

# The Guidelines on Eligibility of Expenditures and Record Keeping in the Democracy and Human Rights Program

Valid as of 27 May 2015

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## 1. Introduction

These Guidelines on eligibility of expenditures are addressed to all applicants for grant in the Program of support for non-governmental organizations - Democracy and Human Rights, for all the beneficiaries of the grant from the Program of support for non-governmental organizations - Democracy and Human Rights. It is applicable to all Calls for submission of grant applications (hereinafter the "Call") and shall enter into force on 25 May 2015.

The Program of support for NGOs - Democracy and Human Rights is part of the implementation of the EEA Financial Mechanism 2009 – 2014 by which the Donor States, Iceland, Liechtenstein and Norway contribute to the elimination of economic and social inequality within the EEA.

The objective of the EEA Financial Mechanism 2009 – 2014 is to strengthen the relations between donor countries and Slovakia and to secure a stable, peaceful and prosperous Europe built on the principles of good governance, democratic institutions, rule of law, respect for human rights and sustainable development.

The Fund Operator of the support for NGOs - Democracy and Human Rights (hereinafter the "Program") is "Nadácia otvorenej spoločnosti" – Open Society Foundation (hereinafter the "Fund Operator").

All projects funded under the Democracy and Human Rights (hereinafter the "Program") EEA Financial Mechanism 2009 – 2014 are subject to the detailed provisions on the eligibility of expenditures.

These guidelines on the eligibility of expenditures for Applicants, Beneficiaries and Beneficiaries' Partners in the Program Democracy and Human Rights (hereinafter "the Guidelines") EEA Financial Mechanism 2009 – 2014 define general groups and categories of eligible expenditures, as well as the criteria for eligibility. Provisions of the Guidelines are considered binding for the Applicants, Beneficiary, as well as the Partner.

The Fund Operator is entitled to amend these Guidelines in response to changes on Implementation of EEA Financial Mechanism 2009 – 2014. The currently valid version of the Guidelines is binding for each grant applicant, Beneficiary and Partner. The currently valid version of the Guidelines is published on the [www.osf.sk](http://www.osf.sk) Program website.

## 2. Definition of basic terms

**Project activity** – a set of activities implemented with the use of designated funds. Project activities shall contribute to achieving specific outcomes and have a positive value, independently from the implementation of other activities. Activity is clearly delimited by time, resources and expenses.

**Audit** – systematic, independent and documented process of verification of evidence and their objective evaluation aiming at specifying the extent of planned goals.

**Contractor** – entity that has entered into an agreement with the grantee on supplying goods or services.

**Project** – project implemented with the financial support from the program based on the Grant Agreement with the Fund Operator and the Beneficiary.

**Program** – Democracy and Human Rights Program is a grant scheme for non-governmental organizations.

**Monitoring** – regular activity aimed at systematic collecting, sorting, aggregating and storing of relevant information for the purpose of evaluation and control of managed processes at the project and program level.

**Cost** – cost means a reduction in economic benefits of the accounting unit in an accounting period which can be reliably measured.

**Grant** – purpose bound financial contribution from the Program provided to the Applicant based on the approved grant Application upon signing the Grant Agreement for the purpose of project implementation.

**Irregularity** – any act or omission which is contrary to the law of European Union and the Slovak Republic, as well as any conduct which threatens or harms the implementation of the program, such as unreasonable or excessive costs, the conduct affecting the rules of the competition or designed to obtain and/or use grant in violation of terms of the Call, the provisions of the Manual for Grant Applicants and the Grant Agreement.

**Eligible costs** – costs that were actually incurred during the eligibility period set forth by the Grant Agreement in line with the valid eligibility criteria.

**On the spot verification** – verification of the fulfillment of contractual obligations of the beneficiary by the Fund Operator at the headquarters of the Beneficiary or on-site implementation of project activities. It particularly verifies the implemented activities and their quality, eligibility of expenditure, delivery of products, execution of works and services listed as project expenditure reported to the Fund Operator and accuracy of accounting in relation to the project, publicity carried out, etc.

