

Frequently Asked Questions (FAQ)

zivik
Funding Programme

The purpose of these FAQ is to support grant recipients and provide assistance to potential applicants. However, the regulations established in the Grant Transfer Agreement are binding.

Frequently Asked Questions (FAQ)

General Principles	4
1. What are the general regulations that we must keep in mind when we receive funding from ifa/zivik?	4
2. What does subsidiarity principle mean and how does it affect the funding?	4
Financial Management	6
3. What should we do first to ensure proper financial management of the funding?	6
4. When can we request the payment of our funding?	6
5. How do we use own resources/third-party funds and/or other resources and present them in the financial report?	6
6. What does a request for funding include?	7
7. The interim reports are very time-consuming for us. Do we really have to submit the interim reports every time we request new funds?	7
8. When can we request the next instalment of our funds?	7
9. Do we have to spend all funds before we can request new ones?	8
10. We have not yet spent all the funds received. Can we still request new funds?	8
11. What exactly does it mean to spend the funds within six weeks?	8
12. How can we avoid paying interest on funds that are not spent on time?	9
13. Is there any deadline for the last request for funds for a calendar year?	9
Exchange Rates	10
14. We have expenses in a local currency. What exchange rate do we apply in the Financial Report?	10
15. The exchange rate has depreciated, and we are recording an exchange loss. How do we deal with that?	10
16. The exchange rate has appreciated, and we have more funds available than planned. May we spend these additional funds?	10
Funding Period	11
17. What importance has the funding period for the implementation of our project?	11
18. We had already started with the implementation of the project before the Grant Transfer Agreement was signed. Will this be a problem?	11
19. The funding period is over, but we have not yet completed our project. May we still carry out project-related activities after the end of the funding period?	11

20. The funding period is over and we have completed all project-related activities. However, there are still some financial obligations to be honoured. Can we still make payments after the end of the funding period?	11
Human Resources	12
21. Can we make changes to the staff appointment scheme?	12
22. What do we have to keep in mind when it comes to expenses for human resources? ..	12
23. Is staff allowed to receive fees for freelance contracts at the same time as salary payments?.....	12
24. What does prohibition against unwarranted financial enrichment (Besserstellungsverbot) mean?	13
Travel, Board and Lodging	14
25. How do we account for travel expenses correctly?	14
26. May we use taxis or private vehicles to carry out project-related activities?	14
27. What are per diem allowances?.....	14
28. What do we have to consider when we account for accommodation?.....	15
Further Obligations	16
29. We are obligated to provide information to ifa/zivik. Which changes or events do we have to inform ifa/zivik about?	16
30. What do we have to take into consideration when awarding supply or service contracts?	16
31. What do we have to consider when purchasing items?	17
32. Are we obligated to refer to the funding by the German Federal Government?	17
Final Accounting and Repayments	19
33. How do we calculate the lump sum for administrative expenses correctly?	19
34. At the end of the funding period or the calendar year (in the case of multi-year funding), we did not spend all funding requested. What should we do with the remaining funds?	19
35. We have earned credit interest. May we keep it?	19
36. At the end of the funding period or the calendar year (in the case of multi-year funding), we spent more money than the funding which we had requested. Is this a problem?	20
37. What happens if we have violated the Grant Transfer Agreement's obligations?	20
38. What happens to the funds that we reimburse to ifa/zivik?	20
Final Report on Expenditure of Funds	21
39. Which components are part of a complete Final Report on Expenditure of Funds?	21
40. Do we have to submit additional documents or means of verification? What should we bear in mind when submitting them?	21
41. When do we have to submit the Final Report on Expenditure of Funds?	22

42. Do we have to submit supporting documents for the expenses together with the Final Report on Expenditure of Funds?	22
Multi-year funding	23
43. Project funding within one calendar year or multi-year funding – what are the differences?.....	23
44. In case of multi-year funding, what do we need to consider when requesting funds for the first time in the second calendar year?.....	23
45. We receive a multi-year funding and are asked to submit an Interim Report per Individual Fiscal Year. What does that entail?.....	24
46. We receive a multi-year funding. What documents do we need to submit when reporting on the expenditure of funds at the end of the funding period?	25
47. When receiving a multi-year funding which time period must our Final Report on Expenditure of Funds cover?	26
48. Do we have to submit again the Financial Report for the first calendar year?.....	26

General Principles

1. What are the general regulations that we must keep in mind when we receive funding from ifa/zivik?

The following regulations are based on the *German Federal Budget Code* (BHO), to which ifa/zivik is bound. ifa/zivik is not in the position to overrule these regulations.

Grants are funds provided to entities external to the German federal administration for the fulfilment of certain purposes in which the Federal Government has a particular interest (§23 BHO). Funds are provided by the Federal Government on a subsidiarity principle. In other words, only if otherwise the funding purpose cannot at all or not to the necessary extent be fulfilled, the Federal Government via ifa/zivik may provide the grant ([question 2](#)).

The Grant Transfer Agreement represents the conclusion of a beneficial administrative act between the grant provider (ifa/zivik) and the grant recipient (you), in which all conditions, including the amount and type of funding as well as the funding period, are clearly stipulated. The regulations of the Grant Transfer Agreement, including its appendices, are binding regarding the expenditure and documentation of the use of funds:

- The grant represents an allocation of funding that shall be spent solely for the purpose designated in the Grant Transfer Agreement.
- The funding received by ifa/zivik covers only expenses for individual projects and measures whose content is clearly defined and whose duration is limited (project funding).
- The funds shall be utilised in a cost-effective and thrifty manner (§7 BHO).

2. What does subsidiarity principle mean and how does it affect the funding?

Subsidiarity means that only if otherwise the funding purpose cannot at all or not to the necessary extent be fulfilled, the German Federal Government via ifa/zivik may provide the grant. Using these funds should be the last resort to implement your project.

The subsidiarity principle is reflected in the fact that all other financial resources must first be used for the funding purpose before the granted funds are used. This means that any additional funds used for the funding purpose that are not listed in the Financial Plan (Appendix 2 to the Grant Transfer Agreement) may reduce the funding amount.

Subsidiarity implies also to use the grant in a cost-effective and thrifty manner, as savings ultimately ease the burden on German public finances.

