



Pobal

**European Integration Fund
European Refugee Fund**

Procedures and reporting manual

Information and instructions on the procedures required to comply with a Pobal EIF/ERF contract.

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We are always seeking to improve our publications. Please check back for subsequent revisions and additions. Please send questions and feedback to info@pobal.ie, putting "Community Supports – EIF/ERF" in the subject line.



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1. INTRODUCTION

This manual provides information on the procedures required for the administration of your European Integration Fund or European Refugee Fund (EIF/ERF) contract. The manual covers a wide range of areas including:

- Your EIF/ERF project, budget and contract
- Monitoring and reporting on your project and grant-funding
- Recruitment and employment practices and procedures
- Decision making and board meetings
- Statutory regulation and other conditions placed on all recipients of public funding

The procedures in this document reflect the standard of accounting practice required by the European Commission (EU) of European funded organisations, combined with practical experience and lessons learned by Pobal in the management of a number of programmes. These procedures should be used by your boards of directors, managers and financial administrators to assist the effective management and administration of your funding and to inform your general operations as a company in receipt of public funds.

Please read this document in conjunction with the [Pobal Managing Better Toolkits: Volume 1 Good Governance](#) and [Volume 2 Financial Management for Community and Voluntary Groups](#). The *Managing Better* series assists organisations in achieving control over their finances and in establishing good financial practices, and can also help ensure that you have the structures and basic procedures to meet your legal responsibilities and to be a successful board.

1.1 FUNDING CONTEXT

The EIF and ERF programmes form part of the Solidarity and Management of Migration Flows programme that is administered by the Directorate General for Home Affairs within the European Commission. In Ireland, the Office for the Promotion of Migrant Integration (OPMI) within the Department of Justice and Equality is the Responsible Authority (RA) for both funds. Since 2007, responsibility for the administration of the funds has been delegated to Pobal, a not-for-profit company that manages programmes on behalf of the Irish Government and the EU.

1.2 POBAL SUPPORTS

Each funded organisation (or contract- holder) is assigned a Pobal regional development coordinator who is your primary point of contact in relation to your project delivery, monitoring and conditions of contract. You may also liaise with a Pobal finance officer regarding your grant payments. We try to assist contract holders with queries and accessing additional supports that may be required. Support documents are provided mainly through the [Pobal website](#). We organise training and information meetings for contract-holders from time to time. It is a requirement that contract- holders attend these events when requested to do so.

2. PROGRAMME CRITERIA AND CONTRACT CONDITIONS

2.1 PURPOSE OF THE FUNDS

2.1.1 EUROPEAN INTEGRATION FUND

The EIF supports the integration of legally resident individuals from outside the EU, within EU member states. The target group for the fund is often referred to in EU documentation as “third country nationals” who are legally resident in Ireland. The EIF is primarily concerned with supporting newly arrived immigrants i.e. within five years of their arrival. However, this does not preclude provision of support to those who have been legally resident in a member state for longer.

Projects in this round of EIF funding address Priority 1 of the EIF strategic guidelines and relate to the “actions designed to put the Common Basic Principles (CBPs) for immigrant integration policy into practice”.¹ These projects support initiatives that aim to promote access to information and services, the empowerment of immigrants, facilitation of integration in local communities and deepening intercultural and inter-religious dialogue.

2.1.2 EUROPEAN REFUGEE FUND

The ERF provides reception and integration supports to asylum seekers and refugees within EU member states. The term “reception supports” refers to social, education and medical assistance provided while asylum applications are being processed. “Integration supports” include information, promotion of access to services, empowerment strategies, education and skills development, and promotion of intercultural dialogue. Asylum seekers are eligible for reception supports only. People whose stay in the State is of a lasting and stable nature by virtue of their legal status i.e. refugees, persons with subsidiary protection and resettled persons and members of their families, are eligible for both reception and integration supports.

All Irish projects in this round of ERF funding address Priority 1 of the ERF strategic guidelines and include provision of drop-in and outreach services, community empowerment initiatives, and initiatives that support particular groups of asylum seekers and refugees such as unaccompanied minors or victims of torture and abuse.

2.1.3 PROGRAMME OUTCOMES

Contract holders will contribute to delivering one or more outcomes from the following list:

- Target groups will have improved basic knowledge and skills to support their integration into Irish society
- They will have increased access to training, education and employment
- They will have better access to public and local services
- Target groups and the wider community will have increased opportunities to engage in intercultural dialogue and to effectively address racism
- There will be improved capacity, co-ordination and/or collaboration among public services and community organisations in meeting the needs of the target group
- Target groups will have increased capacity to participate in collective action and in civil society.

¹ One project addresses Priority 3 of the EIF Strategic Guidelines.

2.2 APPLICATION AND CONTRACT

An application process in 2015 resulted in EIF and ERF contracts being offered for a contract term of up to 6 months, concluding 30th June 2015. Your Pobal contract is offered on the basis that the activities and budget described in your application are those that you will deliver during your contract lifetime and continue actions implemented in your previous project plan for 2013/2014 call. For your 2015 EIF and ERF contract, Pobal's offer letter and grant agreement will set out a schedule drawn from your application that sets out:

- Description of your project and main activities
- Project objectives
- Specific project outputs and outcomes
- Budget

It is these agreed objectives, activities, outcomes and budget that form the basis for your financial and monitoring reports to Pobal. If at any point, you believe that your delivered activities, outputs and outcomes will vary significantly from those set out in your contract schedule; you should contact your assigned regional development coordinator in Pobal immediately to discuss.