**Partnership** – non-commercial coalition of legal entities created with the aim to jointly achieve the project results.

**Interim financial and project report (IFPR)** – the document prepared by the Beneficiary in accordance with the pre-defined form containing information on project spending and implementation. Beneficiaries must submit IFPR in three reporting periods during the calendar year.

**Beneficiary** – non-governmental organization receiving funding from the program intended for the implementation of the project by virtue of the Grant Agreement.

**Partner** – public or private entity, commercial or non-commercial, including non-governmental organization, which is actively involved in and efficiently contributes to the project implementation.

**Final financial and project report (FFPR)** – the final report on the project implementation prepared by the Beneficiary in the specified format and delivered to the Fund Operator within 30 days after the end of the grant implementation period. It contains the information about the project and financial implementation of the activities, outputs and project results.

**Fund Operator** – the subject that was authorized to administer NGO fund of EEA Financial Mechanism 2009-2014 based on its application. The Fund Operator is responsible for the Program implementation. The Fund Operator is “Nadácia otvorenej spoločnosti” – Open Society Foundation.

**Financial Mechanism Office (hereinafter “FMO”)** – the Office assisting the Financial Mechanism Committee (FMC) in managing EEA Financial Mechanism 2009 – 2014. FMO is administratively part of the European Free Trade Association and is responsible for day to day implementation of the EEA Financial Mechanism 2009 – 2014, and serves as a contact point.

**Expenditure** – expenditure is generally understood as decrease of funds or decrease of equivalent of funds of the Beneficiary for the purpose of Program implementation.

**Reporting period** – calendar year has three reporting periods: January – April, May – August, September – December.

**Grant Agreement** – the mutual rights and obligations of the parties when the Fund Operator allocates funding for the project implementation from the program in support of the NGOs "Democracy and Human Rights" from the EEA Financial Mechanism 2009 – 2014.

**List of project expenditures** – summary of project expenditures for a calendar month sent by the Applicant to the Fund Operator in a specific form in the following month.

**Grant applicant** – legal person authorized to submit the grant Application that seeks support for a project.

**Grant application (Application)** – set of documents prepared and submitted by the Applicant in a prescribed form.

Shall any term or notion or meaning thereof be unclear since it is not listed and defined directly by this Manual, its content is interpreted pursuant to the definitions stipulated by the regulations of the Slovak Republic or in the documents valid for the implementation of the EEA Financial Mechanism 2009 – 2014.

### 3. The period of eligibility of expenditures

The period of eligibility of expenditures, i.e. initial and final date of eligibility of expenditures is defined in Article 3 Period of implementation of the grant in the Grant Agreement concluded between the Fund Operator and the Beneficiary. Eligibility of expenditures and costs is established from the date of signature of the Grant Agreement.

### 4. The rules on eligibility of expenditures

Eligible expenditures under this Program are expenses that meet the below-given criteria on eligibility of expenditure.

In the event of a Partner participating in the project, expenses of the Partner are considered eligible if they are included in the project budget. They shall meet the following eligibility criteria as the expenses of the Beneficiary.

Expenditures are eligible if they were actually incurred by the Beneficiary or Partners and meet the following criteria:

- they have been incurred between the first and final dates of eligibility of the project as specified in the Art. 3 of the project contract;
- they are connected with the subject of the project contract and they are listed in the approved overall budget of the project (Annex of the project contract);
- they are proportionate and necessary for the implementation of the project;
- they must be used for the sole purpose of achieving the objective(s) of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- they are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and
- they have been invoiced, paid, supplied (in the case of goods) or executed (in the case of services and works);
- they have been recorded in the Beneficiary's accounts in accordance with the Act. No. 431/2002 Coll. On Accounting as amended. The Beneficiary must keep income and expenditure related to the grant under analytical accounting for the whole accounting entity, so as to allow the control procedures to monitor compliance with separately reported clearing and supporting documentation.
- they comply with the applicable accounting standards and generally accepted accounting principles and with the requirements of applicable legislation.

