

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

February 6th, 2013

I. Introduction

These instructions represent an inseparable part of the Glob@l Libraries Bulgaria Programme Grant Funding Agreements and their Amendments for 2013.

The provided grant funds are to be appropriated for achieving the goals and executing the activities, defined by the Terms of Reference to each Agreement/Amendment.

It is mandatory to adhere to the annual limits of the expense items, defined in section IV of the respective Terms of Reference. Changes in the annual limits are regulated by signing an Amendment to the corresponding Agreement.

II. Exhibit T8-2013 – Financial management and reporting

Exhibit T8-2013 is to be used for grant financial management. It is in the form of an MS Excel file containing the following three worksheets:

1. **Worksheet** – this is the main tool for grant financial management. It reflects the funds received and the expenses made.
2. **Report March 1st – July 15th** – after filling in the required information in the Worksheet, the information needed for the finance report for the respective period is updated automatically. It is then printed, signed, and attached to the report documents package.
3. **Report July 16th – November 15th** – after filling in the required information in the Worksheet, the information needed for the finance report for the respective period is updated automatically. It is then printed, signed, and attached to the report documents package.

III. Allowed expense categories and financial management

I. Administrative expenses

a. Coordination – Training Coordinator

The Training Coordinator is the person, selected by the Grantee to organize the trainings at the base. For this task he/she is to receive a pay rate of 80 BGN for each training group. This pay rate includes payment for services and all the corresponding taxes/social security fees are to be covered by the Training Coordinator and/or the contractor. The Grantee signs a contract - a part-time employment contract or an additional labor agreement with the person who will perform this activity. Invoice payments are also possible.

b. Accounting services

The Grantee is required by the Grant Funding Agreement to provide accounting services for the trainings in accordance with the Bulgarian legislation. For this activity the allocated pay rate per training group is 35 BGN and all the corresponding taxes / social security fees are to be covered by the individual and/or the contractor.

The Grantee signs a contract - a part-time employment contract or an additional labor agreement with the person who will perform this activity. Payments for this category are made only after the respective trainings have been completed. Invoice payments are also possible.

c. Communication

The available communication funds for each training group are in the amount of 10 BGN (telephone, postal, and other expenses). These funds do not require expense receipts.

2. Training of librarians and people with special needs

Eligible expenses:

- travel / accommodation of trainees;
- lunch and coffee break for the trainer and the trainees;
- office supplies.

Travel / accommodation

In the cases when public transportation is available which allows for the timely arrival / departure to the training base within the day, the travel expenses reimbursed are up to the cost of the public transportation tickets (including transfers within the settlement). In the cases when the available public transportation does not allow for the timely arrival / departure to the training base within the confines of the day, personal vehicle travel is reimbursed according to the enacted legislation.

When there is no convenient public transportation option and personal vehicle transportation is not possible, trainees' accommodation expenses are eligible for being covered. Reimbursement of accommodation expenses for the trainees is also allowed provided it is more cost effective than the travel on a daily basis, but only upon agreement by both parties.

Reimbursement of expenses for this expense item is done according to one of the following exhibits:

- i. Daily reimbursement of expenses – use the following format (Table 1):

			Day 1		Day 2		Day	
			(date)		(date)		(date)	
Number	First and last name	Travel route	Amount paid	Signature	Amount paid	Signature	Amount paid	Signature

- ii. Reimbursement of expenses at the end of the training period - use the following format (Table 2):

Number	First and last name	Travel route	Amount paid	Signature

The expense sheet must indicate for which training(s) and dates the trainees' expenses have been reimbursed.

Lunch and coffee breaks

The available funds for coffee breaks and lunches are in the amount of 10 BGN per person per training day. This includes trainees as well as trainers.

The person in charge at the training base negotiates food deliveries and organizes the coffee breaks, while adhering to the established spending limit.

Office supplies

The available funds for office supplies are 60 BGN per training (including all parts) for each group.

3. Financial management

The Grantee receives the funds in advance after signing the Agreement.

Going over the limit for the respective expense items is only allowed for the Training category. The overspending should be no greater than 10% and must be compensated with equivalent savings in the other expense categories. An overspending and a respective compensation greater than 10% must be coordinated with the PMU in writing. Overspending in the category Administrative expenses is not allowed.

Changes to the annual limits are regulated by signing an Amendment to the corresponding Grant Funding Agreement.

After completion of all the activities in the Agreement any unused funds shall be transferred to the account of the UNDP, designated in the Agreement, no later than November 30th 2013.

IV. Reporting, documentation and monitoring

1. Reporting

For the preparation of financial reports, please use Exhibit T8-2013. Two financial reports are to be prepared – for the period March 1st – July 15th (due by July 31st 2013) and for the period July 16th – November 15th (due by November 15th 2013). For this purpose you must use the Work table worksheet and fill out the corresponding expense columns for each period.

The total sum for each expense item is indicated for activities for which expenses have been made during the reporting period. All accounted expenses for the reporting period must be included, regardless of whether the corresponding activities have been finalized during the reporting period.

The guiding principle for deciding which expenses should be indicated for a given period is at what time the respective payments were made. **Example:** The report for the period March 1st – July 15th 2013 includes travel

expenses, reimbursed to the participants in trainings having taken place before July 15th 2013. At the same time accounting services expenses for the month of June would not be included if the payments are made during the month of August.

In accordance with the respective Terms of Reference deadlines, as part of the report documents package the Grantee sends to the PMU via courier service the following:

- The signed financial report for the respective period (worksheet Report March 1st – July 15th or worksheet Report July 16th – November 15th), printed according to the instructions in Exhibit T8-2013, with all the required documents attached in hard copy form.

List of required documents:

1. Attached documents list (original copy)
2. Pay sheet for travel expenses, including personal vehicle travel, without the need to attach tickets, calculations, business travel orders, etc. (certified copy)
3. Invoices for accommodation, office supplies, food, and other expenses with attached fiscal receipts or payment orders (certified copies)
4. Paid amounts calculation, or copy of the payroll and if necessary payment orders for training coordination activities and accounting services, showing all the paid contract amounts by the insured person and the employer (certified copies)

2. Documentation

The accounting documents, part of the grant funding expenses must contain all the required details and be in accordance with the Bulgarian legislation. The invoices must have a fiscal receipt attached (cash payment) or payment order (bank transfer). The invoices are made out to the Grantee's name and contain all the Grantee's information.

All the original documents regarding the grant finance management and expenditure are to be kept in a well-organized manner by the Grantee.

3. Monitoring

The Grantee must provide access to the archives for monitoring and control purposes to the PMU, the UNDP, the Ministry of Culture, and external auditors. The monitoring takes place without prior notice.