2.3 COMPILING YOUR PROJECT BUDGET

Your contract schedule may require you to submit a more detailed budget as you start your project. Please bear the following points in mind when compiling your budget:

- Expenditure categories and ineligible expenditure are defined below [in section 4](#).
- Indirect costs (excluding indirect salaries) cannot exceed 7% of direct costs. These are usually administration costs. Once your budget has been approved by Pobal, the percentage of indirect costs cannot be increased.
- Remember to factor in gross salary costs i.e. to include employer's PRSI and pension at a maximum contribution of 10%
- Where staff members work on a number of programmes and activities including EIF or ERF, your budget should show their full salary, the percentage of time that they spend on each programme or activity and, from this, the proportion of their salary costs that are allocated to your EIF/ERF project
- Where your organisation works on two or more programmes, each of which provides funding for management, administration and overheads, you must adopt a fair and logical basis for apportioning out these costs. This apportionment policy must be agreed in writing with Pobal. Your apportionment policy is an important element of your financial systems and we discuss this further in the [next section, 3.5.3](#).
- Co-funding is an integral part of your budget. Your contract correspondence from Pobal will indicate the minimum figure that you are required to raise as co-funding. This is usually expressed as a percentage of your overall budget.

2.3.1 VARYING YOUR BUDGET

You have limited discretion to vary your own budget. This limit is set at up to €1,000 for programme costs. We do not anticipate more significant budget changes for this round of funding.

2.4 SPECIFIC CONDITIONS

2.4.1 CO-FUNDING

Co-funding is a condition of contract of all EIF and ERF contracts. The amount of co-funding that you are required to provide is specified in your EIF/ERF contract. Please lodge this co-funding to your assigned EIF/ERF bank account on or before 17th April 2015

2.4.2 LOGOS AND PUBLICITY

It is a condition of contract that all publications and promotional literature associated with the funds, for example posters, web sites, leaflets and reports, must contain the EC, OPMI and Pobal logos. These are illustrated below and are available to download from the [Pobal website](#).

The following text must accompany the logos:

“This project is co-financed by the European Commission under the European [insert either the Refugee or Integration, as required] Fund and is supported by the Office for the Promotion of Migrant Integration in the Department of Justice and Equality, and Pobal.”

If you are in receipt of co-funding from another public body, please check their publicity requirements, to ensure that these are met and required logos also included. Also please note that all research and policy related publication should include a statement that the views contained in the publication do not necessarily reflect those of the OPMI, the EC or Pobal.

All publications must be in line with agreed relevant project actions as set out in your project contract.

2.4.3 LETTERS OF AGREEMENT BETWEEN PARTNERS

As a lead organisation in this EIF or ERF contract, you must put in place a letter of agreement between yourselves and any project partners. This is explained in further [detail below](#).

2.5 DOCUMENTS TO RETAIN ON FILE

- Remember to keep on file your EIF or ERF application, together with any supporting documents.
- The approval letter from Pobal
- Pre-contract correspondence
- Information and publicity materials
- Letter of agreement with partner organisations
- Correspondence regarding and evidence of receipt of co-funding and documentation by the funding provider that confirms their availability and purpose.
- Evidence of lodgment of co-funding to your project bank account.

3. SYSTEMS AND RECORDS

All organisations in receipt of public funds must ensure that robust internal systems and procedures, books and records are in place that can evidence the accuracy and reliability of their monitoring information and financial returns submitted to Pobal. Proper systems and controls reduce the risk of fraud or corruption being perpetrated and assist in their detection (the question of fraud is discussed in greater detail [below](#)).

The award of a new contract for public funds presents a timely opportunity to review your systems and records to make sure that they are still fit for purpose. The [Managing Better Financial Management Toolkit](#) sets out the good practice standard required. In addition, there are requirements made of organisations in receipt of European funding. The critical areas for contract compliance are set out below.

3.1 DECISION MAKING AND GOVERNANCE

3.1.1 YOUR BOARD OF MANAGEMENT

All the procedures and systems required in managing public funds and as set out in this manual must be applied, monitored and reviewed by the board of each contract-holder's company or co-op. The quality of your corporate governance and decision-making is, therefore, fundamental to your contract compliance. [Section 8 below](#) sets out the main compliance requirements made of boards of companies by Irish Company Law and signposts to sources of information regarding good practice including Pobal's [Managing Better Toolkit: Corporate Governance](#).

3.1.2 LEAD ORGANISATIONS AND PARTNER ORGANISATIONS

The lead organisation is the company that holds the Pobal contract (also known as a "grant agreement") and has the responsibility of reporting to Pobal all project financial expenditure, activities and outputs, whether these were directly incurred or generated by your own organisation or by partner organisation(s).

A project partner is defined as an organisation that is actively involved in leading or delivering project actions and who is in receipt of part of the EIF/ERF grant.

3.1.3 PARTNERSHIP AGREEMENT

As a lead organisation, you must provide Pobal with a letter signed on behalf of the board of the partner and lead organisations which states that the partner organisation is a partner for the purpose of this ERF or EIF project and that a partnership agreement has been signed and is available for inspection.

It is the responsibility of the lead organisation to ensure that all project partners adhere to the eligibility rules and reporting requirements of EIF & ERF. As the lead organisation, you must put in place a written agreement between your board and the partner organisation(s). The agreement must be reviewed and signed by all parties at board level. The minimum requirements are that:

- The agreement clearly identifies the lead organisation and its responsibilities for making all financial and non-financial reports to Pobal
- This responsibility includes ensuring that project partners are aware of, and adhere to, all EU regulations and Pobal requirements and deadlines

- It must set out the roles and responsibilities of each partner in implementing the project activities, in maintaining correct books and records and in reporting to you on these
- All partners' documentation and records relating to reporting requirements may only be supplied to Pobal through the lead organisation
- All parties must adhere to the contractual conditions of the grant, including the eligibility of expenditure and actions under the EU Commission Rules
- The records and documents of all parties are subject to audit and verification by Pobal, OPMI and the EU Commission and Court of Auditors.

3.2 INTERNAL FINANCIAL PROCEDURES

Each company/co-op must prepare an internal financial procedures document specifying their practices and procedures, as well as who has responsibility for them. This document should be ratified by the board of directors. The company must ensure that responsibility for completing the various tasks outlined in their financial procedures document is clearly assigned to specific individuals and consideration should be given to introducing formalised internal review procedures, which will help to ensure that the board's agreed financial policies are adhered to on an on-going basis. A step-by-step guide to draft internal financial procedures is provided on our website [here](#).