Eligible expenditures must also meet the following general criteria:

- they have been genuinely and demonstrably incurred, i.e. they are supported by the appropriate invoices for accounting documents of equivalent probative value, by the proof of payment pursuant to the Act. 431/2002 Coll. On Accounting as amended, and other compulsory supporting documentation. An expenditure is not eligible if it has been incurred by offsetting assets and liabilities or by unbilled prepayments;
- they have been incurred in accordance with the principles of economy (minimizing costs while respecting project outcomes), efficiency (the relationship between the planned outcome and the actual results of activity with respect to the means used), effectiveness (the need for the project and a direct link to project) and good organization (maximizing relationship between inputs and outputs of the project);
- they must be justified, necessary and must be directly related to the project implementation;
- they are not duplicity financed.

## 5. Ineligible expenditures

Any expenditures which do not meet the eligibility criteria under point 4 are generally considered to be ineligible:

- expenditures not directly related to the implemented project,
- expenditures not in accordance with the project budget, as approved and confirmed by the Grant Agreement,
- expenditures incurred before the starting date of eligibility of expenditure,

In addition to the above-mentioned, ineligible expenditures mainly include:

- a) interest on debt, debt service charges and late payment charges;
- b) charges for financial transactions and other purely financial costs that are not directly related to the implemented project;
- c) costs related to purchase of land or real estate;
- d) provisions for losses or potential future liabilities;
- e) exchange losses;
- f) costs that are covered by other sources;
- g) fines, penalties and costs of litigation (Costs of litigation shall not be considered eligible, except when those costs are an integral and necessary component for the implementation of the project and are essential for achieving the outcomes of the project.) ;
- h) excessive or reckless expenditure;
- i) offsetting assets and liabilities as well as unbilled prepayments;
- j) part of the expenditure incurred for the reconstruction and restoration of property exceeding 50% of total eligible project expenditure;
- k) expenditure on the purchase of property by Partner;
- l) value added tax in VAT payer;

## 6. Groups of eligible expenditures

Eligible expenditures of the Program are divided as follows:

- direct costs – represent costs intended to finance particular project activities,
- indirect expenses – current expenses associated with the financial management of the project, publicity and knowledge of the project and other indirect costs.

## 6.1 Direct costs

Direct costs are incurred for the execution of project activities in accordance with the approved project budget.

If under the Program only a proportion of the expenses is used, then only this proportion is recognized as an eligible expenditure, in which case the Recipient is required to justify the claimed expenditure by supplying the manner of calculating the proportion of expenditure.

Value added tax (VAT) is considered eligible only in case that the Recipient is not subject to VAT payment. VAT which is refundable in any way is not considered eligible.

In case that the Recipient pays expenses in the currency other than their domestic currency, eligible expenditure is the expenditure in foreign currency converted into domestic currency on the date of payment pursuant to Act no. 431/2002 Coll. on Accounting as amended.

Direct expenses are divided as follows:

- Salaries including contributions
- Services
- Travel expenses
- Other expenses

Marking and naming of expenditure groups is also valid for the Beneficiary's Partner.

Rules and notes on the selected types of direct costs according to the groups of reported expenditures.

### 6.1.1 Salaries inclusive of contributions (*expenditure on staff capacity of the project*)

Within this group, eligible expenses are salary expenditures for Beneficiary's own employees according to labour relations or contracts similar to labour relations including employees under agreements performed outside employment who execute individual project activities.

Reported eligible labour expenditures are charged in the following accounts:

521 – Salaries

524 - Payroll transfer to social-insurance fund

527 – Other social expenditures (foundation of a social fund is ineligible)

It is the total cost of labour that is regarded an eligible expenditure amounting to the sum of gross salary (excluding bonuses – salary including the compensation for a holiday and vacation), salary compensation for temporary incapacity for work, payroll transfer to social-insurance fund, and contributions paid by the employer for the employee's health insurance. The bonuses are ineligible expenditures.

