

APPENDIX 3

Project Number: P. 301-2019-001; BMZ PN: 2019 2609 6/DCV0056

Title: Promotion of inclusive and equitable quality education for all in Armenia

Project timeframe: 2019-2022

Administrative Guidelines

(As of 30.03.2015)

1. General

The project partner must notify DCV immediately of any significant events within the project which may affect the budget, payment plan and achievement of goals.

The project partner shall grant DCV and persons appointed and authorised by the sponsor unhindered access to on-site measures for examining the administration of the project. The project partner supports public relations measures for the sponsor and public donors implemented by DCV regarding the project. In his public relations measures, the project partner refers to the financial support provided by the sponsor.

Budget approval and payment of project funds shall occur on the basis of the amount stated in the project agreement in euros. The project partner's financial reports must be submitted in euros stating local currency and conversion into euros. The project partner must write reports in the language of the project agreement.

The project partner shall inform DCV if bankruptcy procedures have been instituted against his financial assets

DCV and the project partner shall coordinate relief efforts with current on-site projects implemented by international aid organisations, other sponsors and especially German aid organisations and non-governmental organisations to avoid overlapping and duplication of project measures.

The implementation of the project may not be delegated to a commercial company (consulting company).

2. Accounting

The project partner shall do all bookkeeping on-site in accordance with legal regulations and guidelines.

Payment of Funds

The project partner shall open a bank account for the project and keeps a project account in its bookkeeping system. If necessary for international transactions and for reasons of efficiency, he shall also open a foreign exchange account. Disbursement shall occur in instalments according to punctual reporting, financial necessities, the course of the project and budget. Information on the bank details as well as any changes (of the bank details) have to be communicated in written form and must bear the signature of the director of the partner organization.

Any income from interest earned within the scope of the project or income from project activities may raise the approved amount and must be used according to defined budget items by agreement with DCV. Income from interest must be accounted for in its entirety.

If project funds cannot be spent within a realistic period of time (usually 3 months), DCV must be informed of the reasons.

Exchange

The exchange of transferred project funds into foreign currency must be verified by bank documents and may not infringe the law in force in the respective country.

Only official exchange rates may be used to assess project expenditures in euros. The validity of exchange rates based on Internet information must have prior approval from DCV.

Budget

Expenditures may be made only for approved project budget items. Expenditures beyond the approved budget are not allowed. Individual budget items may exceed or fall short of the budget by a maximum of 30 % if at the same time compensation occurs in other budget items. Revisions to the budget shall, as a rule, be discussed with DCV semi-annually and shall become valid with written consent of DCV

Expenditures

Expenditures prior to or after the indicated term for project expenditures and/or payments for supply contracts shall not be recognized. Payment for services not yet rendered may only be made in cases with specific justification. Disbursements made but not spent within the scope of the approved budget must be repaid to DCV.

Receipts

All receipts concerning income and expenditures must be clearly related to the project.

Expenditure receipts must include at least the following: receipt number, billing date, recipient of funds, reason for expense, amount of payment, project classification and budget item according to the approved budget. They must be legible and - if necessary - with at least key words translated into the reporting language. The accounted receipts must contain a "PAID" stamp, including the date and the project number.

Expense vouchers for salaries and remuneration of personnel within the project must contain detailed information: project reference, employee's task within the project and place of work, period of employment for which the salary was paid, salary amount including extra pay and benefits, amount paid for social security contributions per employee, proof of social security contributions, employee's signature as proof that the salary was received or proof of payment by bank voucher.

For each training/educational measure a session report needs to be prepared showing location, duration and content and an overview about all costs incurred (Appendix 5 Supporting Forms: educational measures). Additionally a summary report including schedule and a participant list should be presented. All expenditures are to be entered in detail in the voucher list.

Generally, the project partner can only issue an individual receipt for expenditures up to €50 and in exceptional cases.

The project partner must record all use of a project vehicle in a log book. If costs for the use of a project vehicle are determined by a km flat rate, this must be explained.

Allocation of Contracts

In the event of negotiations concerning the allocation of individual contracts exceeding €25,000, DCV must be involved in the decision-making process. When purchasing goods (goods/services) a cost-effective price-performance ratio must be accounted for. For goods valued at over €410.00, at least three written offers must be obtained and documented. Deviations must be justified.

Retention Period for Documents

Original documents intended for accounting records and project archives which do not need to be

forwarded to DCV must be retained by the project partner for a period of ten (10) years in the event of an audit.

Auditing

Project partner can commission an external auditor in agreement with DCV. The auditor's report must document that:

- orderly accounting documents were presented;
- receipts contained in the financial report document actual income and expenditures correctly;
- the project budget was adhered to;
- the funds were used economically and for their stated purpose;
- the contractual agreements and the provisions for the utilisation of funds were observed.