3.3 FINANCIAL BOOKS AND RECORDS

Each company must maintain proper books of account to record the day to day transactions of the organisation. The main objective is to have a record of all financial transactions in a way that makes them easily accessible and that provides an accurate picture of the organisation's financial position. The books and records should record all income received and all payments made; these form the basis of the financial accounts. Your books and records include payments journal, lodgement records, receipts book, petty cash book, bank statements and bank reconciliations, payroll and revenue records. At a minimum, the payments journal must provide headings, which correspond with those used in budgets, forecasts and business plans and allow for comparative analysis.

3.4 SYSTEMS FOR RECORDING MONITORING DATA

As the range of activities to be carried out in the EIF and ERF programmes, we have not provided specific data collection templates. Please observe the following good practice:

- Have a means of recording user numbers on the spot e.g. signed attendance sheets at training session
- Use these consistently
- They should be signed by the responsible manager or project worker
- Keep these methodically, much as you would financial records. Indeed they should tie in with the financial books and records
- Report your monitoring/user data to your board of directors
- Your project partners should use the same recording system for similar activities.

3.5 INDIVIDUAL POLICIES AND PROCEDURES

We have provided below guidance on individual topics that are relevant to EIF and ERF contracts and which Pobal contract- holders have previously found useful.

3.5.1 ELECTRONIC BANKING

Electronic banking is now common practice among most Pobal contract- holders. The guidance note provided [on our website](#) sets out the procedures to safeguard your funds.

3.5.2 TIMESHEETS

Please keep timesheets for all persons involved in your EIF or ERF project and stipulate that your project partners do so, also. Timesheets should show the daily time spent on project activities and non-project activities, supported with a brief description of project and non-project tasks/duties. Timesheets must be signed by the employee and reviewed and signed off by the relevant manager on a regular basis, for example, weekly or monthly. Please make sure that the amounts claimed in the half year returns reconcile to the hours worked on the timesheets.

Timesheets have to include:

- Name of Grantee as per the Grant Agreement
- Grant Project ID:
- Name of Project
- Employee Name
- Employee Personnel Number
- Employee RSI/PPS Number
- Start and End Times – Morning /Afternoon times (am/pm)
- Brief Description of tasks
- Period covered
- Signature and date of employee
- Signature and date of line/project manager

Note: These are the **minimum requirements** and that the EU/Auditors can ask for further details to substantiate claims.

3.5.3 APPORTIONMENT POLICY

As part of your EIF /ERF budget you are required to develop and submit an apportionment policy. Apportionment of costs is the process of sharing expenditure fairly across your organisation's various activities and projects that are funded by different funding streams/programmes. The aim is to ensure that one funding source is not bearing the costs of running another programme's project. Apportionment is generally used to cover cost items such as administration /management salaries, overheads and on-going running costs. [A guidance note](#) on developing an apportionment policy is provided on the Pobal website. This provides worked examples including where costs are apportioned pro-rata to staff time that is spent on a project or to the amount of floor space that different projects and activities occupy. Please take the time to read this guidance note and to develop a policy that is relevant to your own organisation. Your apportionment policy must be documented, approved by your board and submitted to your regional development coordinator in Pobal for approval.

3.5.4 TRAVEL AND SUBSISTENCE POLICY

You are recommended to have a T&S policy that limits the amounts payable for travel and subsistence to volunteers, steering group members, participants and staff. The main provisions of this policy should be as follows:

- Where you have an agreed travel and subsistence daily rate for volunteers, this must be recorded as travel and subsistence in your budget and finance reports. Volunteer expenses are allowable at no more than €10 a day. Travel must be evidenced e.g. a sign-in sheet. There is a maximum EU threshold amount of €150 per volunteer per month.
- Steering group members may be reimbursed for project-related travel costs where their usual employer does not do so. Reimbursements should be against receipted expenses using the cheapest option available e.g. public transport.
- Programme participants may be reimbursed for project-related travel costs against receipts demonstrating actual costs incurred. Any daily subsistence rate is expected to be in the region of €15 to €20 a day. It is expected that the higher daily rate is applied prudently, i.e. covering costs for days longer than 9 hours.
- Mileage rates only apply where no public transport options are available and are subject to supporting document and justification for the means of transport used.
- Foreign travel must be made using the cheapest public transport route available. Please retain all documentation such as tickets, vouchers, receipts and, in the case of flights, boarding passes.

3.6 DOCUMENTS TO RETAIN ON FILE

- You must retain your documented internal financial procedures – this is a primary document that Pobal and other auditors will require to see.
- In addition to keeping books and records, it is most useful to keep a list or index of these records.
- We recommend that you keep copies of all your policies (including those mentioned here) in one file and review this at regular intervals, for example around the time of your annual audit.
- You must retain on file your written agreement between yourselves, as lead organisation, and project partners, as described in 3.1.2., and the letter that you submit with the project partners to Pobal.

4. PAYMENTS AND ELIGIBLE EXPENDITURE

Pobal will issue an EIF and ERF contract based on the Department's funding decision. The funding represents the maximum grant for the period and payment of the grant and is dependent on funding being made available to Pobal by OPMI. The contract is also subject to the contract- holder's satisfactory performance during the term of the contract.

4.1 PREPARATION FOR FIRST PAYMENT

To ensure Pobal is in a position to approve the payment of your grant, it is essential that your board members read the contract thoroughly, understand its provisions and address all pre-contract conditions, before signing and returning to Pobal. You will be asked to submit the following in order to secure your first payment:

- Current tax clearance certificate (TCC). The company/co-op name on the TCC must match both that on the memorandum and articles of association (or Rules) and Pobal contract
- Most recent and signed audited accounts (annual financial statements or AFS, as they are also known)
- Bank details form (Pobal will provide template) the first and subsequent payments will be made to this account. It is a requirement that you operate a separate bank account for EIF/ERF funding. This will allow EIF/ERF funding to be managed and recorded separately to other funding your organisation may have received. Please contact Pobal directly if a separate bank account is not possible within your organisation. You must receive written consent from Pobal prior to the payment of the grant to use an existing bank account with a distinct cost centre
- Signed contract certificate of acceptance
- Public procurement declaration (Pobal will provide template)
- Insurance indemnification of Pobal and the Department of Justice and Equality
- Contact sheet including list of current directors (Pobal will provide template).