Only salary for actual time worked on various project activities is eligible. Compensations for a public holiday and vacation and compensation for temporary incapacity for work are eligible only proportionally to the time actually worked on various project activities.

Actual time worked shall be demonstrated by an employee's timesheets. Within the contributions paid by the employer – payroll transfer to social-insurance fund and health insurance, the only eligible expenses are those that are proportionate to the gross salary excluding bonuses for actual time worked on various project activities.

The costs of staff assigned to the project must correspond to the project promoter's and project partner's usual policy on remuneration.

### 6.1.2 Services

In this group eligible expenditures are those that are necessary for the implementation of project activities and charged in the following accounts:

513 – Representation expenses – expenses for refreshments for 1 person are eligible up to the amount of the meal allowance provided under Act no. 283/2002 Coll. On Travel Expenses as amended.

518 – Other services (except for expenses that are part of the normal operation of the Recipient's organization as a whole, e.g. energy costs, mailing services, telecommunications, water and sewage costs).

These are expenses for services directly related to and necessary for the implementation of the project activities such as:

- remuneration for work related to the implementation of project activities,
- expert and professional services,
- publicity through a variety of media, follow-up on specific project activities,
- printing and distribution of communication and information materials as follow-up of the specific project activity,
- processing web pages related to the project activities,
- rental of facilities and necessary technical equipment,
- other travel services (travel expenses for persons exclusive of Section 1 of Act No. 283/2002 Coll. On Travel Expenses),

### 6.1.3. Travel expenses (expenses associated with travel of personnel involved in the project implementation)

This item shall comprise expenditure on Beneficiary's own staff's travel expenses, who execute individual project activities. The travel expenses are eligible up to the amount specified by Act No. 283/2002 Coll. On Travel Expenses as amended. In case of using public transport, reimbursement of travel expenses up to a maximum fare in the 2nd or economy class is considered as reasonable.

In general, the following holds for expenses related to the Beneficiary's employees' business trips – as the date of exercising eligibility of Beneficiary's expenditure shall be considered the date of actual reimbursement of travel expenses to employees on the basis of settlement of travel expenses of business trip.

### 6.1.4 Other expenses

This item includes the expenditures to be charged mainly in the following accounting groups:

#### **01 – Intangible Assets**

Within this group, eligible expenses are expenditures on intangible assets necessary for the execution of the project activities whose pricing is determined pursuant to Act No. 595/2003 Coll. On Income Tax as amended and whose useful life is longer than one year, charged, in accordance, in with regulation of Ministry of Finance of Slovak republic the following accounts:

013 - Software

018 - Small intangible assets,

019 - Other intangible assets.

#### **02 - Tangible fixed assets depreciation**

Within this group, eligible expenses are expenditures on tangible fixed assets necessary for the execution of the project activities, the pricing of the assets is determined according to Act No. 595/2003 Coll. On Income Tax as amended, and the useful life is longer than one year, charged, in



accordance with regulation of Ministry of Finance of Slovak republic, in the following accounts:

022 – Individual movable assets and sets of movables

023 – Vehicles

028 – Small tangible assets

029 – Other tangible assets

### **Additional rules for intangible and tangible assets acquired under the project**

Generally, in case of acquiring intangible or tangible assets, the Beneficiary may claim as eligible only **a part of the acquired assets depreciation** that corresponds to the duration of the project and to the extent of wear, in accordance with the generally accepted accounting principles applicable to the Beneficiary, and in accordance with the Slovak legislation.

Expenditure on intangible and tangible assets (capital expenditure) must not exceed 50% of the total eligible project expenditure.

Acquired intangible and tangible assets shall remain the Beneficiary's property during the period of the Grant Agreement or during the period of its useful life if it is shorter than the validity period of the Grant Agreement.

The Beneficiary shall ensure that the expenditure, including investments in intangible and tangible assets, be operated and used for the purposes of the project in terms of the Grant Agreement.

