

ForumCiv's General Conditions Project Support

Decided by: Claudia Arenas, Head of Impact and Quality Assurance

Decided on: 2018-04-12 Updated: 2018-09-24

Period of validity: Until further notice

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Definitions

<i>Administration grant</i>	Flat rate of 8% of the <i>Grant</i> that may be used to cover direct and indirect costs for administering the <i>Grant</i> .
<i>Annual Plan</i>	Financial and narrative plan for a period of one year. Applicable in multi-year interventions.
<i>Annual Report</i>	Annual financial and narrative reporting of completed work within a multi-year intervention.
<i>Budget</i>	Contracted financial plan for the use of the <i>Grant</i> based on the Decision Memorandum for the intended intervention.
<i>Budget line</i>	Line in the <i>Budget</i> summarising several budget items.
<i>Compliance Audit</i>	Audit review of the extent of agreement compliance.
<i>Cost effectiveness</i>	The cost of an intervention in relation to its results, impact and sustainability.
<i>Core support</i>	Non-earmarked financial support to an organisation.
<i>Decision Memorandum</i>	Memorandum and its annexes prepared by ForumCiv regarding a specific intervention.
<i>Deviation</i>	Deviation from any part of the <i>Agreement</i> , including all annexes, which requires ForumCiv's written approval.
<i>Deviation case</i>	Suspected or actual corruption and/or irregularities.
<i>Evaluation</i>	An external or internal assessment of the operational implementation, results and sustainability.
<i>Financial Report</i>	Statement of the financial outcome.
<i>Final Report</i>	Reporting of the results and implementation of the intervention, as well as audited final financial statement.
<i>Grant</i>	Total financial support based on the Decision Memorandum for the intended intervention.
<i>Grantee</i>	Swedish non-profit organisation receiving financial support of ForumCiv (SvEO)
<i>Grant Audit</i>	Annual independent review and statement on the use and management of the <i>Grant</i> in accordance with ForumCiv's Audit Instruction.
<i>Intervention</i>	Programmes or projects or other operational support subject to financial support.
<i>Intervention period</i>	In the Decision memo approved programme or project period.

<i>Mid-term report</i>	Reporting of the work achieved to date including the audited annual financial report.
<i>Narrative report</i>	Written account of the use and the results of the <i>Grant</i> .
<i>Own contribution</i>	Grantee's own financial resources used to undertake intervention.
<i>Programme support</i>	Financial support for a multi-year thematic and / or geographical programme consisting of several actions with common goals.
<i>Project support</i>	Financial support for a clearly defined project with a start and end.
<i>Partner organisation</i>	Local non-profit organisation (LEO) that collaborates with the Grantee.
<i>Risk mitigation measures</i>	Measures to reduce the risk of corruption or irregularities
<i>Significant risk</i>	Risk that could potentially affect the feasibility of the operations.
<i>Special audit</i>	Audits with a particular mission statement.
<i>System audit</i>	Review of the organisation's grants management procedures and systems. For example, the accounting system, delegation of authority, procurement rules and procedures to prevent corruption.

1. Applications

This document establishes the general conditions and regulations regarding the funding modality of Project Support. The general conditions shall apply to all of the Interventions supported by ForumCiv, for which a Project Support agreement has been signed.

2. The Grant

2.1 Own contribution

The Grantee must fund at least five percent 5% of the project budget with a so called own contribution. The own contribution shall be funds raised in Sweden, such as donations, sponsorship, membership fees, lottery revenues and revenues from the sale of goods, in respect of goods not produced and/or purchased with funds from Sida.

The own contribution cannot be:

- Grants from other public bodies (e.g. state or municipal institutions) in Sweden or abroad
- The value of the organisation's own work, goods and services
- Income from the sale of services
- Financing from local partner organisations in developing countries
- Unutilised administration grant
- Sida funding

In cases when another donor organisation agrees to cover the entire or part of the own contribution component, ForumCiv reserves the right to request written attestation from the organisation in question.

2.2 Administration grant

8 percent (8%) of the amount granted can be used for administrating the grant and is exempt from own contribution. The Administration grant can be used for actual costs for managing the Grant, as well as indirect costs such as costs for developing applications and reports, continues monitoring and annual auditing of the total Grant from ForumCiv. The costs shall be relevant and reasonable.

The administration grant may not be used for investment, or payment of loans or debts. The approved administration grant may not be exceeded.

2.3. Purchase of capital equipment, vehicles, etc.

The Grant does not permit the purchasing of any forms of real estate, land, buildings etc. either in full or partially.

Purchasing of capital equipment (such as, but not limited to, vehicles) can only be made provided it is not the main purpose of the intervention but instead is clearly linked to the objectives of the intervention and provided that such acquisition is within the Budget. How the equipment will be used shall be documented and whenever possible be sold at the end of the intervention, or transferred to the partner organisation. As far as possible the equipment shall be used for such purposes or in such way that it contributes to the results of the intervention.