To understand the effect, which the subsidiarity principle has on your funding, have a look at the following regulations:

- Prohibition of starting the project implementation before signing the Grant Transfer Agreement ([question 18](#)).
- Using own resources/third-party funding and other resources first ([questions 4](#) and [5](#)).
- Reduction of the granted funds if any new funding (e. g. through additional funding from other grant providers or funding from third parties) subsequently becomes available for the same funding purpose ([question 29](#)).
- Prohibition of pre- and interim-financing of expenses before receiving the first or next requested funds ([questions 4](#), [9](#) and [10](#)).

- Using funds in a cost-effective and thrifty manner ([questions 26, 28, 30](#) and [31](#)).
- Prohibition against unwarranted financial enrichment (Besserstellungsverbot, [question 24](#)).
- Repayment of underspent funds ([question 34](#)).
- Prohibition of overspending ([question 36](#)).
- Repayment of exchange gains ([question 16](#)).
- Repayment of earned interest ([question 35](#)).

Financial Management

3. What should we do first to ensure proper financial management of the funding?

Project-related expenses must be clearly distinguishable from your overall budget. It is recommended that you establish a project-specific bank account to administer the grant. Banking fees for a project-specific account are eligible for funding. However, please note that this is not the case for banking fees of a general bank account. As an alternative to a separate bank account, a separate bookkeeping account must be set up in your accounting department.

Corresponding supporting documents and receipts, as well as proof of payment must exist for each income and expense payment. These documents and receipts must be clearly assigned to the project, e.g. by indicating the project number as stated in the Grant Transfer Agreement.

The receipts must contain the information and attachments commonly used in the course of business. All receipts must be numbered in accordance with the outline of the Financial Plan (Appendix 2 to the Grant Transfer Agreement), as well as the Financial Report, and must contain authorised signatures certifying material/mathematical accuracy. All expenses in foreign currencies must be accompanied by official proof of the rate of exchange (e.g. bank receipt, newspaper clipping, internet printout, etc.).

4. When can we request the payment of our funding?

The disbursement of funds is done by partial requests for funding. Each partial request for funding must be limited to an amount which you are able to expend within six weeks. If you have own resources/third-party funds and/or other resources, these resources must be spent before using the funding provided by ifa/zivik.

As soon as the Grant Transfer Agreement is signed by both parties, you can submit your first request for funds. Note that it is not allowed to start your project activities before the beginning of the funding period and that the disbursement of your first partial request can be made as of the first day of the funding period.

Be aware that if you have project-related expenses which amount exceeds your own resources and/or third-party funds and other resources before receiving funds from ifa/zivik, it might have negative financial consequences for you – even if it is a temporary measure to manage the cash-flow of your project. This exceeding amount – a so-called pre-financing – might be considered additional funds which might reduce ifa/zivik's funding ([question 2](#)).

5. How do we use own resources/third-party funds and/or other resources and present them in the financial report?

If you have own resources/third-party funds and/or other resources, these resources must be spent before using the funding provided by ifa/zivik.

First, you transfer further financial contribution (own resources/third-party funds and/or other resources, amount as agreed in the Financial Plan, Appendix 2 to the Grant Transfer Agreement) onto the project bank or bookkeeping account. This booking must be supported by proof and is documented as income by a corresponding entry in the Financial Report (Tab Type11 Own resources or Tab Type12 3rd party and other res.), including date of booking and amount.

Second, for the Financial Report, it does not make any difference if an expense entered in any of the overviews of expenses was paid by own resources/third-party funds and/or other resources or by the

grant. Each expense/payment has to be entered separately in the overviews, with all the required information (No acc. to Appendix 2, Day of payment, Payee, Purpose of payment, amount). Information on where the resources for the specific payment originated from is not required. If this information is helpful at another stage, it can be established by the chronological order.

Debits for expenses/payments, which had not been agreed upon in the Financial Plan (Appendix 2 to the Grant Transfer Agreement) must not be included in the overview. These can be covered neither with the own resources/third party funds, nor with the grant. If these debits for expenses/payments were nevertheless included in the overview, ifa/zivik would have to conclude, that additional own resources/third-party funds and/or other resources were made available by the grant recipient, but were not used for the expenses already agreed upon in the Financial Plan. In accordance with the *German Federal Budget Code*, as a consequence ifa/zivik would have to reduce the funding by the same amount.

6. What does a request for funding include?

In order to request funds, you have to fill out and submit the template *Request for Funds* (Appendix 7) sent with the Grant Transfer Agreement. You also have to submit a narrative and a financial interim report – each time an updated version – with each request (in case of the full financing mode: with exception of the first one). Please use for the interim reports the templates provided by ifa/zivik (*Guidelines Interim Report* and *Project Finances*). The funds will be transferred to the bank account as given/named by you.

The request must be signed by personnel authorised to sign legally binding documents. Please note that it is not sufficient to copy paste a signature into the Word file. It must be printed and signed in paper, and then submitted by scan or photocopy.

If you have own resources/third-party funds and/or other resources, these resources must be spent before using the funding provided by ifa/zivik. In this case, proof of appropriate use of these resources (i.e. used for expenses approved in the Financial Plan, Appendix 2 to the Grant Transfer Agreement) must be provided prior to requesting funds by using the reporting templates provided by ifa/zivik.

Please take note that the interim reports are checked only for plausibility. An in-depth audit will be carried out after the project has been completed. Therefore, expenses listed in the interim reports cannot automatically be considered as approved. If you are unsure how to account for expenses or have other questions, please contact ifa/zivik.

7. The interim reports are very time-consuming for us. Do we really have to submit the interim reports every time we request new funds?

Yes, this is an obligatory requirement before requesting and receiving new funds.

The narrative interim report should be kept as short as possible and cover only the period from the time of the last report.

The financial interim report is maintained on an ongoing basis and also serves as financial monitoring for you. In addition, it is the same document that you have to submit for the Final Report on Expenditure of Funds. Therefore, as the deadline for submitting the Final Report on Expenditure of Funds approaches, much of the preparation of the final Financial Report has already been done.

8. When can we request the next instalment of our funds?

As soon as you identify your need of new funds that can be expended within six weeks, you can submit your next request for funding. Requests for funding shall be made five to ten working days prior to the

date that funds are needed; thus, allowing time for queries about the interim reports submitted with the request.