### **For Beneficiary's Partner the Expenditures under the 01 and 02 Group are Ineligible.**

#### *50 – Purchases*

Within this group, eligible expenses are the expenditures necessary for the execution of the project activities, charged in the 501 account – Consumption of material. It also includes expenditure on tangible fixed assets necessary for the execution of the project activities, whose price is lower than the amount determined by Act No. 595/2003 Coll. On Income Tax as amended, and that is neither included in small tangible assets in the appropriate long-term asset account.

In case of using Beneficiary's vehicle, eligible expenses are expenditures for consumed fuel during own staff's business trips directly related to the execution of project activities. Eligible expenditure for fuel consumed shall be designated by the Recipient through the calculation based on mileage, fuel prices valid at the time of using the company car and fuel consumption as indicated in the technical documentation of the company car. The method of calculating fuel consumption shall be sent by the Beneficiary together with the reported expenditure.

## **6. 2 Indirect costs**

Indirect costs are a specific category of expenditure. They are current expenses / costs related to:

- execution of the administrative and technical management of the project,
- the normal operation of the Recipient's organization as a whole (e.g. energy costs, postal services and telecommunications, water and sewage costs)

Indirect costs are all eligible costs that cannot be identified by the project promoter or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the project promoter or the project partner. They may be identified according to either of the following methods:

- 1) based on actual indirect costs for those project promoters and project partners that have an analytical accounting system to identify their indirect costs as indicated above, or

- 2) a project promoter and project partners may opt for a flat rate of up to 19.5% of its total direct eligible costs, excluding its direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the project promoter.

Under the indirect costs, investment / capital expenditures are ineligible.  
Indirect project costs are eligible for both the Beneficiary and the Partner.

Under the Beneficiary's indirect costs, the following expenditures will be considered eligible in these accounting groups:

#### *50 – Purchases*

They also include expenses for used materials related to the project management, such as: office supplies and forms. Within this group, eligible expenses are expenditures for the management of the project activities, charged in the 501 account – Consumption and Costs of water, gas and electricity in the 502 account – Energy Consumption.

#### *51 – Services*

Eligible expenses are charged in the accounts:

512 – Travel – the travel expenses of Beneficiary's own employees related to the management and monitoring of the project.

518 – Other services related to the management and monitoring of the project (e.g. financial audit of the project), as well as postal services, telecommunication charges, rental of office premises (only in case that the Beneficiary / Partner is not located in their own premises), cleaning costs, cleaning of premises (only in case that Beneficiary / Partner are located in their own premises) and accounting costs (only in case of external accounting)

#### *52 – Personnel costs*

These are eligible expenses for Beneficiary's own staff salaries under labour relations or contracts similar to labour relations, including employees under agreements performed outside employment, who are involved in the management and monitoring of the project execution charged to the accounts:

521 – Salaries

524 – Payroll transfer to social-insurance fund

527 – Other social expenditure (foundation of a social fund is ineligible)

Eligible expenditure is the total cost of labour which is formed by the sum of gross salary (excluding bonuses – salary including salary compensation for a paid holiday and vacation), salary compensation for temporary incapacity for work and contributions paid by the employer for the employee's health and payroll transfer to social-insurance fund. The remunerations are ineligible costs. Only salary for actual time worked on the project is eligible. Salary compensation for a public holiday and vacation and salary compensation for temporary incapacity for work are eligible only proportionally to the time actually worked on the project and documented in employee's timesheets. Actual time worked shall be demonstrated by an employee's timesheets.

Within the employer's payroll transfers to social-insurance fund and contributions to health insurance, the only eligible expenses are those proportionate to the gross salary excluding bonuses and paid for actual time worked on the project implementation.

The personnel costs must correspond to the project promoter's and project partner's usual practices on travel costs and must be within the scales set by the Fund Operator.

#### *54 – Other expenses*

Within this group, eligible expenses are other expenses charged to the 549 account – Other expenses, e.g. administrative and other fees related to the project execution.

Indirect expenses determined through percentage during the project implementation shall not be subject to verification by the Trustee, i.e. the Beneficiary / Partner will only submit the extracts from the bookkeeping, which will clearly indicate the list and the total amount of indirect costs for the given period of project.

