

**INSTRUCTIONS FOR FINANCIAL MANAGEMENT OF THE GRANT FUNDS - 2013  
– CHITALISHTE TRAINING BASES**

6 February 2013

## **I. Introduction**

These instructions make an inseparable part of the Micro-capital Grant Agreements under the Glob@l Libraries – Bulgaria Program and Amendments thereto for 2013.

The provided grant funds will be spent on the achievement of objectives and implementation of activities as identified in the respective Terms of Reference to each Agreement / Amendment.

The annual limits by budget line item as specified in section IV of the respective Terms of Reference must be complied with. Any amendments to the annual limits will be regulated by the signing of an Amendment to the respective Agreement.

## **II. Exhibit T8-2013 – Financial Management and Accountability**

Exhibit T8-2013 – Financial Management and Accountability will be used for the financial management of the grant. This is an MS Excel file comprised of three worksheets:

1. **Work Chart** – this is the main tool for financial management of the grant. It contains received funds and incurred expenses.
2. **Report 1 March–15 July** – after the information is fed into the Work Chart sheet, the data necessary for the drawing up of the financial report for the period is automatically fed into this sheet. It is only printed out, signed and enclosed to the report package.
3. **Report 16 July–15 November** – after the information is fed into the Work Chart sheet, the data necessary for the drawing up of the financial report for the period is automatically fed into this sheet. It is only printed out, signed and enclosed to the report package.

## **III. Eligible Expense Categories and Funds Management**

### **I. Administrative costs**

#### **a. Coordination – Training Coordinator**

The Training Coordinator is the person appointed by the Grantee to organize the training at the training unit. For this activity, an amount of BGN 80 for each group of training participants is envisaged. This amount is inclusive of the compensation and any taxes / insurance payable by the person and the contracting authority. The Grantee signs a contract – a civil contract or an additional employment agreement – with the person to perform this activity. Invoice payments may also be made.

#### **b. Accounting services**

The Grantee will, as per the signed Micro-capital Grant Agreement, administer accounting services in relation to the training by complying with the requirements of Bulgarian legislation. For this activity, an amount of BGN 35 per each group of training participants is envisaged. This amount is inclusive of the compensation and any taxes / insurance payable by the person and the contracting authority. The Grantee signs a contract – a civil contract or an additional employment agreement – with the person to provide the accounting services. Compensation under this category is paid following the end of the respective training. Invoice payments may also be made.

#### c. Communication

An amount of BGN 10 for communication (phone, mail and other costs) is envisaged for each group of training participants. No supporting documents for these amounts are needed when accounting for the costs.

### 2. Training of librarians and groups of citizens with special needs

Eligible costs:

- transport / accommodation of training participants
- lunch and coffee breaks for training participants and the trainers
- office supplies.

#### Transport / Accommodation

Where public transportation ensuring timely intraday arrival in / departure from the training unit is available, travel costs will be reimbursed up to the amount of public transport fares (including within the settlement). In events when the available public transport does not ensure timely intraday arrival in / departure from the training unit, own vehicle travel costs will be reimbursed as per the effective legislation.

Where no convenient public transport is available and own vehicle travel is not possible, costs for training participants' accommodation may be incurred. Accommodation costs may also be reimbursed when it is more cost effective than daily travel, but only upon mutual consent.

To reimburse the costs under this budget line item, a sheet based on one of the following templates must be drawn up:

- i. Daily reimbursement of costs – the following template must be used (Table 1):

			Day 1 (put down the date)		Day 2 (put down the date)		Day ... (put down the date)	
No.	Name and surname	Travel route	Reimbursed amount	Signature	Reimbursed amount	Signature	Reimbursed amount	Signature

- ii. Reimbursement of costs at the end of the training – the following template must be used (Table 2):

No.	Name and surname	Travel route	Reimbursed amount	Signature

The sheet should indicate costs for which training event(s) and on what dates have been reimbursed to training participants.

### Lunch and coffee breaks

The amount envisaged for coffee breaks and lunch totals BGN 10 per person per each training day, inclusive of training participants and the trainer.

The person in charge at the training unit will make arrangements on food and coffee breaks by complying with the specified limits.

### Office supplies

The amount envisaged for office supplies per training event (all parts) totals BGN 60 per group.

### **3. Funds management**

The Grantee will receive the funds in advance, following the signature of the Agreement.

Limits under the respective budget line items may be exceeded only in the Training category and to the amount of up to 10%, and the over-expenditure will be made up for by equivalent economies in the other expense categories. Any over-expenditure and respectively compensation of more than 10% must be agreed with the PMU in advance and in writing. No over-expenditure in the Administrative costs category is allowed.

Any changes to the annual limits will be regulated by the signing of an Amendment to the respective Micro-capital Grant Agreement.

Any funds unspent after the completion of all contracted activities will be transferred to the UNDP bank account specified in the Agreement not later than 30 November 2013.

## **IV. Reporting, Documentation and Monitoring**

### **1. Reporting**

**Exhibit T8-2013 will be used to draw up the financial reports.** Two financial reports will be drawn up – for the period 1 March–15 July (due by 31 July 2013) and for the period 16 July–15 November (due by 15 November 2013). To do that, the Work Chart worksheet will be used by filling in expenditures for the period in the respective column.

For each activity where expenses have been incurred over the reporting period, the total amount of these expenses by budget line item must be specified. All expenses accounted for over the reporting period will be included, regardless whether the related activities were finalized during the reporting period.

The guiding principle for inclusion of expenses for a certain period will be when the payment is effected.

**Example:** a report on the period 1 March–15 July 2013 includes transport costs reimbursed to training participants prior to 15 July 2013. At the same time, it would not include costs for accounting services for June if they were to be reimbursed in August.

As per the deadlines specified in the respective Terms of Reference, the Grantee will send the following to the PMU by courier as part of the report package for the period:

- signed Financial Report on the respective period (Report 1 March–15 July worksheet or Report 16 July–15 November worksheet) printed out as per the instructions specified in Exhibit T8-2013 and accompanied by all required hard copy documents.

### List of required documents:

1. List of enclosed documents (original copy)

2. Sheet of reimbursed travel costs, including own vehicle transport costs, without enclosing tickets, estimates, business trip documents, etc. (certified copy)
3. Invoices of accommodation, office supplies, food and other costs with enclosed cash receipts or payment orders (certified copies)
4. Remuneration form or copy of payroll report and, if necessary, payment orders for training related coordination activities and accounting services indicative of all amounts paid under the agreements – for the account of the insured person and the employer (certified copies).

## 2. Documentation

Grant related expenditure documents will include all requisites and be issued as per Bulgarian legislation. A cash receipt (certifying a cash payment) or a payment order (certifying a bank payment) will be enclosed to invoices. Invoices will be issued on the name and include the data of the Grantee.

All original documents related to grant funds management and spending must be kept in good order by the Grantee.

## 3. Monitoring

The Grantee will provide access to their archives to facilitate monitoring and control by the PMU, UNDP, the Ministry of Culture and external auditors. The monitoring will be performed without any prior notice.