Ensuring these items are addressed in accordance with the timelines laid down will minimise queries and delays in finalising and approving the grant payment.

4.2 PAYMENTS

The Pobal system of grant payments is intended to provide forward funding for contract- holders. The 2013/2015 contract payments will be made on the following basis:

- An initial payment of 70% of your contract value will be made on receipt of your signed acceptance of the grant offer and the other information requested above
- A second payment of 20% of your contract value will be available to draw down on receipt of a copy bank statement evidencing all co-funding has been lodged and evidence that 50% of your of co-funding has been spent
- The final payment of 10% will be made retrospectively on receipt and approval of your final financial return and progress report. Please ensure that you have the funds in place to cover your costs pending receipt of this final payment. In order to receive the payment, all expenditure related to the project (EU and co-funded elements) must be incurred and paid out of your bank account and included on the final return to Pobal. Any outstanding project queries or issues must all be finalised. Details of the contract conclusion process will be provided near the project end date. Please bear in

mind that Pobal will apply the “non-profit principle” described in section 4.7 below and this may affect the value of your final payment

Payments are made subject to satisfactory monitoring by Pobal. Payments may, therefore, be withheld while we work with you to resolve the matter at issue.

4.3 CATEGORIES OF ELIGIBLE EXPENDITURE

- Salaries - these could be direct or indirect costs. Direct costs relate to people involved in the implementation of a project e.g. project workers. Indirect salary costs relate to people who provide a measurable support e.g. administrative or management support
- Administration costs – EIF/ERF always consider these to be indirect costs and include overheads such as utilities, rent, telecoms, and maintenance
- Programme costs – these are considered direct costs.

Additionally, to be eligible all expenditure must be paid on foot of supporting documentation e.g. an original invoice or receipt, payroll records or an expenses claim. All payments must be based on real costs, incurred on a cash basis, that is no accruals or prepayments are allowable.

4.3.1 CHILDCARE AS AN ELIGIBLE COST

The childcare costs of project participants are eligible for reimbursement only where the crèche or child-minder has been notified to the HSE and official invoices or receipts issued by the childcare provider are provided by the participants. These invoices must be dated and the dates must correspond to course/session dates that your participant attended. Please ensure only the cost charged to the parent are claimed against the EIF/ERF funds, (i.e. if the parent avails of ECCE, CETS or CCS schemes only the balance charged to the parent can be claimed as eligible expenditure).

4.4 INELIGIBLE COSTS

These include:

- Bank interest charged (including mortgage interest)
- Foreign exchange commissions and exchange losses
- Costs of litigation and any awards against you
- Fines and penalties
- Redundancy costs
- Entertainment, gift vouchers, rewards
- Childcare costs where corresponding invoices are not provided or where the childcare provided is not notified to the HSE.
- Lump sum transfers which are not for specific items of expenditure

This list is not exhaustive and may be added to by the Department or Pobal as necessary. Notional, replacement or opportunity costs cannot be considered as real costs by EIF and ERF and are not eligible. Should you have any concerns regarding the eligibility of planned expenditure, please contact your Pobal finance officer for clarification in advance of incurring expenditure.

4.5 DATES FOR ELIGIBLE EXPENDITURE

Expenditure of EIF and ERF funding is eligible on and within the dates detailed on your contract only. Costs incurred prior to your contract date are not eligible for funding. Likewise, costs incurred after your contract end date are not eligible for funding. If you are unsure as to the dates of eligible expenditure, please contact your Pobal finance officer for clarification.

4.6 RELEASING PAYMENTS TO PROJECT PARTNERS

We strongly recommend that you make staged payments to your partner organisation(s). You should only release payments when you are satisfied that the project partner has both spent a specified, agreed percentage of their previous payment and reported satisfactorily to you on their expenditure and associated activities. For example, for proof of payroll costs, you should see their relevant timesheets, payroll documentation and P35. The restrictions on eligibility of expenditure that apply to lead organisations also apply to project partners. It is your responsibility as the lead organisation to ensure that all money paid to partner organisation(s) is spent by them in accordance with the programme eligibility rules. You must ensure that the partner organisation(s) return any unspent funds to you promptly.

4.7 APPLYING THE NON-PROFIT PRINCIPLE

At the end of each project, Pobal is required under the ERF/EIF rules to apply what is known as the 'Non-Profit Principle'. This means that when we consider making the final grant payment to your group or company, we must take into account any income that was generated by your project through, for example, fees charged or sale of products, as well as any contributions from third parties that are not official project partners. Contributions from third parties could be, for example, donations, private funds and co-funding from non-official partners which may or may not come from public funds. Receipts generated by the project include such things as fees charged, sales, rentals or other equivalent income during the project lifetime.

The required calculation at the project end is the total eligible project expenditure minus the "contribution from third parties" to the project and minus "receipts generated" by the project. If the amount calculated following the application of the non-profit principle is less than the maximum grant amount stated in your grant agreement, or less than the maximum grant expected as a result of eligible expenditure, then this lesser grant amount is what has to be paid in line with ERF/EIF rules.

4.8 DOCUMENTS TO RETAIN ON FILE

- Copy signed contract with funder (Pobal) and letter of offer
- Signed declarations re public procurement
- Insurance documents including indemnifications of Pobal and funding department
- Copy of all procedures and policies signed and approved by board
- Tax clearance certificate
- Bank mandate
- Bank accounts details
- Signed and dated books and records (e.g. weekly, monthly records)
- Payments journal (cheques, direct debits, electronic funds transfers, bank charges etc.)
- Lodgement records
- Receipts book
- Petty cash book
- Bank reconciliation statements & bank account statements
- Payroll records including tax deductions cards, remittances to revenue etc.
- Signed and dated management accounts
- Copy board minutes reflecting all financial decisions and sign-off of books and records.

