

## **Guidelines for financial reporting of projects funded by Otto per Mille of the Waldensian Church of Italy (Union of Methodist and Waldensian Churches)**

### **Projects approved in 2017**

#### **1. Grant Disbursement procedure**

As soon as the Beneficiary has received the official approval of the project and the notification of the assigned grant (including any expenses constraints), it can request the release of funds as follows:

- Payment by instalments following project progress, based on actual expenses incurred and reported and upon submission of the mid-term report;
- Total disbursement at project completion, based on actual expenses incurred and reported and upon submission of the final report.

Instalments will be issued differently depending on the amount granted.

##### ***1.1. Grants up to 6,000,00 euros***

In case of grants up to 6,000 euros, the total amount may be released in two instalments:

- The first one, corresponding to 50% of the total grant, will be released as an advance after receipt of the official notification about the project starting date (Attachment A).
- The second instalment, amounting to 50% of the total grant, will be transferred at the completion of the project, on presentation and approval of a detailed financial report relating actual expenses incurred and a final narrative report. All the documents must be compliant with the requirements as paragraph 3.

##### ***1.2. Grants higher than 6,000,00 euros***

In case of grants higher than 6,000,00 euros, the total amount may be disbursed in four instalments:

- The first one, amounting to 30% of the total assigned grant, will be released on receipt of the official notification about the project starting date (Attachment A).

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- The second and third instalments, each corresponding to 30% of the grant, will be delivered upon submission and approval of the mid-term narrative reports along with the financial reports detailing the expenses already sustained with the previous disbursements. All the documents must be compliant with the requirements as paragraph 3.
  - The final payment, amounting to 10% of the grant, will be transferred at the completion of the project, upon submission and approval of the final financial and narrative reports.

With reference to the above-mentioned procedures, please note the following points:

If the financial report appropriately documents expenses for the amount of two or more instalments, it is possible to claim the release of the corresponding instalments through a single payment, except for the last the 10% which will be reimbursed only at project completion.

*E.g. Concerning funding of €10,000.00, on presentation of a statement justifying expenditures of €6,000.00, corresponding to 60% of the assigned grant, a sum of €9,000.00 may be disbursed, corresponding to 90% of the entire grant.*

In any case the Beneficiary has to advance all the funds related to the final 10% payment, which will be reimbursed only at the conclusion of all project activities and upon approval of the final financial report.

## **2. Disbursement timing and use of the funding**

### ***2.1 Disbursement waiting times***

All payments, relating both advances and final instalments, will be released within 90 days from the receipt of the requested documentation.

Financial and narrative reports not compliant with the accounting guidelines of this document (paragraphs 3 and 4) will not be considered.

The Otto per Mille Office is not responsible for possible delays due to the late delivery of postal services and to the submission of documentation that is incomplete or does not meet the requirements set out in these guidelines.

### ***2.2 Timing for the use of funding***

The funds assigned must be used by the end of June 2019. The final financial report must be submitted, under penalty of forfeiture of the grant, by the same date.

Reports received after this deadline will not be taken into consideration.

It is noted that a project is deemed to be concluded when all related activities have been performed and all expenses have been paid.

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Any request to extend the project duration or the deadline for final report submission shall be immediately notified to the Otto per Mille Office, along with all the explanations needed, and duly authorised.

*E.g. for grants approved in 2017, projects must be completed and final reports submitted by end June 2019.*

If the Organisation that has been granted funding does not meet the above mentioned deadlines, or other specific deadlines agreed upon with the Office, it will forfeit the right to use the funds not yet spent, and shall return all the sums that are not adequately accounted for.

Should an Organisation obtain funding for a project that follows on from other interventions funded previously and not yet concluded, the Otto per Mille Office reserves the right to close the financial check of previous projects before transferring subsequent funding.

### **3. How to prepare and submit the financial report**

#### ***3.1 How to present the financial report***

The financial report must always contain the following documents:

- The cover letter (Attachment C) signed by the legal representative or by the project manager;
- Financial Summary Table (Attachment B) signed by the legal representative or by the project manager;
- Expenditures receipts scanned on a CD or other digital devices;
- Mid-term or final report of the activities implemented, along with photos or videos.

Reports not compliant with these criteria will not be considered.

We ask that the utmost care be taken when compiling bank details, with special reference to data needed for international bank transfers (provided in attachment A and attachment C). In the event of incorrect bank details, the bank costs involved in cancelling and effecting new bank transfers will be met by the Organisation and charged directly to the project budget.

In the event of incomplete bank details, the Otto per Mille Office shall not be held liable for any additional delays to the disbursement of the grant.

