

Overview of Dormant Accounts Fund (DAF)



Support Event – Financial Guidance Capital Projects July 2017

OVERVIEW

- ❖ Payment and Return Cycle summary
- ❖ Payment of Grant Aid
- ❖ Financial Reporting
 - Eligibility of Expenditure
 - Public Procurement & Tendering
 - Partner Reporting
 - Audits
- ❖ Statutory and Other Compliance Information



PAYMENT AND REPORTING REQUIREMENTS

- DAF Measure 1 Payment cycle
- Projects less than €50,000
 - 90% in advance on successful pre contract compliance
 - 10% in arrears
- Projects greater than €50,000
 - 60% in advance
 - 30% on 85% of previous instalment reported
 - 10% in arrears (Final submission)
- Reporting and drawdown
 - Less than €50,000
 - 28th February 2018 Finance and project report
 - Final Drawdown/progress report on or before 31st December 2018 *
 - *Only relevant where you haven't fully spent and reported by 28th February
 - Greater than €50,000
 - February 28th 2018
 - Before or at 31/12/2018
 - Drawdowns on foot of 85% of previous instalment spent where required before or after the Feb 2018 Return

You will be required to submit in February if you haven't submitted a d/down prior to this

PAYMENT OF GRANT AID – SECTION 3.2 GRANT AGREEMENT

- Payments are made in instalments and is intended to provide forward funding for grantees.
- Evidence of co-funding i.e. bank statement prior to release of first payment. – *Key requirements Section 6.*
- Final 10% payment made retrospectively and is based on the following:
 - Receipt and approval of a final financial return and final progress report.
 - All cheque payments must appear on bank statements as cashed. No Cash Payments
 - Outstanding cheques are not deemed as eligible expenditure.
 - For construction costs receipt of Architects Certificate of completion.
 - Please ensure that you have funds in place to cover final costs pending receipt of the final payment.



FINANCIAL REPORTING REQUIREMENTS – SECTION 7 KEY REQUIREMENTS

- An on-line reporting system is currently being developed, further guidance will be issued prior to the submission in February 2017
- Completed on-line financial return / drawdown comprises of:
 - ✓ Payments Journal from commencement date to 28th February
 - ✓ Copy Invoices required for all capital costs along with relevant bank statements from which payment has occurred.
 - ✓ Where a cost centre is being used transaction highlighted on the bank statement
 - ✓ Supplier /Builder invoices and Architects Certificates **where applicable** are required for projects between €20,000 and €100,000. See Annex 111 Declaration Grant Agreement & Key requirements Section 7.
 - ✓ Total project costs to be reported included co-funding. All expenditure is governed by guidelines/key requirements.



FINANCIAL REPORTING

- Please note the percentage (%) of Professional fees associated directly with the build/refurbishment are capped at 10% of the total project costs (i.e. Architect, Valuation and Building and Energy Rating).
- Capital grants cannot be used for operational purposes. All payments must be through the bank i.e. cheque, direct debit etc.
- Cash payments to suppliers are not eligible
- Possible requests as part of the review process sample procurement documentation i.e. quotes. See Annex 111 Declaration Grant Agreement



CAPITAL PROJECT REQUIREMENTS

The following information must be retained on file for inspection by the Department and Pobal in relation to Building Costs, Additions and Refurbishment.

- Final Planning Permission document and planning reference number.
- Deeds of property if you are the owner/Lease management agreement if not the owner.
- Retention of use: for building works greater than €50,000 a letter of retention of use for 10 years post the end of the project.
- Architects Certificates: where applicable for amounts between €20,000 and €100,000
- Builders Invoices: where applicable for amounts between €20,000 and €100,000
- Second Hand Vehicles : Letter on file confirming that the item was not funded previously through any other public/EU grant.
- Obtain Tax Clearance Access Number (TCAN) and Tax Reference Number (TRN) for all cumulative payments in excess of €10,000 in any 12 month period.