Please note that you do not have to wait exactly six weeks to submit your next request. Depending on your needs, the time frame varies, which may be less or more than six weeks since your last request. Consequently, the reporting period for the interim reports can also differ. However, please keep in mind that no matter at what point you request new funds, you must always submit a narrative and a financial interim report indicating that and how the funds from previous requests were used.

9. Do we have to spend all funds before we can request new ones?

No, it is not recommendable to completely expend the funds previously requested due to the time required to process your next request (five to ten working days). Meanwhile, the use of other funds (loans, donations, organizational funds, earmarked funds for other projects, etc.) for interim financing is highly problematic and might have negative financial consequences for you (e.g. a subsequent reduction of the grant) – even if it is a temporary measure to ensure the liquidity of your project.

Any funds exceeding the amount of funds already received from ifa/zivik, as well as your own resources/third-party funds and/or other resources that you indicated in the binding Financial Plan (Appendix 2 to the Grant Transfer Agreement), might be considered additional funds and might reduce ifa/zivik's funding ([question 2](#)). Therefore, make sure you request the next instalment on time.

10. We have not yet spent all the funds received. Can we still request new funds?

Yes, it is possible, and also advisable that you still have a certain amount of funds, as the processing of your next request for funds may take some time (five to ten working days). Meanwhile, the use of other funds (loans, donations, organizational funds, earmarked funds for other projects, etc.) for interim financing is highly problematic and might have negative financial consequences for you (e.g. a subsequent reduction of the grant) – even if it is a temporary measure to ensure the liquidity of your project.

In some cases, it may be useful to submit a request for funds with a certain scheduled date of payment. At the end of the funding period/the calendar year, this might be advisable for payments that are scheduled for a date beyond the period of six weeks. When submitting such a request for funds, please make explicit reference to the later date of payment. Note that transferring the funds between bank accounts may require several days.

If you explain why all funds have not yet been spent (e.g. because payments are due within the next few days), you avoid unnecessary queries and can help accelerate the process of your request. Nevertheless, ifa/zivik is entitled to reclaim unspent funds or to reduce the next request for funds accordingly.

Note that the requirement to spend funds within six weeks must be met, otherwise interest will accrue on funds not spent within that period.

11. What exactly does it mean to spend the funds within six weeks?

According to legal obligations set by the *German Federal Budget Code*, you are only allowed to request funds that you are able to spend within six weeks. The six-weeks period begins with the disbursement by ifa/zivik. After the deadline, default interest will accrue on the amount not yet spent – both for the six weeks you have unjustifiably requested the funds in the first place and afterwards for the period until these funds are finally spent. Default interest is calculated at 5 percentage points above the relevant basic interest rate of the German Federal Bank (source: www.basiszinssatz.de, only in German).

This interest is calculated and claimed during the final audit of your project. ifa/zivik is obliged by the *German Federal Audit Office* (Bundesrechnungshof) to strictly obey this rule.

In order to avoid further reclaims during the audit you are free to calculate the accrued interest yourself during the funding period using the template *Calculation of Interest* that we provide on our website (www.ifa.de/en/fundings/zivik). In the case that you decide to already transfer the interest amount, please inform us about the transfer in advance and hand in the completed template *Calculation of Interest*.

12. How can we avoid paying interest on funds that are not spent on time?

If you want to avoid interest payment for unspent funds for more than six weeks because and very close to the end of the six-weeks period you implement an activity, be advised to anticipate this situation at the time of issuing the previous request for funds. You can limit this request to a shorter period (e.g. five weeks) or not include the total amount for the upcoming activity.

You do not have to wait exactly six weeks before sending your interim reports and next request for funds. Just make sure to request the next instalment early, and before payments related to the activity will be needed and/or explain why you are already requesting the next instalment although you have not spent the entire funds previously requested.

Alternatively, you have the option to transfer unneeded funds to ifa/zivik. Banking charges for the repayments are at your expense. Please contact ifa/zivik before initiating any transfer. If still needed for the implementation of the project, these funds can be requested again with future requests for funds provided that the total requested amount does not exceed the granted amount per calendar year.

However, please be advised that repaying unneeded funds to ifa/zivik during the implementation phase and requesting it later again entails a high administrative burden and should be done only in exceptional cases. Furthermore, systematically repaying unneeded funds to ifa/zivik implies lack of planning on your part as you are obligated to only request funds that can be spent within six weeks.

13. Is there any deadline for the last request for funds for a calendar year?

You may not request any instalment after the end of the funding period.

The deadline for the last request for funds in each calendar year is 15 November. The portion of the grant for a calendar year, which has not been requested by you by this deadline, will be forfeited and will not be available for the project anymore ([question 43](#)).

Exchange Rates

14. We have expenses in a local currency. What exchange rate do we apply in the Financial Report?

As a first step, the real exchange rate must be listed in the Financial Report for the instalments of the grant (Tab ifa_zivik grant). As a second step, this exchange rate must be applied for the expenses which are paid with the corresponding instalment of the grant.

The application of the exchange rate which has been used for the calculation in the Financial Plan (Appendix 2 to the Grant Transfer Agreement) is only allowed for own resources/third-party funds and the corresponding expenses paid with these resources.

You must provide the rate and date of exchange for expenses which are not in EUR as well as an official proof of the exchange rate.

The easiest and most accurate exchange rate is the one in the bank statement for each instalment of your grant. When changing money at ATMs or in exchange offices, the exchange rate stated on the receipt must be applied.

For reimbursements in EUR of expenses incurred in foreign currencies (e.g. in travel expense claims), you can also use the daily or monthly updated exchange rate of relevant providers (state or regional banks, or in exceptional cases providers such as INFOREURO or OANDA). Here you have to choose the exchange rate of the day on which the expense occurs. Note that there might be a difference in exchange rates depending on whether it is a bank transfer or a cash payment.

Receipts of the exchange rates (bank statement, internet printout, newspaper clipping, etc.) must be submitted with your Final Report of Expenditure of Funds. The applied exchange rates need to be comprehensible and verifiable for ifa/zivik.

15. The exchange rate has depreciated, and we are recording an exchange loss. How do we deal with that?

The Grant Transfer Agreement is concluded for a fixed amount in EUR. Exchange losses are at your expense and must be balanced by savings elsewhere. Therefore, monitor carefully the development of the exchange rate.

16. The exchange rate has appreciated, and we have more funds available than planned. May we spend these additional funds?