In this case the obligation to submit all supporting vouchers is lapsed. The guideline of DCV for project partners regarding execution of an audit is applicable.

The project partner ensures unhindered access to all books, receipts and other business documents to all persons from DCV or from the allocation authorities of the German Federal Government authorised with the on-site inspection of the project and shall provide them with the desired information within the scope of their inspection mandate.

Inventory List

A list of all major investments must be prepared and submitted to DCV at the end of the year and upon conclusion of the project. All purchases with a purchase price exceeding €410 must be included in this list. If an article is discarded, the reason for and date of discard must be stated. The sale of objects during the project term must be agreed upon with DCV.

3. Reports and Proof of the Utilisation of Funds

The project partner is obligated to submit progress reports, financial reports and final reports in written form or as a computer file within the stated time limit to DCV. The project partner shall write the reports in the language of the project agreement. The project partner and DCV shall agree upon the proper form for inventory lists, personnel lists and budget overviews.

The semi-annual **Progress Report** shall be submitted to DCV by **15th August** for the time period **1st January – 30th June** of the current year and by **15th February** for the time period **1st July – 31st December** of the previous year. The Progress Report refers explicitly to the goals agreed upon and contains the following information:

- documentation of activities and results
- a summary of results with regard to the aims of the project and including information on predicted deviations from the original plan e.g. the number of aid recipients and type of target group, project region, changes in personnel, changes to the budget
- relevant materials for DCV's public relations work
- Activity Reports on implemented training measures containing information on: place, time, topic of the training session, number of participants, invited speakers, content, aims, results and an evaluation.

The quarterly **Financial Report** shall be presented to DCV by **15th May** for the time period **1st January – 31st March**, by **15th August** for the time period **1st April – 30th June**, by **15th November** for the time period **1st July – 30th September** and by **15th February** for the time period **1st October – 31st December**. The Financial Report must contain the following information:

- original expenditure receipts sorted by budget item, original receipts on income and exchange receipts as well as procurement documents (requests, offers, orders), as well as proof of payment (copies of bank receipts and/or cash accounting). The submission of original receipts is not required in cases where an annual external on-site audit takes place. Approval must be granted by DCV in advance.

- where statutory or other binding provisions in the partner country do not allow the submission of original receipts, copies of the receipts may be submitted. If copies are submitted, a copy of the respective binding provision prohibiting the submission of original receipts shall be added
- separate lists of expenditures and income according to individual budget items
- a summary of expenditures according to certain budget items agreed upon in advance
- a summary of project income from transfers made by DCV, interest earned or income from project activities.

The annual Final Quarterly Report must include the following:

- an up-to-date list of personnel paid from project funds including budget item, name and function as well as copies of newly concluded work contracts and other contracts relevant to the project.
- an up-to-date certificate stating customary regional salaries
- an up-to-date inventory list.

A **Final Report** structured according to the content of the Progress Reports and covering the entire project term must be submitted upon conclusion of the project.

After submission of the reports, DCV will contact the project partner as to whether the reports have been accepted and if more detailed explanations are necessary in a reasonable period.

4. Personnel

The project partner is responsible for employing specially qualified personnel. The project partner signs working agreements or fee contracts with employees which include the exact job description, salary and other benefits. The project partner adheres to the regulations required by employment law. Higher salaries than are customary in the region may not be paid; if necessary, consent shall be obtained from DCV. The project partner's rules concerning travel costs, which shall be agreed upon by DCV if applicable, are valid for his employees.

Changes in the staff plan may be made solely with the consent of DCV. The payment of customary regional salaries must be certified by the German Embassy or a local Chamber of Commerce or a local auditing company.

5. Use of Goods Procured from Project Funds

All goods which have been procured from project funds may be used solely for the aims stated in the project. Prior to the end of the project, both parties must enter into a supplementary agreement defining the future use of the items purchased and transfer of property to the project partner. If goods are sold before, the proceeds, which are in line with the current market value, must be reimbursed to the project.

6. Special Regulations

The additional appendix **Guidelines for Construction Measures** is part of the project agreement.

The following additional regulations are part of the project agreement and can be made available upon request.

- Guidelines for combating fraud and corruption in the project work of Caritas Germany
http://www.caritas-international.de/cms/contents/caritas-international/medien/dokumente/guidelinesoncombatio/guidelines_on_combating_fraud_and_corruption.pdf
- Caritas Internationalis: Common Financial Standards for Project Management
- Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief www.ifrc.org/Docs/idr/I1259EN.pdf
- Caritas Internationalis: Child Protection Policy Framework
<http://www.caritas.org/download/16829>