5. MONITORING AND REPORTS

This chapter discusses the purpose of monitoring and it outlines the monitoring documents and procedures required by your EIF and ERF contract.

5.1 INTRODUCTION

Monitoring is the process which involves the regular recording and reporting of information about participants and activities in order to:

- Indicate how each contract- holder is progressing in delivering the project or service described in the business plan or application
- Ensure allocated funds are used for their intended purpose
- Provide figures that Pobal can aggregate and analyse to generate information on the overall size, value and impact of the programme.

Pobal monitors contracts through the following types of submission:

- Monitoring reports
- Annual finance statements (audited accounts) and reconciliation of income and expenditure
- Finance reports –the financial records of project partners form part of supporting information
- In some programmes, provision is made for evaluation – that is an assessment of the outcomes or impact of individual projects and/or the programme as a whole. This is the case in EIF and ERF and is discussed in [section 5.3 below](#).

5.2 MONITORING REPORTS

You will be asked to complete one monitoring report during this EIF/ERF contract:

- This report will cover the period from the start of your contract to 30 June 2015.

The report will cover those output activities (listed in [Section 2.1.3](#) of this manual) that your contract requires your project to deliver. The report templates will be emailed to you in June and, together with instructions on how to complete.

5.3 ANNUAL FINANCIAL STATEMENTS & RECONCILIATION OF INCOME AND EXPENDITURE

Each contract holder must ensure that annual financial statements (audited accounts) are prepared, finalised, approved and submitted to Pobal four months after their respective financial year end. The financial statements submitted to Pobal must include detailed separate analysis of individual Pobal programmes income and expenditure e.g. CSP, LCDP, RTP, etc. Pobal will review your AFS as part of your annual monitoring. A detailed guidance note on the Reconciliation of Pobal Income to AFS is available [here](#).

5.4 FINANCE REPORTS

5.4.1 HALF YEAR REPORTS/RETURNS (HYRS)

The Pobal system of grant payments and twice yearly reports (half year finance returns or HYRs) are intended to provide forward funding for contract -holders while providing sponsoring Departments with assurance regarding spend of public funding. The payment stages are outlined above in section 3.2.

The submission of timely, accurate and complete half yearly returns is part of your contractual obligations with Pobal. In this current EIR/ERF contract, an HYR will cover expenditure from the beginning of your contract to 30 June 2015. PLEASE NOTE THAT IT IS A CONDITION OF CONTRACT TO SUBMIT A HALF YEARLY RETURN EVEN IF YOU HAVE NOT INCURRED EXPENDITURE IN THAT PERIOD.

It is always important to ensure that Pobal returns/reports are approved by the appropriate personnel or board members in your organisation, and that all supporting documentation is attached and in agreement with the reported expenditure. This will reduce time spent in administration by you and by Pobal and will result in quicker payments.

We will issue you with a half year reporting template near the end of June 2015 and a final return template at the end of this EIF/ERF contract. Both will require the following supporting documentation:

- Completed half year return (HYR) that shows the approved budget analysed across the agreed budget headings
- Copy of your payments journal for the relevant period detailing total project expenditure reported
- Receipts & lodgments journal detailing all lodgments into the designated bank account; this should give details on the amount and source of co-funding if applicable
- Supporting bank statements for the full period for the designated bank account and copies of relevant bank statement pages for other accounts from which payments have been made if applicable. Please highlight the relevant payments from other bank accounts on the bank statements
- Copy of invoices for all non-pay expenses greater than €2,000
- Where childcare invoices form part of the expenditure, you must submit proof that the childcare provider in question has been notified to the HSE.

5.4.2 LEAD ORGANISATION FINANCIAL REPORTING

As a lead organisation, you must report all expenditure relating to the EIF/ERF project that has been incurred by you and by partner organisation(s). The half year return, therefore, also includes the following:

- Completed partner expenditure declarations stating that all items listed have been supplied to you. Your authorised signatory must sign the declaration
- Copy of the partners' payments journal analysed across the agreed budget headings
- Samples of these last two documents are available on our website [under Finance and Development Templates](#)
- Copies of their bank statements to demonstrate that payments have cleared the partner's bank account.

5.4.3 FINAL FINANCIAL REPORT

In concluding your ERF or EIF contract, you will be required to submit a final return. You can do this by submitting your half year return that covers the period commencement to contract conclusion date i.e. 30th June 2015 can be accepted as your final expenditure return if:

- This is your final claim for expenditure incurred
 - You have no outstanding eligible payments after your project end date
 - You have provided sufficient evidence that all cheques outstanding at the date of the return have been presented and cashed through your bank account.
-
- All such expenditure must have been presented and cashed through your bank account. Un-cashed cheques will be ineligible
 - Other than payments to revenue commissioners, no other salary costs incurred after the project end date will be eligible
 - Co-funding must also be spent and reported during the term of the contract, i.e. before 30th June 2015
 - Where the final statement of expenditure is less than the total value of your EIF/ERF grant, you will be required to waive your entitlement to the outstanding balance and return any unspent monies from your bank account. This process is often referred to in Pobal as “decommittal of funds”
 - Once we have received your final financial and monitoring reports and all outstanding queries are resolved, we will be able to issue the remaining part of your grant, up to a 10% of the total grant value. Please ensure that you have working capital funds in place to cover your expenditure until the final return is approved and the final payment released.

5.4.4 RECORDING INDIRECT COSTS ON FINANCIAL RETURNS

Indirect/ administration costs are now declared on a fixed rate basis of up to **7% of direct costs**, this rate is calculated using your approved budget and is a fixed percentage for the duration of the Grant Agreement.