No, you are not allowed to use exchange gains for more, or more extensive project-related expenses. Exchange gains are considered additional funds that reduce the funding amount by ifa/zivik.

Funding Period

17. What importance has the funding period for the implementation of our project?

As a general rule, the funding may only be used within the funding period specified in the Grant Transfer Agreement. Any expenses incurred before or after that period are not eligible for funding. Exceptions are only allowed for late payments made for services that were still being carried out within the funding period.

18. We had already started with the implementation of the project before the Grant Transfer Agreement was signed. Will this be a problem?

Yes, this will be a problem. By signing the Grant Transfer Agreement, you affirmed that you had not yet started with the implementation of project. Only preparatory actions are allowed.

The grant provided by ifa/zivik is based on the German *Federal Budget Code* which prohibits the funding of a project that has already started. A breach of this contractual obligation leads to revocation of the entire Grant Transfer Agreement, even if payments were already made.

19. The funding period is over, but we have not yet completed our project. May we still carry out project-related activities after the end of the funding period?

No. The grant is linked to the contractually agreed funding period. All project-related activities must have taken place within this period.

If you detect that you are not able to finish all project-related activities within the funding period, you can request an extension before the end of the funding period. ifa/zivik is not obligated to grant the extension. In addition, it might not be possible to extend the funding period beyond the 31st December.

Alternatively, you may consider to reduce project activities if at the same time a (partial) success of the project can be ensured.

In all cases and for further information, please contact ifa/zivik in advance.

20. The funding period is over and we have completed all project-related activities. However, there are still some financial obligations to be honoured. Can we still make payments after the end of the funding period?

Ideally, all expenses will be paid within the funding period. In some exceptional cases, it is possible to pay for services and supplies that were clearly provided during the funding period, e.g. if an invoice arrives late. Whether these expenses are eligible for funding, is reviewed during the final audit. But even if they are eligible for funding, make sure to submit your partial request to ifa/zivik before the end of the funding period (in the case that the funding period ends at the end of the calendar year: before 15 November – [question 13](#)) and to spend the requested funds within six weeks.

Human Resources

21. Can we make changes to the staff appointment scheme?

Please note that the staff appointment scheme specified in type of expenses 1 “Project-related expenses for salaries and remunerations” of the Financial Plan (Appendix 2 to the Grant Transfer Agreement) is binding. Therefore, expenses for human resources (salaries as well as fees) are subject to a 20 per cent deviation of individual budget items (1.1., 2.1. etc.).

You are not allowed to make changes to the Financial Plan, such as number of persons, time frame, full time equivalent shares and higher salaries or fees without the prior consent of ifa/zivik.

Any changes which ifa/zivik have not approved may lead to a reclaim of funds after the project has ended. For more details on your notification obligation please refer to [question 29](#).

22. What do we have to keep in mind when it comes to expenses for human resources?

Expenses for human resources are only eligible for funding if they can directly get attributed to the project.

For each employee, you are obligated

- to set up a job description,
- to maintain a personnel file containing the employment contract and other information pertaining to the employment relationship, and
- to maintain a payroll record, which includes the master data (pay scale grouping and wage tax classification) as well as the total amount of salary and remuneration paid.

As a rule, regular staff cannot be funded by grants. Service or freelance contracts are permissible, as employment contracts are limited to the period of funding.

Project-related work performed by regular staff may be eligible for funding in exceptional cases. In such cases, however, the Financial Report must provide exact details and proof of the number of hours worked and salary paid, e.g.

- the accounting or bookkeeping department must produce separate documentation of salary payments for project-related working hours, and
- the employee must keep a separate record of project-related hours worked.

In such cases, we also recommend a separate note to the respective employment contract that describes the project-related funding.

23. Is staff allowed to receive fees for freelance contracts at the same time as salary payments?

In order to avoid potential risks, we recommend to include all necessary project work in the salary and calculate the full time equivalent and amount of salary accordingly in the Financial Plan.

Potential risks associated with fee-based services may include

- violations of the duty of care as an employer,

- undermining of insurance obligations,
- subversion of the prohibition against unwarranted financial enrichment (Besserstellungsverbot), and
- double financing.

24. What does prohibition against unwarranted financial enrichment (Besserstellungsverbot) mean?

If your organisation is funded primarily (more than 50 per cent) from public allocations, the prohibition against unwarranted financial enrichment (Besserstellungsverbot) applies to you. Public allocations include all subsidies received directly and indirectly from a German public authority, including the federal, regional and local authorities. This also includes subsidies received from the European Union.

If your Financial Plan (Appendix 2 to the Grant Transfer Agreement) includes human resources expenses and the prohibition against unwarranted financial enrichment (Besserstellungsverbot) is applicable, you may not provide personnel with a more advantageous salary or fee agreement than that of comparable federal civil servants in Germany.

You are obligated to not pay higher salaries than those stipulated in the *Collective Agreement for the Civil Service* (Tarifvertrag für den öffentlichen Dienst/TVöD). Consider the amounts set out therein as upper limits, but at the same time be aware that there is no entitlement to the approval of salaries at this level.

Travel, Board and Lodging

25. How do we account for travel expenses correctly?

You account for project-related travel expenses in accordance with the *German Federal Travel Expenses Act* (Bundesreisekostengesetz, BRKG) and the *Foreign Travel Expenses Ordinance* (Auslandsreisekostenverordnung, ARV).

Each traveller must submit a travel expense claim that contains the following information: name of traveller, reason for the trip, date and travel route. In addition, in case of per diem allowances (only for project-related staff), each traveller must submit the exact dates and time of departure and arrival (and, if applicable, international border crossings), information on accommodation and board received free of charge (this affects the calculation of per diem allowances).

Tickets and receipts for transportation must be provided upon request to ifa/zivik. Boarding passes for air and train travel must be kept in paper format (original).

26. May we use taxis or private vehicles to carry out project-related activities?

You should use public, regular means of transport wherever possible.

Rental vehicles or taxis may be used only under specific and justifiable circumstances. Reasons for the use of taxis and private vehicles must be provided in writing. Exceptional cases for the use of taxis and rental vehicles may be justified with:

- medically determined health and/or physical problems or handicaps,
- personal security,
- luggage weighing more than 25 kg for project-related needs (not for personal needs),
- missing regular transport, and
- travels between 10 p.m. and 6 a.m.

