

FINANCIAL REPORTING REQUIREMENTS

Eastern Partnership Territorial Cooperation
Programme Armenia - Georgia



This Programme is funded by the European Union
and the German Government



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RESPONSIBILITIES

- **The Coordinator** is responsible for providing Financial Report and for ensuring that Financial Report reconciles to the Beneficiary's accounting and bookkeeping system and to the underlying accounts and records.
- **The Coordinator** is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Financial Report.
- **The Coordinator** is responsible for providing Expenditure verification report for the grant exceeding 100 000 EUR



RESPONSIBILITIES

- **The Contracting Authority** may request additional information at any time. The Coordinator shall provide this information within **10 days** of the request, in the language of the Contract (i.e. English)
- If the Coordinator fails to show 10% contribution with the final report the Contracting Authority has the right not to transfer the 10% of the final payment.



FINAL REPORT

- Shall in all cases include a detailed breakdown of expenditure covering **the whole** Action.
- Be drafted using template Annex IV (Final financial report and sources of funding)



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PAYMENT ARRANGEMENTS

Payments shall be made in accordance with the Article 7.2.7 of this Special Conditions

- The final payment (balance) representing maximum 10% of the sum referred to in Article 3.2 of the Special Conditions shall be paid within **2 months** of the Contracting Authority approving the final reports



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PAYMENT ARRANGEMENTS

- Costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;
- An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Action, which may be incurred after the implementation period of the Action



CONTENT OF THE REPORT

Annex IV

- Sheet 1 – Final report
- Sheet 2 – Past expenditure
- Sheet 3 – List of expenditure
- Sheet 4 – InforEuro Q...
- Sheet 5 – Final sources of funding



SHEET 1 – FINAL REPORT

Interim financial report:
period (dd/mm/yyyy-dd/mm/yyyy)

Contract No														Average Exchange Rate for <Please insert period>		EUR/GEL	EUR/AMD	Variations in comparison with initial budget/addendum			
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)														Cumulated costs (before current report) (in EUR)		Cumulated costs (from start of implementation to present report included) (in EUR)	In absolute value in EUR			In %	Explanation for all variations
Budget as per contract/addendum				Reallocation	Expenditure incurred (in EUR)			Expenditure incurred (in local currency ¹⁾			Expenditure incurred (in local currency ²⁾			Total for The Period							
Expenditures	Unit	# Units	Unit value (in EUR)	Total Cost (in EUR)	allowed reallocation (article 9.4 of the GC)	# Units	Unit value (in EUR)	Total Cost (in EUR)	# Units	Unit value (in Local Currency)	Total Cost (in Local Currency)	# Units	Unit value (in Local Currency)	Total Cost (in Local Currency)	# Units	Total Cost (in EUR)	(d)	(f)=c+d	In absolute value in EUR	In %	Explanation for all variations
	(a)	(b)	(c)=a*b	(a)		(b)	(c)=a*b	(a)	(b)	(c)=a*b	(a)	(b)	(c)=a*b	(a)	(b)	(c)=a*b					
1. Human Resources																					
1.1 Salaries (gross amounts, local staff)																					
1.1.1 Technical																					
1.1.2 Administrative/ support staff																					
1.2 Salaries (gross amounts, expat/int. staff)																					
1.3 Per diems for missions/travel																					
1.3.1 Abroad (staff assigned to the Action)																					
1.3.2 Local (staff assigned to the Action)																					
1.3.3 Seminar/conference participants																					
Subtotal Human Resources																					
2. Travel																					
2.1. International travel																					
2.2 Local transportation																					
Subtotal Travel																					
3. Equipment and supplies																					
3.1 Purchase or rent of vehicles																					
3.2 Furniture, computer equipment																					
3.3 Machines, tools, etc.																					
3.4 Spare parts/equipment for machines, tools																					
3.5 Other (please specify)																					
Subtotal Equipment and supplies																					
4. Local office																					
4.1 Vehicle costs																					
4.2 Office rent																					
4.3 Consumables - office supplies																					
4.4 Other services (tel/fax, electricity/heating, maintenance)																					
Subtotal Local office																					
5. Other costs, services																					
5.1 Publications																					
5.2 Studies, research																					
5.3 Expenditure verification/Audit																					
5.4 Evaluation costs																					
5.5 Translation, interpreters																					
5.6 Financial services (bank guarantee costs etc.)																					
5.7 Costs of conferences/seminars																					
5.8 Visibility actions																					
Subtotal Other costs, services																					
6. Other																					
Subtotal Other																					
7. Subtotal direct eligible costs of the Action (1-6)																					
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Action)																					
9. Total eligible costs of the Action (7+8)																					
10. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)																					
11. Total eligible costs (9+10)																					

Nota Bene

The beneficiary(ies) alone is responsible for ensuring that the financial information provided in these tables is correct.