Example:

Indirect costs agreed at 5% of direct costs for the duration of the Grant Agreement.

The rate is calculated as follows:

Direct costs: Salary + Programme * 100 = %

Indirect costs: Administration costs

Each Beneficiary will receive confirmation of the agreed fixed indirect cost % by email once your budget has been approved.

Reporting indirect costs on the financial return.

- At each return period, the total of eligible direct costs is multiplied by your **agreed fixed indirect cost percentage**, this equates to the maximum indirect costs that can be claimed in your return.
- A separate line on the payments journal to be inserted as indirect costs using the above calculation.

E.g. Fixed rate indirect costs is 5% of direct costs,
Direct costs are €100,000 * 5% = €5,000.
Maximum Indirect Costs claimed in this return is €5,000

Supporting Documentation for Indirect Eligible Costs.

Accounting documentation to support indirect eligible costs are not now required to be verified at audit stage under the new rules. These accounting records should be held as part of your project files. On a cautionary note, the simplification of indirect costs should not artificially inflate direct costs, nor increase indirect costs declared in returns.

Since actually incurred direct costs serve as the basis for the calculation of indirect costs it is essential to note that careful verification of declared direct costs will be carried out during an audit and verification visit.

5.4.5 REDUCTION OF DIRECT COSTS.

Should direct costs be reduced (i.e. following a financial correction or audit visit) this will have a direct impact on the fixed indirect cost amount that can be claimed.

5.5 DOCUMENTS TO RETAIN ON FILE

- Attendance records for any courses run by the final beneficiary e.g. list of individuals, sign-in sheets, travel claim receipts
- Annual financial statements and Pobal reconciliation
- Letter of engagement with your auditor
- Signed hard copy of monitoring and finance returns and supporting information
- Signed time-sheets
- Pobal contract holders must maintain accounting records in support of their expenditure returns, which provide an appropriate audit trail. Such records should clearly detail all transactions funded through ERF and EIF. Accounting records should be printed off, signed and dated on a regular basis by a person of appropriate authority as evidence of their review and approval.

6. POBAL AUDIT & VERIFICATION VISITS

In administering public funds on behalf of the Irish Exchequer and the EU (where applicable), Pobal has a responsibility to ensure funds are spent on the purposes intended. It is the responsibility of each funded contract holder to ensure that funds are spent on eligible activities, and that both the end users of the funds and the funded contract holder have adequate controls in place to safeguard the funds at all times.

Pobal independently appraises the financial and administrative controls of funded contract holder to ensure they comply with the public accountability requirements of the programmes they operate, using EU rules and regulations as a model of best practice. Pobal carries out this role through the audit team / programme team, who continuously carry out comprehensive audits and verification visits of each of the programmes administered by Pobal.

- A verification visit is a routine visit conducted to verify the regularity and reality of activity, assets and expenditure
- An audit visit involves a more detailed and comprehensive examination of books and records to ensure that money is spent for the purpose intended and that adequate controls and safeguards are in place.

6.1 RIGHT OF ACCESS

Pobal, the Department of Justice and Equality, the Comptroller and Auditor General, the European Court of Auditors, Officials of the European Commission and their agents have a right of access at all reasonable times to enter on any property owned or occupied by the funded company and to inspect and take photocopies of all records relating directly or indirectly to the Pobal grant monies.

6.2 CONDUCTING THE AUDIT/VERIFICATION

The audit/verification is carried out at the company's premises. The length of the audit/verification varies, depending on issues such as the length of the period being audited, the number of programmes being audited, the complexity of the company etc.

If a previous audit/verification visit was carried out, the auditor will check that the recommendations of the previous audit/verification visit have been implemented. If these recommendations were not implemented satisfactorily, the audit report will highlight this.

A major part of the auditor's work is to examine the financial records that the funded contract-holder has used to prepare the expenditure returns to Pobal, and the audit trail (i.e. the paper trail or direct link) from the records to the returns. In doing this, the auditor will assess the accuracy of the returns, the eligibility of spending, and the classification of spending in the returns. Similarly, the auditor reviews the adequacy of the accounting systems and related internal controls that the funded contract-holder operates, to ensure that the public funding is safeguarded and spent on eligible activities in keeping with the terms and conditions of the providers of funding (e.g. this would typically include the opening and maintenance of bank accounts, delegation of duties to staff members, etc.)

When the auditor has finished the fieldwork, he/she will hold a post-audit meeting with the CEO/Manager and financial controller/administrator. In certain circumstances, Pobal may request a board member to be present.

6.3 THE FINAL AUDIT/VERIFICATION REPORT

The audit/verification report is issued to the CEO/manager of the company and to the chairperson of the board of directors. The final audit/verification report is accompanied by a management letter that sets out the main findings in a summarised form. The finance sub-committee of Pobal requires that a full unabridged version of the audit/verification report is circulated to the company's board members in advance of their next board meeting, and considered at that meeting. Each contract -holder is asked to submit a signed declaration page, to the audit /verification section, which indicates a reasonable final time scale for the implementation of the recommendations across all programmes, within the deadline specified in the report, typically 14 – 30 days.

6.4 FOLLOWING THE AUDIT/VERIFICATION

The audit section / Pobal finance sub-committee consider in detail the reply sent by the contract -holder in response to the audit/verification report. Depending on the reply, and on the particular circumstances of the audit/verification and the contract- holder, Pobal may then; consider the audit/verification complete and satisfactory, or agree the timescales, or request further clarifications/assurances from the contract holder on a number of issues. In this case, Pobal will issue a letter to the contract- holder outlining any concerns or areas requiring further attention, or request a meeting with a delegation from the contract- holder's board, or curtail or suspend funding to the contract- holder until certain recommendations have been agreed and implemented.

7. RECRUITMENT AND EMPLOYMENT

The recruitment and employment procedures set out below reflect the HR standards that are required in publicly funded employment.