Unfamiliarity with the locations and bad weather conditions are not accepted as justification.

The use of private motorized vehicles is only permitted in exceptional cases and needs to be justified in detail. In such cases a mileage allowance that does not exceed an amount of 0.20 EUR per km and an amount of 130.00 EUR for the complete travel can be paid. The length of the route must be documented.

27. What are per diem allowances?

Per diem allowances are paid for additional expenses for meals during project-related travels. Only project staff is entitled to receive per diem allowances – not holders of freelance service contracts or participants of project-related activities.

The amount of the per diem allowance depends on the country you are travelling in. The upper limits are determined by the *German Federal Travel Expenses Act* (Bundesreisekostengesetz, BRKG) and the *Foreign Travel Expenses Ordinance* (Auslandsreisekostenverordnung, ARV).

At the moment, the per diem allowance for journeys within Germany is 28.00 EUR for every calendar day (24 hours). The amount must be reduced by

- 50 per cent if the absence lasts less than 24 hours but more than 8 hours.
- 50 per cent for the arrival and departure day if the employee did not return to his or her residence on this, a subsequent or preceding day. This applies regardless of the duration of the absence.

The per diem allowance for journeys in other countries (listed in the Appendix *Maximum rates for Travel Expenses* (Appendix 3 to the Grant Transfer Agreement)), lasting less than one calendar day (24 hours), is the following:

- 80 per cent if the absence lasts less than 24 hours but more than 8 hours.
- 80 per cent for the arrival and departure day if the employee did not return to his or her residence on this, a subsequent or preceding day. This applies regardless of the duration of the absence.

The amounts stated in the Appendix *Maximum rates for Travel Expenses* (Appendix 3 to the Grant Transfer Agreement) are set annually by the German Federal Ministry of the Interior, Building and Community and are therefore subject to change.

If meals are provided to the traveller free of charge or are already included in the accommodation or flight, the per diem allowance for the whole calendar day is reduced as follows:

- Breakfast by 20 per cent
- Lunch by 40 per cent
- Dinner by 40 per cent

If the traveller stays at the same venue for more than 14 days, the per diem allowance is reduced by 50 per cent from the 15th day onward.

28. What do we have to consider when we account for accommodation?

Necessary expenses for accommodation are eligible for funding, provided they have been previously approved by ifa/zivik in the Financial Plan (Appendix 2 to the Grant Transfer Agreement).

Maximum rates for accommodation are determined by the *German Federal Travel Expenses Act* (Bundesreisekostengesetz, BRKG) and the *Foreign Travel Expenses Ordinance* (Auslandsreisekostenverordnung, ARV). In Germany, at the moment, the maximum rate is 70.00 EUR per night. For accommodation in other countries please consider the maximum rates listed in the Appendix *Maximum rates for Travel Expenses* (Appendix 3 to the Grant Transfer Agreement).

Higher accommodation expenses are only permitted in exceptional cases, when justified, and need prior approval by ifa/zivik.

Note that all accommodation expenses require receipts.

Further Obligations

29. We are obligated to provide information to ifa/zivik. Which changes or events do we have to inform ifa/zivik about?

You are obligated to notify ifa/zivik without delay in the following cases:

- if, after the conclusion of the Grant Transfer Agreement, you receive additional funding for the same purposes from other grant providers or third parties, as well as if you raise additional own resources. In such a scenario, you are obligated to submit an amended Financial Plan.
- if the purpose of funding, or consequential circumstances relating to the implementation of the project, change or cease to apply. This applies to changes in project activities (time frame, scale, content, number of items, etc.), as well as changes in the staff appointment scheme (salary, fees, time frame, etc.).
- if you have reduced expenses on individual budget items or generate otherwise savings and you plan to expand your project-related activities. You cannot automatically use these “free” funds for more extensive activities. Note that funds shall be utilised in a cost-effective and thrifty manner. Therefore, please contact ifa/zivik, explain why the expansion of your project-related activities is absolutely necessary for achieving the intended outcome and wait for approval before implementing such additional activities.
- if you cannot expend funds received within six weeks.
- if changes to the binding Financial Plan (Appendix 2 to the Grant Transfer Agreement) become necessary, e.g. if a deviation of more than 20 per cent in a type of expenses (or in the case of type of expenses 1. and 2 in individual budget items such as 1.1., 1.2, etc.) becomes apparent. If this occurs, you are obligated to submit an amended Financial Plan.
- if any item of the inventory gets lost (e.g. due to theft or destruction) or is no longer being used by you.
- if it becomes apparent that the purpose of funding cannot be achieved with the funds granted or due to other reasons (e.g. insolvency).

A breach of the obligation to provide information may lead to a reclaim of funds after the project has ended, in case of fundamental violations against the contractual obligation to provide information even to a revocation of the entire Grant Transfer Agreement ([question 37](#)). Therefore, you should inform ifa/zivik about any relevant changes and events on time.

30. What do we have to take into consideration when awarding supply or service contracts?

If contracts for supplies and/or services are awarded to fulfil the funding purpose, you are obligated to document continuously each award procedure in a verifiable manner and submit these documents, unsolicited, along with your Final Report on Expenditure of Funds.

For orders and contracts with a total amounting up to 1,000.00 EUR (without value-added tax), a direct order may be carried out, considering the principle of utilising the funds in a cost-effective manner. An award note is not required; however, a brief, informal, comprehensible justification of how the price was determined (by phone, on the internet, etc.) is sufficient documentation.

For orders and contracts with a total amounting from 1,000.01 EUR up to 25,000.00 EUR (without value-added tax), no less than three offers must be obtained and must include details of the service, name of

supplier (vendor, service provider, etc.) and price. The awarding of the contract based on these offers must be documented with a distinct note.

For any order and contract for construction works, for social and other special services or with a total for each item over 25,000.00 EUR (excluding value-added tax), you have to contact ifa/zivik on clarifying the awarding procedures in advance.

Regardless of the amount, in order to use funds in a cost-effective manner and to ensure a transparent process, the following steps might be helpful and could be considered in awarding procedures:

- Decisions are based on a four-eyes principle.
- Define and document criteria for the award decision in advance (including, but not limited to, price).
- Obtain comparative offers.
- Make decisions based on the established criteria and document the decision.
- Have the documentation ready as an attachment to the payment receipts.