Additional information on expenditure incurred in local or other currencies than the euro (or the currency of the Contract) may be asked by the Contracting Authority

Figures have to be rounded to the nearest euro cent



SHEET 2 – PAST EXPENDITURE

Expenditures	Oct/15	Nov/15	Dec/15	Jan/16	Feb/16	Mar/16	Apr/16	May/16	Jun/16	Jul/16	Aug/16	Sep/16	Oct/16	Nov/16	Dec/16	Jan/17	Feb/17	Mar/17	ITD
																			0.00
1.1.1																			0.00
1.1.2																			0.00
1.2																			0.00
1.3.1																			0.00
1.3.2																			0.00
1.3.3																			0.00
2.1																			0.00
2.2																			0.00
3.1																			0.00
3.2																			0.00
3.3																			0.00
3.4																			0.00
3.5																			0.00
4.1																			0.00
4.2																			0.00
4.3																			0.00
4.4																			0.00
5.1																			0.00
5.2																			0.00
5.3																			0.00
5.4																			0.00
5.5																			0.00
5.6																			0.00
5.7																			0.00
5.8																			0.00
																			0.00
																			0.00

SHEET 3 – LIST OF EXPENDITURE

List of expenditure

Interim financial report for (dd/mm/yyyy) – (dd/mm/yyyy)

Average Exchange Rate for «Please insert period»
EUR/SEL EUR/LMD

¹ EU or Other (please specify)
² e.g. ledger, journal, accounting record reference number, etc
³ As defined in Annex II (budget of the action) to the special conditions
⁴ EUR if payment was placed in Euros, your local currency ISO code if payment was placed in local currency
⁵ Please refer to <http://ec.europa.eu/budget/foreure>

Record Number	Name of beneficiary	Source of funding ¹	Accounting reference ²	Date of payment (dd/mm/yyyy)	Payee	Budget ³ line	Description of the expense	Currency ⁴ (ISO code)	Amount	EURO (€) exchange rate ⁵	TOTAL	Invoice number	Date of issue (dd/mm/yyyy)
											Amount (in EUR)		
1											0.00		
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
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40													
41													
42													
43													
44													
45													
46													
47													
48													
49													
50													
108													
109													

The amounts shown in the list of expenditures and evidenced by vouchers (annex) are materially correct. Original vouchers were available

Place, date _____

Name of responsible signatory person from Beneficiary _____

Place, date _____

Karsten Fricke, Programm Director
Local Governance Programme South Caucasus



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SHEET 4 – EXCHANGE RATE

- Any conversion into Euro of the real costs borne in other currencies shall be done at the rate made up by the average of the rates published in InforEuro
- Please check for the rates at:
http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm



SHEET 5 – FINAL SOURCES OF FUNDING

Final sources of funding

		Amount EUR
Applicant contribution		
Other contributions (other Donors etc)		
<i>Name</i>	<i>Conditions</i>	
Revenue from the Action		
To be inserted if applicable and allowed by the guidelines:		
In-kind contribution		

List of Pending payments (above 500 EUR)

Please list the following details: Name of the provider, Object of the contract (Final Audit, Works execution guarantee...), Amount in €, Due date, Reference document (Date and number of Invoice/ contract), Explanation and comments (why still not paid?)

Name of the provider	Object of the contract	Amount in EUR	Due date	Reference document	Explanation and comments

We herewith commit to refund to the European Union, according to art. 18 of the General Conditions, any amount for which proof of payment cannot be provided upon request after the due date, unless reasonable justification is provided.

Signed



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EXPENDITURE VERIFICATION REPORT

Annex VII – Model report of factual findings and TOR for an expenditure verification

- All text highlighted in yellow in this ToR model and in Annexes 1 and 2 is for instruction only and beneficiaries of grant contracts should remove it after use.
- The parts of the ToR presented in <.....> (e.g. <name of the Coordinator>) must be completed by the Coordinator.



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EXPENDITURE VERIFICATION REPORT

Annex VII – Model report of factual findings and TOR for an expenditure verification

- **Annex 1** - Information about the Grant Contract - **To be completed by the Coordinator**
- **Annex 2A** - Listing of Specific Procedures to be performed - **is a standard listing of specific procedures to be performed and it shall not be modified**



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EXPENDITURE VERIFICATION REPORT

Annex VII – Model report of factual findings and TOR for an expenditure verification

- **Annex 2B** - Guidelines for Specific Procedures to be performed - provides standard guidelines for the specific procedures to be performed and these guidelines must not be modified



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EXPENDITURE VERIFICATION REPORT

- **Annex 3** - Model Report for Expenditure Verification of an EU Grant Contract
 - All text highlighted in yellow in this model report is for instruction only and auditors should remove it after use. Information requested in pointed brackets <.....> (e.g. <name of the Coordinator>) must be filled in by the auditor.
 - To be printed on AUDITOR'S letterhead



EXPENDITURE VERIFICATION REPORT

By agreeing these ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC)..
- The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organization is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR.



EXPENDITURE VERIFICATION REPORT

By agreeing these ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU Member State)



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EXPENDITURE VERIFICATION REPORT

By agreeing these ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).



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EXPENDITURE VERIFICATION REPORT

- Terms of reference (TOR) for an expenditure verification of a grant contract (Annex VII) is signed by the Audit company mentioned in the Special Conditions.

Note: If auditor is changed for some reason

- A proper justification should be provided by the Coordinator
- The name of the Auditor should be communicated to MA before TOR signature



RESPONSIBILITIES

- The Auditor' is responsible for performing the agreed-upon procedures as specified in these ToR
- The Auditor should submit a report of factual findings (**Annex 3 of the TOR**) to the Beneficiary along with

Annex 1 Financial Report for the Grant Contract

Annex 2 Terms of Reference Expenditure
Verification

Annex 2 should include a **signed** and **dated** copy of the terms of reference for the expenditure verification of this Grant Contract including **Annex 1** (information about the Grant Contract) **and Annex 2A** (Listing of the specific **procedures** to be performed



**THANK YOU FOR YOUR
ATTENTION!
QUESTIONS?**



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