If the transfer of equipment is made to a partner organisation, and if the total value is SEK 25 000 or higher, a deed of transfer shall be established. This deed of transfer shall be retained in accordance with Article 12.1 of the Agreement. Upon request, the Grantee shall send copies of such deed of transfer to ForumCiv or appointed auditor of ForumCiv.

ForumCiv's procurement rules shall be applicable to the Grantee and partner organisations in subsequent steps throughout the agreement period. See Appendix 2. The Grantee may have more restrictive procurement rules but never less restrictive than the ForumCiv standard.

ForumCiv's Anti-Corruption Policy shall apply to the Grantee and its partner organisations in subsequent steps throughout the contract period. See Annex 1. The Grantee may have more restrictive anti-corruption regulations, but never less restrictive than the ForumCiv standard.

2.4 Grant Requisition

The approved Grant is paid out following a written requisition from the Grantee for the first calendar year the intervention is implemented; thereafter payments are made two times a year based on the total approved Grant per calendar year and upon fulfilment of the contractual terms in Article 6 of this General Conditions regarding reporting. The requisition shall be made using ForumCiv's particular requisition form. A financial statement of the funds used to date shall be attached to each requisition form. This also applies for the accounting of the own contribution.

Minutes of a meeting excerpt, or similar verification, proving the signatures of the requisition have authorisation to sign on behalf of the Grantee, shall be attached to the requisition. If such information was previously submitted by the Grantee, and it remains unchanged, it is not required to be resent to ForumCiv.

3. Budget reallocations

Budget reallocations shall be made in consultation with ForumCiv. The following requires ForumCiv's written approval:

- i. Reallocations between the following budget lines in the Budget "Expense resp. org." and "Expense. Impl.org" no matter the amount.
- ii. Reallocations between other budget lines in the Budget exceeding 10 percent.
- iii. Reallocation of unused funds from one project year to another project year within the same Agreement.

4. Deviations and deviation management

4.1 Written approval of deviations within intervention

Deviations within the intervention(s) the Decision Memorandum refers to require ForumCiv's written approval.

The estimated cost of administration in Sweden must never be exceeded.

4.2 Suspected of improper use of funds

In case of suspicion of improper use of funds under this Agreement, the Organization shall immediately inform ForumCiv. The following paragraphs supplement section 5.6 of the contract document.

At ForumCiv's request, in the event of suspicion of unauthorized use of funds, an external investigation shall as soon as possible be carried out by an authorized or approved auditor (eg through a forensic audit). Terms of reference, cost estimate and the possible redistribution of the budget required for the implementation of such investigation shall be approved in writing by ForumCiv. The results of the investigation shall be sent to ForumCiv as soon as it is available.

ForumCiv has the right to carry out a specific audit of the operation in question, either by itself or through the appointment of an auditor or other external evaluator. Such evaluation shall primarily be paid by unused, already disbursed grants.

5. Reporting

5.1 General about reporting

The approved *Grant* shall be reported to ForumCiv as agreed and in accordance with the deadlines below. The reports must be designed and submitted in accordance with ForumCiv's requirements and formats.

In the Financial Report, the actual cost shall always be compared with the latest approved budget for the current reporting period. In addition, the accumulated actual costs shall also be reported i.e. the total financial outcome for the project period to the current date. All interest accruing on the related bank account shall be reported. In addition, currency gains and losses shall be reported. The Grantee shall comply with generally accepted accounting principles in Sweden and the reported costs shall be traceable in the bookkeeping. All income and all sources of funding shall be included in the financial report.

The Grantee shall specify their accounting principles (cash basis or accrual basis) in the Financial Report. Complete documentation (certification in the form of receipts / invoices) to verify the costs of

the project shall be available. The financial report shall be made so that it is easy to analyse the plausibility of cost in relation to actual results. The Grantee shall, on request from ForumCiv, be able to verify the reported costs by supporting documents, such as receipts. If any deviations from ForumCiv's accounting requirements have been made, this should be stated and justified.

5.2 Staff Costs

In cases where the Grant finances staff costs, either wholly or partly, the principles used to distribute such costs shall be stated in the financial report. Staff costs shall be continuously recorded in the accounts during the intervention period and appropriate monitoring and reporting procedures shall record staff time spent on the project. The Grantee has the responsibility to ensure that regulations for personnel are applied and followed. This reporting should therefore be supplemented with information on how national accounting, tax regulations, social security contributions and other labor-related standards are followed.

5.3 Sub-granting to Partner Organisations

The Grantee shall ensure that the Partner Organisations have accurate and complete accounts with costs reported against the agreed budget and programme or project plan. The Partner Organisation must comply with national accounting and tax rules in the country of operation. Regarding Core Support, all income and expenses of the Partner Organisation shall be identifiable and traceable in the organisation's accounts.