31. What do we have to consider when purchasing items?

Throughout the duration of the funding period, you are obligated

- to use items acquired to fulfil the funding purpose solely for purposes agreed to in the Grant Transfer Agreement and to handle them with care. Furthermore, the items are to be used only in accordance with the funding purpose until the end of the calendar year following the calendar year in which the funding period ends.
- to keep an inventory if the price of acquisition or manufacture exceeds in each individual case the sum of 800.00 EUR (exclusive of tax on sales/purchases). To this end, please use the inventory list provided in the template *Project Finances*.
- to dispose of no longer useful items with a replacement value of more than 750.00 EUR only with the prior consent of the grant provider.
- to prepare an application for disposal, stating the date of acquisition, source, reason for disposal, condition, current value of the item, as well as alternative replacement acquisitions.

In accordance with the principle of cost-effectiveness, the proposed number of items to be purchased (as stipulated in the grant application) is binding; thus the quantity of items purchased must coincide with the quantity proposed in your Financial Plan (Appendix 2 to the Grant Transfer Agreement). If, after the awarding of the grant, it becomes necessary to purchase additional items not listed in the application, you must submit an amendment to the original application for approval.

After the end of the calendar year following the calendar year in which the funding period ends, the purchased items become your property. If afterwards you have no use for these items, you must sell the items and remit the profit to ifa/zivik. If it is not possible to transfer the profit to ifa/zivik, it must be paid locally to a diplomatic mission of the Federal Republic of Germany.

32. Are we obligated to refer to the funding by the German Federal Government?

Yes, in accordance with the Grant Transfer Agreement you are obligated to refer to the funding in all cases of project-related public statements (e.g. press releases, publications, video/audio features, manuals, reports, announcements, invitations, online texts, etc.) in an appropriate manner in writing and by using the logos of the Federal Foreign Office and of ifa. The suggested wording is “Supported

with German Federal Foreign Office's funds by ifa (Institut für Auslandsbeziehungen), zivik Funding Programme.

If, for security or other reasons, it is necessary to dispense with a visible reference to the funding, please contact ifa/zivik for approval.

You should inform ifa/zivik of public relations actions (e.g. in each narrative interim report) and submit files/links of publications, texts, pictures, videos, audios, etc.

Final Accounting and Repayments

33. How do we calculate the lump sum for administrative expenses correctly?

A lump sum for administrative expenses can only be accounted for if it has been approved during the review of your application and is included in the Financial Plan (Appendix 2 to the Grant Transfer Agreement). Project-related administrative expenses, which can only be accurately identified and justified with considerable effort, can be included as a lump sum (as a percentage of the funding). Nevertheless, before approval, you need to present ifa/zivik with a detailed calculation of the administrative expenses, as well as receipts or other verification documents for administrative expenses (expected/in the past) in order to justify the amount of the lump sum.

The lump sum for administrative expenses is set in the Financial Plan as a percentage of the amount of the requested funding. The percentage is binding. The amount in EUR specified in the Financial Plan is the upper limit.

At the end of the funding period, the lump sum for administrative expenses is calculated based on the total project-related expenses, minus the share covered with your own resources/third-party funds and/or other resources.

34. At the end of the funding period or the calendar year (in the case of multi-year funding), we did not spend all funding requested. What should we do with the remaining funds?

Any remaining funds must be reimbursed to ifa/zivik as soon as it becomes clear that they are not needed for the purpose of funding (be it during or after the implementation of the project). Please transfer the amount immediately to the following bank account:

Baden-Wuerttembergische Bank
Address: Kleiner Schlossplatz 11, D-70173 Stuttgart, Germany
Account holder: Institut fuer Auslandsbeziehungen e. V.
Account number: 206 47 45
Bank code number: 600 501 01
IBAN: DE73 6005 0101 0002 0647 45
BIC: SOLADEST600

For this transfer, please specify: zivik, the project funding number and the name of your organization.

Sending us the obligatory information on the transfer, you can help avoiding queries by differentiating which share of the amount relates to remaining funds and which one to applicable interests.

Note: In the event of late payment, ifa/zivik is required by the German Federal Ministry of Finance to charge default interest (calculated at 5 percentage points above the relevant basic interest rate, source: www.basiszinssatz.de, only in German). In order to avoid further reclaims during the audit please calculate the accrued interest yourself using the template *Calculation of Interest* that we provide on our website (www.ifa.de/en/fundings/zivik) and consider the interest amount when transferring the remaining funds.

35. We have earned credit interest. May we keep it?

No, gained credit interest is considered additional funds, which would reduce ifa/zivik's funding and must be remitted immediately to ifa/zivik.

36. At the end of the funding period or the calendar year (in the case of multi-year funding), we spent more money than the funding which we had requested. Is this a problem?

Yes, these overspent funds mean that you have exceeded the contractually agreed-upon amount of the total expenses and therefore you have not complied with the rule of utilising funds in a cost-effective and thrifty manner.

Furthermore, and even more important, the fact of overspending indicates that you had more own resources/third-party funds and/or other resources available for project-related activities, and this information was not provided to ifa/zivik. Hence, the overspent funds are considered additional funds which reduce the ifa/zivik's funding and may result in ifa/zivik requesting to repay the amount during the final audit ([question 2](#)).

37. What happens if we have violated the Grant Transfer Agreement's obligations?

ifa/zivik will examine in the final audit whether the breach of the contractual obligations leads to a claim for interest, a partial reclaim of funds or even a revocation of the entire Grant Transfer Agreement.

38. What happens to the funds that we reimburse to ifa/zivik?

ifa/zivik keeps neither unspent funds nor interest payments, but forwards the amounts directly to the Federal Treasury.

Final Report on Expenditure of Funds

39. Which components are part of a complete Final Report on Expenditure of Funds?

The Final Report on Expenditure of Funds consists of four documents:

- Cover sheet *Final Report on Expenditure of Funds* (Appendix 8 to the Grant Transfer Agreement),
- Summary Report,
- Financial Report, and
- Checklist.

By submitting a filled out and signed cover sheet *Final Report on Expenditure of Funds* (Appendix 8 to the Grant Transfer Agreement), you confirm that the expenses were necessary, that funds were spent in a cost-effective and thrifty manner and that the entries in the Final Report on Expenditure of Funds are consistent with the books and receipts. The document must be signed by personnel authorised to sign legally binding documents. Please note that it is not sufficient to copy paste a signature into the Word file. It must be printed and signed in paper, and then submitted by scan or photocopy.