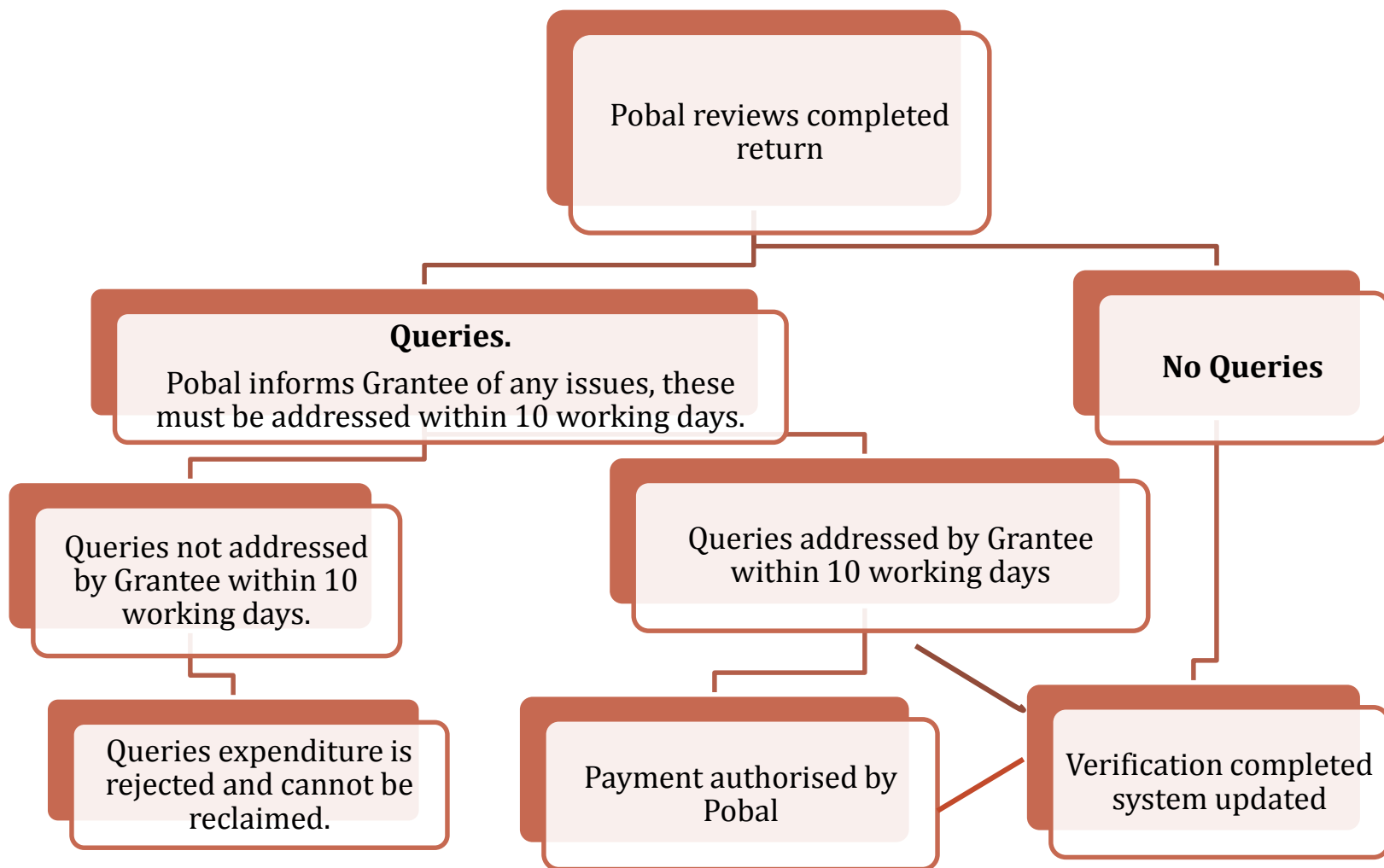


GRANTEES AND PARTNER ORGANISATIONS

- The Grantee is the company that holds the Pobal grant agreement and has responsibility of reporting to Pobal all financial expenditure, activities and outputs, whether these were directly incurred or generated by your organisation or by a partner organisation(s).
- There must be a written agreement in place between the Grantee and the partner organisation(s) outlining organisational roles and responsibilities and the reporting requirements of partner organisations e.g.
 - All parties must adhere to the contractual conditions of the grant agreement, including the eligibility of expenditure, adhere to Public Procurement guidelines and actions under the project.
 - It must set out the roles and responsibilities of each partner in implementing the project activities, in maintaining correct books and records.
 - Comprehensive DAF expenditure reports, linked to bank reconciliations must be submitted to the Lead organisation, on a timely basis to facilitate the preparation of DAF expenditure returns to Pobal.