If the beneficiary chooses calculation of indirect costs by flat rate such indirect costs will not be calculated individually for every budget line. They will be claimed within interim reports as one amount relatively to actual direct eligible costs of the project according to percentage value set in approved project budget.

## **7. Procurement**

National and European Union law on public procurement shall be complied with at any level in the implementation of the Program and its projects. Notwithstanding provisions of national law that exempt NGOs from public procurement, any procurement procedures related to amounts above the European Union thresholds for procurement shall be undertaken in accordance with the applicable laws on procurement without regard for such an exemption.

During the project implementation, the Beneficiary shall observe the principles of efficiency and transparency. The highest ethical standards shall be observed during the procurement and execution of contracts. The Beneficiary shall ensure the application of adequate and effective means to prevent illegal or corrupt practices. No offer, gifts, payments or benefit of any kind, which would or could, either directly or indirectly, be construed as an illegal or corrupt practice, e.g. as an inducement or reward for the award or execution of procurement contracts, shall be accepted.

Awarding of contracts (including the procedures prior to the awarding) and the terms and conditions of such contracts shall comply with best economic practices, including accountability, allow a full and fair competition between potential providers, for example by way of effective price comparison, and ensure the optimal use of resources from the EEA Financial Mechanism 2009 – 2014.

In cases of procurement related to an amount of € 5,000 or higher the project promoter shall invite at least three suppliers to submit offers and draw up a record of the award.

The Beneficiary shall ensure that records of the awarding and execution of contracts are kept for at least seven years from the completion of the project and provided upon request to the Fund Operator.

## **8. Method of Generating analytical accounts and analytical records under the project**

Entries in accounting and accounting outputs must enable monitoring of progress achieved during the project implementation and provide a basis for claiming payments as well as facilitate the process of verification and audit of expenditure by the Trustee.

The Beneficiary accounting under the system of double-entry bookkeeping is required to enter the expenses incurred during the project implementation into the analytical accounts and in special analytical records established for the Project or use appropriate accounting classification so as to enable provision of accounting outputs and project data processing.

The Beneficiary accounting under the system of single-entry book-keeping is required to monitor the expenses incurred during the project implementation in special analytical records established for the project and in the structure given in these Guidelines. Entries in Accounting and Accounting outputs must enable monitoring of progress achieved during the project implementation, provide a basis for claiming payments and facilitate the process of verification and audit of the expenditures by the Trustee.

Keeping a separate analytical accounting and analytical record for the project does not apply to the Beneficiary's Partner.

## 9. The method of proving eligible expenditure

Eligible expenditures are evidenced in the Beneficiary's accounting documents in accordance with current legislation, in particular in accordance with the Act no. 431/2002 Coll. On Accounting as amended.

The Beneficiary shall keep the originals of accounting documents and supporting documentation in their accounting records for at least seven years following the date of approval of the final report by the Project Administrator. These documents shall be submitted upon request by the Project Administrator or made available for on-site verification/audit.

When submitting the financial reports, the Beneficiary shall send the copies of the accounting documents and supporting documentation for all expenditures above € 300 in the extent given by the table below. The copies of the accounting records and supporting documentation for expenditure shall be submitted by the Beneficiary upon Trustee's request according to items below.

### 9.1 Salaries including contributions

- Contract (employment contract, an agreement on work performed outside employment stating affiliation to the project, with a defined position in accordance with the Project, indicating the unit rate and the number of units ...)
- Timesheet (submitted monthly for each employee in the project, must contain at least the following information: the employer's (Beneficiary's) identification, the name and surname of the person, their labour relation, position, calendar month identification, the total time worked for the employer and the total time worked on the project, overview of hours worked and job descriptions under specific days)
- Upon the Recipient's request provides a specimen of a timesheet
- Salary recap for individual employees – the specimen form shall be provided by the Administrator
- Proof of payments (salaries, contributions, taxes ...)