The latest approved version of the Project Planning (Appendix 1 to the Grant Transfer Agreement) is mandatory and is the basis for the Summary Report. In the Summary Report you have to discuss in detail the implementation of the project, the achieved results of the project, and the expenses of the funds granted (including expenses above or below the approved Financial Plan). Please make sure to use the same structure in the Summary Report as you did in the Project Planning.

The latest approved version of the Financial Plan (Appendix 2 to the Grant Transfer Agreement) is mandatory and is the basis for the Financial Report. In the Financial Report you have to list all income and expenses in chronological order, in accordance with the outline of the Financial Plan. The Financial Report must include and provide proof of all project-related income (including grants, funding from other sources, and own resources) and expenses.

The overview of expenses must point out clearly the date, purpose of payment and payee of each expense. General information will not be accepted. Each booking entry must be self-explanatory without reviewing the underlying original receipt or further information, and in a form suitable for the assessment of the Financial Report.

40. Do we have to submit additional documents or means of verification? What should we bear in mind when submitting them?

If applicable to your project, you also have to submit the following documents with Final Report on Expenditure of Funds:

- receipts for exchange rates,
- documents which give proof of price competition prior to awarding contracts,
- inventory for all purchased items with a net value exceeding 800.00 EUR/item (exclusive of tax on sales/purchases),
- evaluation reports and/or baseline studies – if not available in German or English, they must be translated in English, at least the summary and recommendations,

- publications, audio-visual products, digital products which have been produced utilising the funds (in case of digital products, an appendix to the Final Report with links might be appropriate),
- lists of participants for activities involving the participation of people (including the title of the activity, the date, the location and the signatures of each participant),
- additional proof for project-related activities like photos, media review, training material, invitations for events, etc.
- means of verification according to the Project Planning (Appendix 1 to the Grant Transfer Agreement). The title of the document (file name) should include the number of the activity to which they correspond.

Make sure that the filenames of the documents you submit are meaningful and self-explanatory, but not too long. Files with titles longer than 250 characters cannot be accessed. Note that folders contribute to the length of the file name (it is recommended not to use more than one subfolder).

The submission of the Final Report on Expenditure of Funds is completed only when all documents have been submitted.

41. When do we have to submit the Final Report on Expenditure of Funds?

The Final Report on Expenditure of Funds must be confirmed by signature of the authorised representative of the grant recipient, stamped or affixed with a seal and submitted (by mail or e-mail) before the deadline stated in the Grant Transfer Agreement. If not otherwise specified in the Grant Transfer Agreement, this deadline is two months after the end of the funding period.

If you decide to submit the Final Report on Expenditure of Funds by post, please send also all documents electronically.

42. Do we have to submit supporting documents for the expenses together with the Final Report on Expenditure of Funds?

No, but all original receipts providing proof of income and expenses, as well as all other documents relating to the financial support are to be kept for a minimum of five years, in the event that ifa/zivik requests that the documents be submitted.

The receipts must contain the information and attachments commonly used in the course of business. All receipts must be numbered in accordance with the outline of the Financial Plan (Appendix 2 to the Grant Transfer Agreement) as well as the Financial Report and must contain authorised signatures certifying material/mathematical accuracy. All expenses in foreign currencies must be accompanied by official proof of the rate of exchange (e.g. bank receipt, newspaper clipping, internet printout, etc.).

Please take note of the comments in the template *Project Finances* regarding the required receipts and documents constituting payments for each individual budget item.

Receipts which are not in German, English or French need to be translated to show at least their substantial content.

Multi-year funding

43. Project funding within one calendar year or multi-year funding – what are the differences?

As a general rule, the funding may only be used within the funding period specified in the Grant Transfer Agreement. Any expenses incurred before or after that period are not eligible for funding. Exceptions are only allowed for late payments made for services that were still being carried out within the funding period.

In the case of multi-year funding, in addition each Financial Plan is binding per calendar year. Expenses for activities planned in one calendar year but which cannot be carried out in this year cannot automatically be accounted for in the following calendar year. The portion of the grant for a calendar year, which have not been used by the end of the calendar year as applied for and approved will be forfeited and will not be available for the project any more (principle of annuality). Any remaining funds at the end of the first calendar year must be reimbursed to ifa/zivik without delay in order to avoid interest claims.

If changes are necessary, you just ask ifa/zivik for a reallocation of funds in advance.

44. In case of multi-year funding, what do we need to consider when requesting funds for the first time in the second calendar year?

In order to request funds, you have to fill out and submit the template Request for Funds (Appendix 7) sent with the Grant Transfer Agreement. As you already did in the first calendar year, you have to submit narrative and financial interim reports.

For the narrative part you have to submit a narrative interim report that covers the time period since the last narrative interim report in the calendar year before. In case that you already submitted the Summary Report for the entire funding period in the first calendar year, you only need to submit a narrative interim report for the reporting period since 1 January of the second year.

For the financial part, it depends on the agreed type of financing.

In the case of full funding or deficit funding with own resources/third-party funding and/or other resources only available in the first calendar year, you have to submit one Financial Report covering the funding period of the first calendar year.

In the case of deficit funding with own resources/third-party funding and/or other resources available in the second calendar year, you have to submit two Financial Reports:

- one covering the funding period of the first calendar year and
- one for the second calendar year proving the income and expenses of your own resources/third-party funds and/or other resources since 1 January of that year.

Be aware that if you have project-related expenses in the second calendar year exceeding your own resources and/or third-party funds and other resources before receiving funds from ifa/zivik, it might have negative financial consequences for you. Even if it is a temporary measure to manage the cash-flow of your project. This exceeding amount – a so-called pre-financing – might be considered additional funds which might reduce ifa/zivik's funding ([question 2](#)).

45. We receive a multi-year funding and are asked to submit an Interim Report per Individual Fiscal Year. What does that entail?

When you receive a multi-year funding, in addition to the Final Report on Expenditure of Funds you have to report on your expenses for the first calendar year separately before the deadline stated in the Grant Transfer Agreement. This so-called Interim Report per Individual Fiscal Year consists of

- Summary Report for the calendar year, and
- Financial Report for the calendar year.