Results reporting and accounting from the Partner Organisation shall be the basis for the Grantee's own reporting and accounting. When requested by Forums Syd, the Partner Organisation shall provide reports to ForumCiv.

In the financial report the Grantee shall report how much has been transferred to the Partner organisation and certify that all transferred funds have been audited in accordance with ForumCiv's audit instructions. Should discrepancies arise, the Grantee shall also certify that the Grantee and the partner organisation have acted appropriately based on the information stated in the audit's report.

Deviations in a Partner Organisation's compliance with the contract obligations shall be reported to ForumCiv. The Grantee must verify that ForumCiv's prescribed conditions have been included in the underlying contract with the partner organisation.

5.4 Annual reporting

For multi-year interventions lasting 18 months or longer, the Grantee shall submit an annual report (narrative and financial reporting, including auditing reports) for every calendar year of the project. For interventions starting 1 January 1- 31 July, the annual report is to be submitted no later than **April 1** of each year for the preceding calendar year. If a multi-year intervention starts August 1 or later, no annual report is required for that first calendar year and that period shall instead be reported in the annual report of the second calendar year of the intervention.

The annual report shall be in accordance with ForumCiv's instructions and the reporting formats shall have the same structure as the approved intervention and latest written approved Budget. The Annual report shall be based on the intervention and how the funds have been used regarding both the Grantee and the Partner organisation.

The annual report shall be audited by an external, independent and qualified auditor in accordance with ForumCiv's audit instruction, including the auditor's management letter and the Grantee's management

response.

If the annual report is not submitted and approved by ForumCiv then ForumCiv has the right to withhold future payments of funds until the Grantee has taken corrective measures. Inadequate reporting subjects the Grantee to repayment obligations in accordance with the *Agreement*.

5.5 Final Report

At the latest five (5) months after the Intervention Period ends, the Grantee shall submit a Final Report (narrative and financial reporting, including auditing reports) for the whole project period to ForumCiv in accordance with deadline stated in the Decision Memorandum.

The financial final Report shall be audited by an external, independent and qualified auditor in accordance with ForumCiv's Audit Instruction, including the auditor's management letter and the Grantee's management response.

Inadequate reporting in the Final Audit subjects the Grantee to repayment obligation in accordance with the Agreement.

6. Grant Audit

The Grantee shall be responsible for the use of the Grant and shall be audited annually by an external, independent and qualified auditor. The attending auditor may hold this assignment for a maximum of seven years.

The audit shall be conducted in accordance with ForumCiv's Audit Instructions, Appendix 3. All reporting by the auditor must be written in **English**. The audit shall declare on the financial report that the Grantee accounting is consistent with ForumCiv's instructions for financial reporting. (ForumCiv's instructions includes for example, report forms and agreements between the parties as well as the General Terms.) It is the Grantee's responsibility to remain informed about said instructions that are applicable at the time of any accounting or reporting.

The audit report shall state that the audit was conducted in accordance with *International Standards on Auditing 800/805 and ISRS 4400*. The auditor's report shall include any observations the auditors have made during the review process. The auditor's report shall also include information if the Grantee has taken appropriate steps to take into account any recommendations and observations from previous audits.

The report shall indicate all detected deviations by the auditor and all those that were not rectified by the Grantee with regard to grant funds earmarked for payments to partner organisations throughout all levels of the intervention. This shall be done regardless of which amount the auditor chooses to work with.

In a *Management Letter*, the auditor shall communicate any issues of significance to Grantee's board of directors or management relating to the audit of the financial report. It shall be clear from the *management letter* that the Grantee has taken action based on what the auditor raised in the previous year's management letter. The auditor's report and the financial report must be submitted annually to ForumCiv in accordance with the Agreement.

The Grantee shall cooperate with and assist ForumCiv in any system and contract compliance audits, follow-ups and evaluations that Sida or ForumCiv may request or perform. Sida and ForumCiv have the

right to visit, audit and /or evaluate any intervention financed in whole or in part by the *Grant*. Visits, audits and evaluations shall be preceded by consultation with the Grantee. Sida and ForumCiv reserve the right to carry out unannounced spot checks.

In cases where the Grantee transfers funding to a Partner organisation, the Grantee shall be responsible for annual grant audits in accordance with the above. Audit reporting shall follow continuously throughout all levels of the intervention throughout the final partner organization. The current audit instructions shall also be applicable on all levels of the intervention.

The Grantee shall be responsible for monitoring the audit of the Partner Organisation include the following:

- Assessment of the auditor.
- Check that audit reports from the auditors are submitted according to the Agreement.
- Assessment of the auditor's report and to act on the information.

In some cases there can be alternative procedures for auditing the intervention. In all these cases, ForumCiv needs to approve the alternative procedure for audit in written.