7.1 RESPONSIBILITY OF THE CONTRACT-HOLDER

You and your project partners are the responsible employers of staff working in your organisations and funded by EIF and ERF. You are therefore responsible for determining the following:

- Contract of employment
- Terms and conditions of employment
- Duration of contract
- Salary scale and remuneration policy
- HR policies
- Holidays, opening hours and other local arrangements
- Grievance processes
- Retaining an employment file for each individual.

7.2 CONTRACT OF EMPLOYMENT

You should ensure there is a signed contract of employment for each funded employee. Pobal produces recommended model contracts of employment that are available to download from our website. The links are:

<https://www.pobal.ie/Publications/Documents/Sample%20Indefinite%20Part%20Time%20Contract.pdf>,
<https://www.pobal.ie/Publications/Documents/Sample%20Indefinite%20Contract.pdf>,
<https://www.pobal.ie/Publications/Documents/Sample%20Fixed%20Term%20Part%20Time%20Contract.pdf>.

It is not necessary to use the Pobal template contract if your organisation already has its own, satisfactory contracts. Some programmes and public funders require that a contract of employment be renewed and signed annually. Some contract- holders include a clause in the contract indicating that the post is subject to continuing funding.

7.3 TRANSPARENT AND FAIR RECRUITMENT PRACTICES

Pobal requires that recruitment practices are fair and transparent. This means that new posts must be advertised and filled through a competitive process. It is the responsibility of the contract holder to decide how best and where to advertise e.g. local press or radio. Other media used by contract- holders include:

- <http://www.localemploymentservices.ie/>
- <http://www.ildn.ie>
- <http://www.jobsireland.ie/>
- <http://www.activelink.ie/content/community-exchange>

You could consider advertising a position with specialist media, e.g. magazines, newsletters or local radio programmes. Advertising on radio can be particularly relevant for people with visual impairment.

Under the Employment Equality Acts 1998 and 2004, the positive action statement is allowed to be included in job advertisements in order to ensure full equality in practice. The suggested wording is “we particularly welcome applications from...”, for example “we particularly welcome applications from lone parents, Travellers and people with disabilities.”

7.4 EMPLOYMENT DOCUMENTS TO RETAIN ON FILE

The following checklist summarises the employment documents that you must keep on file for each employee in an EIF and ERF supported post.

- A signed contract of employment for each funded worker
- Job description for each EIF and ERF supported post
- Where permanent staff members are assigned directly to the project: a documented decision e.g. letter of alteration of contractual duties, minutes of board meetings.
- Evidence of the transparency of recruitment procedures: the advertisement and where it was placed, which candidates were shortlisted for interview, the membership of interview boards and results of the interview process
- Time sheets
- Payroll records.

8. PROCEDURES FOR BOARDS OF MANAGEMENT

All the procedures and systems required in managing public funds as set out in this manual must be applied, monitored and reviewed by the board of each contract-holder's company or co-op. The quality of your corporate governance and decision-making is, therefore, fundamental to your contract compliance. Some main points are set out below to highlight the compliance requirements of boards of companies by Irish company law and good practice in decision-making.

You are also encouraged to read and apply the Pobal [Managing Better Toolkit on Corporate Governance](#) that provides guidance on good practice in corporate governance in the non-profit sector. All Pobal contract-holders are encouraged to read and apply the practices recommended.

8.1 GOVERNING DOCUMENTS

Each contract-holder has been incorporated as a company limited by guarantee and operates under the rules and regulations of their memorandum & articles of association, or rules in the case of co-operatives, as well as the Companies Acts 1963 to 2009. The memorandum sets out the aims of the company, its powers to carry out these aims, a statement that the liability of members is limited and the names and addresses of the first members. The articles set out the rules on how the company is run, including items such as the election of directors, rotation of directors, roles of officers, keeping accounts, meetings, quorums, etc. Although these are usually drafted in dry, legalistic language, they are essential documents to the operation of a company and essential reading for managers and directors. It is advisable to keep a copy of the memorandum and articles (or rules) to hand during board meetings.

8.2 DIRECTORS

It is important that each company director is aware of Irish company law requirements and ensures that they are up-to-date in complying with them. Failure to comply with company secretarial obligations can result in prosecution and fines for both the company and the directors personally, strike off of the company from the Companies Register, and disqualification of the director from acting as a director in other companies. For detailed guidance on the responsibilities of directors, visit the website of the Director of Corporate Enforcement at www.odce.ie.

8.3 COMPANY SECRETARY

The directors of every limited company must appoint a company secretary, who can be one of the directors or a member of staff. The company secretary's role is to ensure that the company abides by the company rules as set out in the articles of association, including the requirements of the Companies Office. There are quite a few such requirements, and it is important that the company secretary is very familiar with the relevant obligations and with the company's own articles of association. Further guidance on the company secretary's role is available on www.odce.ie.

8.4 POLICIES & PROCEDURES

The board of directors of each contract- holder is ultimately responsible for safeguarding the assets of their company. The board of directors should ensure that all significant decisions that affect the company are discussed and approved at board level and documented in the minutes of the meeting.

The board of directors must document and approve the policies and procedures, for example, the internal financial procedure document outlined in section 3.3. They must be adopted by them, their staff members and sub committees to ensure that the financial resources allocated to the programmes operated by the company are being used effectively and prudently in accordance with the public accountability requirements. In particular the contract- holders' documented policies and procedures must ensure that value for money is always sought and achieved.

8.5 REPORTING TO THE BOARD, DIRECTORS AND MINUTES

In order to discharge their statutory and contractual obligations, it should be a normal part of your board's business to consider, decide on and formally record the following (including but not exhaustive):

- Consideration of regular management accounts
- Key financial decisions including changes to staff remuneration, changes to budget, authorisation of new bank accounts, cheque book and electronic signatories, significant purchasing decisions
- Operating policies e.g. apportionment policy where multiple programmes /funding contracts are in place, reserves policies and financial procedures
- Actions taken to meet conditions of contract, audit findings (from your own auditor, Pobal's audit section or other inspectors).