### 9.2 Services

- Accounting / tax document with a clear identification of the subject of execution for the eligibility (invoice, an electronic cash register bill), order, contract
- Attendance list, event program, invitation
- Justification for selecting a supplier (in accordance with the Manual – 5.4 article)
- Photocopy of the media outputs (classified ads, articles), promotional and other materials, documents produced (studies, analyses, strategies, methodologies, etc ..)
- proof of payment

## 9.2 Travel costs

- travel order with commentary regarding the purpose and results of the travel mission
- proof of transportation and accommodation
- method of calculating expenses for fuel (if not part of the travel order)
- business trip report in the event of a foreign business trip
- proof of payment

## 9.3 Other expenses

- accounting/tax document in which the deliverable is clearly identified for the purpose of determining eligibility (invoice, electronic cash register bill), purchase order, contract attendance list, program of the event, invitation
- justification of the choice of supplier (in accordance with the Manual – 5.4 article)
- photocopy of the media outputs (classified ads, articles), promotional and other material, documents produced (studies, analyses, strategies, methodologies, etc.)
- proof of payment

Along with:

The following documents shall be considered as the proof of payment:

a/ photocopy of the bank statement in the event of payment by bank transfer

b / photocopy of the bill of expenditure/receipt in the event of the cash settlement and bookkeeping statements (cash book, accounting logbook).

## 10. The method of proving the in-kind contribution

In-kind contribution is eligible only as voluntary work. For the calculation of the in-kind contribution as voluntary work, the actual time worked by the volunteer will be taken into account. The minimum wage for voluntary work will be calculated based on the provisions of Subsec. 4, Section 120 of the Labour Code, the currently applicable Act. No. 663/2007 On Minimum Wage Rate Coll., and related government regulations.

The Beneficiary shall justify the in-kind contribution by providing the following:

1. Agreement on volunteering
2. The statement of work for the relevant period
3. Other documents showing work executed (e.g. photo documentation, written outputs, etc.)

## 11. Amendments and reallocations of the budget

Reallocations of expenditure within the items of the approved budget up to a maximum of 10% of each budgeted item can be realized without prior consent of the Fund Operator. Each change must be reported to the Fund Operator in the Interim Financial and Project Report.

The Beneficiary is required **to ask the Fund Operator for their assent** shall the reallocation of funds within the items of the approved budget **exceed 10%**. Changes exceeding 10% are subject to the assent of the Fund Operator.

An increase of the amount of indirect costs of the project is **not possible**.

Extension of the project implementation period is possible, however, this extension is subject to the assent of the Fund Operator and shall respect the maximum project duration specified in the Call.

## 12. Presentation of Interim Financial and Project Reports and the Final Financial and Project Report

The Beneficiary shall submit the following reports **on the specific forms**:

- list of project expenditures – shall be sent each month for the previous calendar month, no later than 10 working days after the end of the month. Copies of documents establishing eligibility of reported expenditures (see Section 8 of these Guidelines) constitute the appendix of the monthly list of expenditures.
- IFPR (Interim Financial and Project Report) – for each reporting period, shall be sent no later than 10 working days after the end of the reporting period.
- Request for payment – for every reporting period, shall be sent no later than 10 working days after the end of the reporting period.
- FFPR (Final Financial and Project Report) – after the end of the project implementation, shall be sent no later than 30 days after the end of the project (from the date specified in Art. 3 of the Grant Agreement).
- Request for final payment – after the end of the project implementation, shall be sent no later than 30 days after the end of the project (from the date specified in Art. 3 of the Grant Agreement) along with the FFPR.

All files and reports shall be sent electronically to [eea@osf.sk](mailto:eea@osf.sk) using the .xls file format (in case of financial files and reports beneficiaries shall send those electronically in xls. format), emails need to have contract number and name of Beneficiary (as stated in the contract) in subject of the email. At the same time files and reports need to be printed and signed originals delivered to Fund Operator's business address per mail (or in person), including all requested annexes – mainly copies proving eligibility of reported expenditures.