial year, by no later 31 March of the following year.

According to the agreement, you must submit a report to Engagement Global ten weeks or five months (depending on the funding instrument) after completion of your project. An extension of the term of your project will lead to a corresponding adjustment of the reporting deadline. These obligations arise from the public funding law contained in the German Federal Budget Code. Therefore, please also reserve **working capacities** for this task **during** and after project implementation.

Please feel free to contact us if you have any questions about the onward funding agreement and reporting. Especially when you come up against challenges in project implementation, direct, open communication is helpful for both sides. Any questions you ask can clarify misunderstandings and prevent potential problems in practical implementation. If these problems do not come to our attention until we review your interim and final reports, it may be too late to make any necessary adjustments to the project.

So please think about your project in its entirety, and design your practical implementation so that you ensure and maintain compliance with the administrative accountability obligations continuously **alongside** the measures.

With regard to reporting, please bear in mind the following points in particular:

- During project implementation, please observe the **purpose of the grant** for the funded project and the objectives and defined measures associated with that. Reflect regularly on the implementation status of the measures, and get in touch with the Service Agency team if necessary.
- Your project design defines development **objectives** that are to be achieved through successful project implementation. These planned objectives of your project, and the related measures and activities together with their indicators, are an **essential part of reporting**. In the interim and final reports they should be compared with the actually implemented measures and activities in a **comparison of targets with actual performance**. Please explain the reasons for any deviations, delays, additions or reductions. You should also perform a self-assessment of the achievement of the project objective based on the comparison of targets with actual performance.
- Please observe the contractual **obligations to notify** Engagement Global. Please notify us promptly of any deviations from the planned project as per the proposal and, after we have approved the change (a written amended agreement with Engagement Global may be required for changes), provide plausible reasons for this in the narrative section of your report. Deviations that have not been reported and plausibly justified may be deemed inappropriate (pursuant to the contractually agreed purpose of the grant in your onward funding agreement), and the expenditure incurred in conjunction with this may be deemed ineligible for funding.
- Please **save** all **documents** that record your implementation (calls for proposals, proofs of payment etc.) and the results achieved by the project (lists of participants at events, reports or plans of commissioned service providers, etc.). Only results documented in the report and proven payments can be recognised when we review your reports. Therefore, please attach all documents required with the report as well as other documents that support presentation of the results you have achieved.
- In contrast to the final report, with the interim report (for projects spanning more than one year) initially you need only submit the narrative section and the financial section for the funded financial year.

To make sure you implement the project and complete the financial reporting in accordance with the agreement, please observe the following points:

- **Calls for disbursement** can only be made using the 'call for disbursement' form. We would be glad to supply you with a digital version of the form. Alternatively, you can also obtain it directly using the funding programme software.
- Your project is receiving **partial funding**. This means that a percentage of the expenditure will be provided; this percentage is defined in the agreement. Please call up only the share of the amount that you will foreseeably need in order to settle costs. With partial funding, only the share of the due invoices/payments covered by the funding may be called up. You must provide your own share of the funds at the same time. Ideally, a separate project account will be set up into which the funds called up will be transferred at the same time as your own funds, and these funds will be used together to settle invoices on a pro rata basis.
- Please note the **spending deadlines** for the SEPA area (6 weeks) and non-European countries (4 months), and the interest accrued if the deadlines are missed. If you do miss these deadlines, you should inform us in good time and be able to plausibly explain why. Only if you provide a plausible

explanation for missing the deadlines in your report might we decide at our discretion to waive an interest payment, if we consider that to be appropriate.

- Funds for the current **financial year** can be called up no later than **30 November**. Funds made available for the current financial year that have not been called up by that date cannot be carried over to the subsequent year. These funds elapse.
- All project-related invoices must have been paid by the **end of the project period**, as defined in the onward funding agreement or (where applicable) the last amended agreement. Please note that expenditure outside of the approved period is normally ineligible for funding. There are only a few clearly defined exceptions according to which expenditure incurred outside the project period may be considered eligible. What is crucial here is that (i) the date on which the service was provided was within the project period, (ii) we were notified of the problem early on, or, for example, (iii) payment is required for an independent audit of the project in its entirety after it has been completed, provided that this was included in the original proposal. If you have incurred expenses after the approved end of the project, you must provide plausible reasons for this in your report.
- In the financial section, please compare all actual **expenditure** (including figures in the cent range) with the planned figures from the most recent approved financing plan, for each sub-item of expenditure. Please also indicate the amount of administrative costs used. Please remember that only the approved percentage share of the actual project expenditure is eligible.
- **Exceeding individual cost items** (investments, operating expenses, personnel costs etc.) by more than 20 % must be approved by Engagement Global in advance. Please always ensure that applications for such approval are well-founded and submitted in good time, i.e. within the project period, by closely monitoring the funds during the course of the project.
- As with the proposal, interim and final reports are prepared using the Engagement Global **funding programme software**. Once you sign the agreement, you then already have the option of accessing the narrative section and the financial section, and filling them in as you implement the project. You will find help in the funding programme software itself, as well as on the Service Agency homepage for the funding instrument.
- In the financial section, please show all actual **income** received, i.e. the grant funds received from Engagement Global as well as the amounts that your municipality/other funding providers actually made available to the project (including amounts in the cent range). Please remember the percentage share that you have to provide as stipulated in the agreement. If it becomes apparent that additional funds will be made available to the project, please contact us. Overall, the total income must cover all expenditure – i.e. it must be at least equal to or higher than the total expenditure.
- One important annex to the financial section is the **list of vouchers** (expenditure arranged by financing plan item, and within each item arranged chronologically by date of expenditure). The list of vouchers should include at least the following information: voucher number, date of payment, payee, purpose of payment and amount. **As soon as the project begins**, please start using the **voucher list for the financial section that is included in the support programme software**, and collect all vouchers and relevant information during implementation of the measures. **Keeping a list of vouchers right from the beginning of the project will greatly reduce your administrative workload later on and promote good project management.** Please do not wait until the project is over; otherwise you might then be under considerable time pressure with the submission deadline for the report, especially if you still have to locate many vouchers or information. If you are implementing a project spanning more than one year, we therefore also kindly ask you to already submit the list of vouchers together with the interim report. This will enable us to give you initial advice on completeness, format, etc. before the end of the project, and enable you to prepare the report more quickly.

- When submitting your report, initially you should not submit **original vouchers** or copies of vouchers. Please note, however, that you are contractually obliged to retain the originals of all vouchers, contracts and other documents related to the funding (see above) for at least **five years** from the date of submission of the report, and to submit them to Engagement Global gGmbH, the BMZ or the German Federal Audit Office (BRH) in case of an in-depth audit.

The points summarised here should help you to prepare the administration of your project well, and to carry it out as smoothly as possible – which will benefit and support your development engagement. We will of course be happy to answer any questions you may have. We wish you every success in implementing your project, and thank you for your dedication to local development. This will be an important element of implementing much of the 2030 Agenda.