EXPENDITURE RETURNS PROCESS



ELIGIBILITY OF EXPENDITURE

- Proof of expenditure is always required: therefore, expenditure must be supported by receipted invoices or accounting documents together with bank statements. There must be a proven link with the projects activities, and a clear audit trail for each type of expenditure.
- Documentation to be submitted/retained to support expenditure claimed:
 - All Equipment must be reflected on an asset register
 - Name and description of asset
 - Date of purchase
 - Asset number – this should also be put on the equipment
 - Value
 - Location of asset
 - Expected life of asset



INELIGIBLE EXPENDITURE

- Examples of costs that are not eligible for funding under the Dormant Accounts Fund.
- ❖ Bank interest/Fines/Penalties/foreign exchange commissions
- ❖ Indirect overheads other than those that have been approved in advance per your grant agreement. Section 1.6
- ❖ Cash payments other than through petty cash
- ❖ Redundancy costs / litigation fees
- ❖ Entertainment, gift vouchers, rewards, bonuses
- ❖ Lump sum transfers which are not for specific items of expenditure
- ❖ Payments not supported by original documentation i.e. invoices etc.
- ❖ VAT paid on invoices, if your organisation is VAT registered and in a position to claim the VAT from Revenue
- ❖ Opportunity or Notional costs
- ❖ Outstanding cheques i.e. cheques not cashed through bank account.

All payments must be based on Real Costs, incurred and paid to 3rd party suppliers (i.e. not related parties). - No profit element within the payment.



PROCUREMENT AND TENDERING

- A high priority is placed on compliance with procurement procedures so it is essential that not only are correct procedures followed but that back up documentation to this effect is retained to verify this.
- You are responsible for compliance with the public procurement procedures and must ensure rules on procurement are strictly adhered to.
- Guidelines are available at www.etenders.gov.ie
- Additional information is available from the Office of Government Procurement www.procurement.ie
- Failure to comply may result in expenditure being declared ineligible.
- Any retrospective creation of documentation will automatically result in the tender competition being declared null and void, and the expenditure deemed ineligible.
- Section 13 of the Key Requirements document.

➤ **IF IN DOUBT , SEEK ADVICE.**



PROCUREMENT & TENDERING – THRESHOLDS APPLIED.

- It is imperative that you familiarise yourself with the full requirements of the public procurement guidelines.
- Public Procurement requires that all purchases must be open to fair competition and are transparent.

Less than €5,000 excluding VAT (Record to be maintained)	Obtain verbal quotes from one or more competitive suppliers. Select lowest price/most suitable. Maintain written record of any verbal quotes sought. Although national procurement regulations allow for verbal quotes for low value items only, Pobal recommends that a written quote is sought in all instances.
€5,000.01 to €25,000.00 excluding VAT (Record to be maintained)	A minimum of 3 written quotations excluding VAT sought from competent suppliers who ordinarily supply the relevant service.
€25,000.01 plus excluding VAT (Record to be maintained)	Requirements should be advertised through a formal tendering process on www.etenders.gov.ie .



VERIFICATION AND AUDIT

- Various bodies including Pobal, the Department of Environment, and their agents have a right of access at all reasonable times to enter on any property owned by the funded organisation and to inspect and take photocopies of all records relating directly or indirectly to the grant.
- The final verification/audit report is issued to the Chairperson of the Board or Directors.
- Depending on the response to the report further clarification may be sought or the verification/audit is considered complete and satisfactory.
- Sanctions may apply if a grantee fails to adequately respond to requests for specific information.
- It should be noted that ineligible expenditure identified in your final return or during an verification/audit visit will result in a refund being due to Pobal.



STATUTORY AND OTHER COMPLIANCE

- Data Protection compliance is an essential legal requirement for all organisations. Be aware of the legislation and clear about the obligations under the Act.
- Essentially it is about the protection of personal data of individuals whether they are customers, employees, donors or clients.
- Data Protection procedures and policy must be put in place.
- An excellent source of information is the Data Protection Commission their website is www.dataprotection.ie
- Freedom of Information, the legislation imposes various duties subject to the Act. -Pobal will hold records about your organisation and these will be subject to FOI requests.
- Should you consider certain information to be commercially sensitive, confidential or of a personal nature and not subject to FOI you must identify the information and specify the reasons for its sensitivity.
- Further information www.foi.gov.ie