The latest approved version of the Project Planning (Appendix 1 to the Grant Transfer Agreement) is mandatory and is the basis for the Summary Report. In the Summary Report for the calendar year, you have to discuss in detail the implementation of the project, the achieved results of the project, and the expenses of the funds granted (including expenses above or below the approved Financial Plan). Please make sure to use the same structure in the Summary Report as you did in the Project Planning.

The latest approved version of the Financial Plan for the first calendar year (Appendix 2 to the Grant Transfer Agreement) is mandatory and is the basis for the Financial Report for this calendar year. In the Financial Report for the calendar year, you have to list all income and expenses in chronological order, in accordance with the outline of the Financial Plan. The Financial Report must include and provide proof of all project-related income (including grants, funding from other sources, and own resources) and expenses.

The overview of expenses must point out clearly the date, purpose of payment and payee of each expense. General information will not be accepted. Each booking entry must be self-explanatory without reviewing the underlying original receipt or further information, and in a form suitable for the assessment of the Financial Report.

If applicable to your project, you also have to submit the following documents:

- receipts for exchange rates,
- documents which give proof of price competition prior to awarding contracts,
- inventory for all purchased items with a net value exceeding 800.00 EUR/item (exclusive of tax on sales/purchases),
- evaluation reports and/or baseline studies – if not available in German or English, they must be translated in English, at least the summary and recommendations,
- additional proof for project-related activities like list of participants, photos, media review, training material, invitations for events, etc.

The submission of the Interim Report per Individual Fiscal Year is completed only when all documents have been submitted.

In addition, at the end of the first calendar year you should not forget to transfer any remaining funds back to ifa/zivik as soon as possible ([question 34](#)). Otherwise, interest will accrue on funds not spent within six weeks.

It is not possible to use any remaining funds from the first calendar year for payments during the second year ([question 43](#)).

46. We receive a multi-year funding. What documents do we need to submit when reporting on the expenditure of funds at the end of the funding period?

When receiving a multi-year funding, upon completion of the funding period you must submit the Final Report on Expenditure of Funds. The Final Report on Expenditure of Funds consists of six documents which you have to submit together:

- Cover sheet Final Report on Expenditure of Funds (Appendix 8 to the Grant Transfer Agreement),
- Summary Report for the whole funding period,
- Financial Reports
 - Overall Financial Report,
 - Two Financial Reports (one for each calendar year), and
- Checklist.

By submitting a filled out and signed cover sheet Final Report on Expenditure of Funds (Appendix 8 to the Grant Transfer Agreement), you confirm that the expenses were necessary, that funds were spent in a cost-effective and thrifty manner and that the entries in the Final Report on Expenditure of Funds are consistent with the books and receipts. In the case of a multi-year funding the numbers indicated in Part B must correspond with the numbers of your Overall Financial Report. The document must be signed by personnel authorised to sign legally binding documents. Please note that it is not sufficient to copy paste a signature into the Word file. It must be printed and signed in paper, and then submitted by scan or photocopy.

The latest approved version of the Project Planning (Appendix 1 to the Grant Transfer Agreement) is mandatory and is the basis for the Summary Report. In the Summary Report you have to discuss in detail the implementation of the project for the whole funding period, the achieved results of the project, and the expenses of the funds granted (including expenses above or below the approved Financial Plan). Please make sure to use the same structure in the Summary Report as you did in the Project Planning.

The latest approved version of the Financial Plan (Appendix 2 to the Grant Transfer Agreement) is mandatory and is the basis for the Financial Reports.

The Overall Financial Report gives an overview of your income and expenses for the two calendar years and compares them to the latest approved version of the Overall Financial Plan (Appendix 2 to the Grant Transfer Agreement). Detailed itemised lists of the income and expenses are not part of the Overall Financial Report.

But, in addition, two Financial Reports (one for each calendar year) with detailed itemised lists of the income and expenses must be submitted. In each Financial Report you have to list all income and expenses in chronological order, in accordance with the outline of the Financial Plan. Each Financial Report must include and provide proof of all project-related income (including grants, funding from other sources, and own resources) and expenses that correspond to the same year. Make sure not to enter any expenses in the Financial Report of the second calendar year, that have been paid with those parts of the funds which you have requested and received in the previous calendar year!

The overview of expenses must point out clearly the date, purpose of payment and payee of each expense. General information will not be accepted. Each booking entry must be self-explanatory without reviewing the underlying original receipt or further information, and in a form suitable for the assessment of the Financial Reports.

All three Financial Reports must be signed by personnel authorised to sign legally binding documents. Please note that it is not sufficient to copy paste a signature into the Excel files. The main reporting sheet of all three files must be printed and signed in paper, and then submitted by scan or photocopy. In addition, the three files, including all the sheets must be submitted in Excel.

If applicable to your project, you also have to submit the following documents:

- receipts for exchange rates,
- documents which give proof of price competition prior to awarding contracts,
- inventory for all purchased items with a net value exceeding 800.00 EUR/item (exclusive of tax on sales/purchases),
- evaluation reports and/or baseline studies – if not available in German or English, they must be translated in English, at least the summary and recommendations,
- publications, audio-visual products, digital products which have been produced utilising the funds (in case of digital products, an appendix to the Final Report with links might be appropriate),
- additional proof for project-related activities like list of participants, photos, media review, training material, invitations for events, etc.

The submission of the Final Report on Expenditure of Funds is completed only when all documents have been submitted.

47. When receiving a multi-year funding which time period must our Final Report on Expenditure of Funds cover?

In this case, it is particularly important to note that this Final Report on Expenditure of Funds must cover the entire funding period, not only the second calendar year.

48. Do we have to submit again the Financial Report for the first calendar year?

The repeated submission of the Financial Report for the first calendar year at this stage is obligatory, even if the Financial Report for the first calendar year is unchanged.

However, if you have received comments from ifa/zivik regarding your Financial Report for the first calendar year as a result of the audit of your Interim Report per Individual Fiscal Year, it is absolutely necessary to take them into account and revise the Financial Report for the first calendar year accordingly! In the case of any revision to the Financial Report for the first calendar year, a corresponding note is appreciated when submitting the documents.

- Feedback -

Do you want to give us some feedback?
Are you missing a question or fact? Is something not understandable?

Then please contact us at zivik@ifa.de.

We are looking forward to hearing from you.