The beneficiary Organisation may communicate changes to current account details already given for the payment of instalments only at the time of compiling and submitting the financial report, specifying the new bank details in attachment C.

It is noted that no payment will be made into bank accounts held in countries having favourable tax systems indicated in the *black list* drawn up by Italy's Tax Revenue Agency.

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### 3.2 How to fill in the summary table

Each section of the Financial Summary Table (Attachment B) must be duly filled in with reference to both administrative and financial data.

- The “**Expenditures**” column must contain the same **budget lines** which were presented in the approved project budget, along with the indication of all the budget items which the budget line consists of. The column must also point out any budget reallocations occurring during project implementation and duly approved by the Otto per Mille Office;

*E.g. If the original budget contains the budget line “Equipment and supplies”, this line has to be present in the financial summary table as well, followed by a detailed list of the budget items which the budget line consists of and the related supporting documents: purchase of machinery, purchase of seeds, etc.*

- Each budget line and every related supporting document must be targeted with a progressive “**reference number**”;
- All supporting documents must be scanned on a CD or other electronic devices and titled with the same reference number that targets them in the financial summary table. Besides, all the documents must be saved into folders titled with the corresponding budget line

*E.g. If the budget line “Equipment and supplies” is targeted as number 1, the supporting documents included in this line must also be targeted as follows: 1.1, 1.2 etc.*

*1 Equipment and supplies  
1.1 Lawnmower purchase,  
1.2 Plow purchase  
1.3.....*

## 4. How to present the supporting documents

### 4.1 Legal value of supporting documents

All supporting documents submitted must be valid from a legal and fiscal point of view in order to provide appropriate evidence that the organisation actually sustained the expenditures declared for the project.

For all international projects, the Beneficiary must provide a translation of supporting documents in Italian, English, French or Spanish.

### 4.2 Traceability of payments

All supporting documents recording an amount higher than 999.99 euros must be submitted along with the related proof of payment (bank transfer receipt, bank statement, credit card statement, etc.).

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If the project is implemented with a partner organisation(s) and the costs incurred by the latter need to be charged to Otto per Mille funding, the receipt of the bank transfer effected by the beneficiary Organisation in favour of the project partner must be attached to the financial report.

Only transfers to partner Organisations officially stated in the project or subsequently authorised by the Otto per Mille Office are allowed.

Transfers of this kind to bank accounts opened in the name of natural persons are not allowed.

#### ***4.3 Personnel expenses***

As regards the personnel and temporary staff costs charged to the project budget, please send all documentation relating to the job and meeting the legal requirements of the respective country (copy of the contract, receipt of payment of entitlements, social security contributions, other welfare benefits, voucher receipts, etc.).

For external consultants, as well as for purchases of goods and services, invoices and receipts of payment must be provided according to the legislation of the respective country.

With regard to the reimbursement of expenses, it is noted that only duly documented travel, board and lodging expenses needed to carry out the project are allowed. The Otto per Mille Office reserves the right not to reimburse those costs that are not directly related to the project, even though they are correctly documented.

#### ***4.4 General overheads***

Expenditures calculated on a lump-sum basis and/or not duly detailed with supporting documents will not be considered.

In the same way, overhead costs that are not directly linked to project implementation and not listed in the approved project proposal will not be reimbursed.

#### ***4.5 Eligible costs***

Only costs incurred from January, 1<sup>st</sup> 2017 until June 30<sup>th</sup>, 2019 are eligible, without prejudice to the criteria set out in these guidelines and any different provision officially authorised by the Otto per Mille Office.

In any case these expenditures have to be indicated in the approved budget.

*E.g. If a project was approved in September 2017, eligible costs are those incurred starting on January 1<sup>st</sup>, 2017 until June 30<sup>th</sup>, 2019.*

## **5. Use of funding**

### ***5.1 Impossibility of using the funding***

If, after the funding request has been approved, the Organisation is unable to use it, a communication must be promptly sent to the Otto per Mille Office.

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Should this happen during the project implementation, following the transfer of one or more instalments, the Organisation must promptly inform the Otto per Mille Office, submit the financial report regarding the part of the grant used and return all the amounts already received and not adequately accounted for.

### ***5.2 Partial waiver of funding***

If at the end of project activities the Organisation receiving the grant has not used the whole amount allocated, but only a part thereof, it must send, together with the final financial report, a declaration expressly waiving the part of the grant not spent.

**For any questions or requests for clarification about financial reporting, please feel free to contact the Otto per Mille Office before sending any documentation, in order to receive all instructions and avoid mistakes.**