Financial Guidelines for Grant Agreements

1. Introduction

The following regulations apply if the Grant Agreement does not contain a different contractual agreement. Articles referred to in the following explanations are those of the Grant Agreement (contract).

For all correspondence and/or reporting for the contract as well as calls for disbursement and financial statements we kindly ask you to refer to the Project number and contract number. You will find it on the front page of the Grant Agreement.

For financial documents related to your Grant Agreement with GIZ we ask you to use the templates given in annex 3 of the contract. You may, of course, use your letterhead or prepare your own calls for disbursement or financial statements, provide that they contain all the information asked for in the templates. We kindly ask you always to send the original forms of calls for disbursement or financial statements by post.

2. General

All documents belonging to annex 3 to 5 are also available in electronic form of our GIZ homepage. Please download the documents under following link: https://www.giz.de/en/workingwith-giz/34529.html

On this page, you will find the documents under the subtitle “Grant Agreement”.

Please note, as well that in case of purchasing goods and services article 4 must be apply. Please take care that all rules are complied and all documents of the award procedure will be issued and kept properly.

3. Schedule of financial requirements

According to article 3.1 with the first call for disbursement, we ask you to send the schedule of financial requirements for the entire period of the contract. We kindly ask you to use the template for this purpose (annex 3b - https://www.giz.de/en/downloads/en-Annex_3b_schedule%20of%20financial%20requirements.xlsx).

Please note that this document is necessary to start of the payment process.
4. Call for disbursement

How to make up a call for disbursement
According to article 3.1, Grant Agreement advance payments have to be requested for the periods as agreed. Please use the Form „Call for disbursement“ for this purpose (annex 3c-

Separate sub account or separate cost unit
With the first call for disbursement, please select on the template “Call for disbursement” one of the two variants, which relevant is. (cf. 3.4).

Further Calls for disbursements and Financial Statements / General procedure
If it is agreed, after the second instalment (or with the call for the 3rd period) any further call for disbursement have to be accompanied by a financial statement proving the use of the payment before the foregoing disbursement (cf. 3.6 and the following explanations in these guidelines). Funds remaining from the previous instalment will be debited by the next advance payment.

5. Financial Statements General

According to article 3.5, the recipient shall keep a separate project record exclusively for this fund.
These expenditures have to be enter chronological and according to the regulations for proper and orderly accounting.
These expenditures have to be subdivided into the categories specified in the budget lines of article 1.2. Please take for each budget line a separate breakdown list.

Please enter each expenditures/voucher one time only and make no cumulative financial statements.

According to article 3.6, please note that all expenditures will be recognized/funded against evidence only. This means proof of all real supporting documents for each expenditures and cost categories, especially for staff or personnel cost, too.
Evidence for salaries for example is a payslip for each person and month. If you not will invoice complete months, we need time sheets too for explain the days entered in the financial statement and please explain the way to find the amounts. (if needed, please ask for an example of timesheet)
Please note that in your office the time system must be very good checkable and if possible it shall be entered in an IT system.

Please keep all original supporting documents in your bookkeeping department.
If it is agreed to send copies of supporting documents please submit these (sorted and numbered) with each financial statement (cf. 3.11).

Only in case of a separate lump sum (%) for administration cost, for this category we need no evidence.

Exchange rate: Please submit proof by the bank of the amount which was credited in the currency of account. You can use this exchange rate to convert the expenditures or you have to use the EU currency converter (http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm).
Please select one variant and work consistently with this.

- Covering note
- Breakdown per category
  this mean one single breakdown sheet for each category and supporting documents if agreed
- Totals per category
- Inventory list latest at the end of each year and with the final Financial Statement (cf. 4.4)
- Handing over of equipment with the Final Financial Statement (cf. 4.5)
- If co-financed amounts are agreed, in the Final Financial Statement you have to fill in the confirmation of this (cf. 1.6)

Financial statements for already financed periods must be submitted after the expiry period, even if no payments are requested for further periods.

Please take in the total of all financial statements costs only up to the maximum amount as agreed in the Grant Agreement.

Financial Statement covering note – annex 3d
It is necessary for our accounting and the summary of the expenditures of the current period. Please fill in all details.

It also contains the declaration of co-financing according to article 1.6 please insert all co-financing parties and amounts.

Breakdown of expenditures per category – annex 3f
This is the overview of all expenditures for each single category.

Please give each proof/supporting document and each entered amount a single entry number. List all individual expenditures belonging to one cost category of the respective period and enter it in the breakdown sheet.
If the Grant Agreement requests that the financial statement shall be accompanied by copies of supporting documents, please number these supporting documents (write the same entry number on it which you entered on the breakdown list) and attach them to the respective breakdown of expenditures.
The totals from each of these breakdowns have to be transferred to the template “Totals per category”.

Totals per category – annex 3e
This is the overview of all sub-totals per expenditures category.

If there is earned interest or any income for this measure, please enter these amounts in this form too and reduce the total expenditure amount according to article 3.4 and 3.5.
The sum of the total amount will be transferred automatically to the covering note.

Please note that the financial statements have always be kept at the same cost as you presented to GIZ or to the auditor. If subsequent changes occur or if these costs need to be corrected, this is possible in the next financial statements only. Therefore, in next statements you can enter more costs or cancel costs.
Audit reports
Please note the article concerning audits (cf. 3.12 and 3.13). If there is agreed that GIZ will commission an auditor to check the project you will be informed about the process when this will be planned by GIZ.

Inventory
According to article 4 all items financed from the GIZ grant whose purchase or manufacturing cost exceeds **EUR 400 must** be inventoried. If equipment is financed form the grant, current inventories have to hand in at the end of each year with the financial statement (cf. 4.4).

Handing over of equipment – annex 3g
According to article 4, on completion of the project, ownership of the items procured or produced for the project shall transferred according to article 4.5. The transfer of ownership have to note by time and the relevant certificate of assignment must be submitted latest with the final financial statement.

5. Dispatch by post
Please send the templates in **originally signed** version.

Please never send financial statements, calls for disbursements and invoices to the address of a particular staff member, but always as follows:

*(Please check the GIZ address on your Grant Agreement)*

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