Each contract- holder must keep minutes of all board and sub-committee meetings. The minutes must document all financial decisions; they should be clear, concise, impartial and free from ambiguity. The minutes must clearly list the names of directors present and other advisors or observers in attendance. The minutes should be signed and dated by the chairperson following their review and acceptance. The minutes should be filed in logical order and any documents discussed at the meeting (e.g. management accounts) should be filed along with the minutes.

8.6 CODE OF CONDUCT

The directors must comply with the Ethics in Public Office Act, which requires a general ethos for all directors including loyalty, integrity, fairness, impartiality and independence, etc. The link to the Ethics in Public Office Act is <http://www.irishstatutebook.ie/1995/en/act/pub/0022/index.html>. It is considered national and international best practice that all companies have a documented Directors' Code of Conduct.

8.7 DISCLOSURE OF INTERESTS

Each contract- holder must have documented procedures that enable them to identify situations where there may be possible conflicts of interest with any director, the company secretary or a key staff member. If a conflict of interest arises the company must ensure the nature of this interest is formally disclosed and the conflict must be addressed and resolved, and is not allowed to persist in a manner that would have adverse effects or perceived adverse effects for the company.

Aside from the company law obligations, it is in any event recommended as best practice that where a conflict of interest arises in a matter being discussed, that the particular individual should formally declare the nature of their interest and absent him/herself from the discussion on the matter, and the minutes must record that this was carried out.

8.8 DOCUMENTS TO RETAIN ON FILE

- Agendas of meetings
- Reports and papers circulated with the agenda *and those tabled at meetings*
- Minutes of the meeting, signed by the chairperson
- Your standing orders
- Formal correspondence from board members e.g. letters of resignation (forms B10 should be retained with your CRO file).
- It is also useful to keep a set of your Memorandum and Articles of Association or Rules with your meeting file.

9. STATUTORY AND OTHER COMPLIANCE

9.1 DATA PROTECTION

Companies controlling or processing data on individuals must register their company with the Data Protection Commission as data processors or data controllers or both, depending on what they do with the information. Data protection compliance is an essential legal requirement for all companies. It is best to put data protection procedures in place before problems occur to avoid legal liability, negative publicity and cost of regulatory enforcement. At the very least the company must have a policy in place. Information may only be retained for as long as the purpose for which it was collected remains. If that purpose ceases, the personal data should be deleted or made anonymous to remove any identifying characteristics if it is desired to use the information for another purpose such as research etc. An excellent source for information is the Data Protection Commission. Please visit their website: www.dataprotection.ie for further information.

9.2 FREEDOM OF INFORMATION

As a public body, Pobal comes under the legislation of the Freedom of Information (FOI) Act 1997 and 2003. The Act imposes various duties on Pobal and gives certain rights to individuals to access the records of the public body concerned and reasons for decisions made by the body. Pobal will hold records about your company and these will be subject to FOI requests. As a matter of courtesy, Pobal will inform you if records pertaining to your company are being released. If, at the time of providing information to Pobal, your company considers certain information to be commercially sensitive, confidential or of a personal nature and should not be subject to FOI, please identify the relevant information and specify the reasons for its sensitivity.

9.3 ACCOUNTING FOR STATE BENEFITS

The employer must claim sick/maternity benefit in respect of employees in EIF and ERF supported posts when applicable. If the employer decides to pay an individual their full salary while on sick/maternity leave, benefit must be payable to the company and set off against any EIF and ERF grant amount. This must be clearly indicated in the Pobal finance return. Pobal is obliged to recoup any amounts which have not been duly set off.

9.4 APPOINTMENT OF YOUR EXTERNAL AUDITOR

Where a statutory auditor is appointed, the contract- holder must ensure that a letter of engagement is put in place, and includes the following additional provisions/clauses:

- Reconciliation between the annual financial statements and the cumulative expenditure returns submitted to Pobal for each contract held i.e. an individual reconciliation for each source of Pobal funds. Guidelines for completion and interruption of the reconciliation were circulated to all beneficiaries in May 2012
- The need for the auditors to familiarise themselves with the public accountability requirements of the various programmes that the contract-holder administers
- An all-inclusive audit fee, agreed in writing at the commencement of each audit

9.5 INDEMNIFICATION

Service providers must indemnify Pobal and the Department of Justice and Equality throughout the life of their Pobal contract. We recommend that you update your insurance records with a reminder to ensure that the indemnification is continued when you renew your policy or change insurers. Please refer to section 10 of your grant agreement which refers to Insurance and Indemnification.

Indemnity is protection from loss and damage claims file by another person. By indemnifying Pobal, the Department of Justice and Equality and the European Commission the insurance policy protects these bodies from and against all actions, proceedings and costs, claims, demands and liabilities arising directly or indirectly, from any action or omission of the Grantee, its employees, servants or agents in connection with the project. Should you have any queries regarding indemnity please contact your insurance company.

9.6 CONNECTED PARTIES

Pobal may require sight of financial statements and governing documents of connected companies/companies under common control. This will help us assess viability and capacity of an applicant or contract holder.

9.7 PUBLIC PROCUREMENT

In preparation for your first payment, you were required to sign and return a declaration to abide by public procurement regulations. Further information on Public Procurement is available [on our website](#).

Public procurement requires that all purchases must be open to fair competition from competent suppliers and that a record is maintained of how the decision to award any contract was reached (this is also the case for verbal quotes).

There are a number of key points to note:

- Public procurement rules applies to all expenditure for which grant aid is sought.
- The EU Commission places a high priority 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.
- Your compliance with public procurement will be examined by Pobal; failure to comply will result in expenditure being deemed ineligible and/or financial penalties being imposed and subsequent recoupment of funds.
- Any retrospective creation of documentation will automatically result in the tender competition being declared null and void, and the expenditure will be recoupable.
- When determining the relevant Public Procurement threshold limits it is important to note that these apply to the total value of funds paid to a particular supplier in a 12 month period. This requires funded groups to take into account any contracts entered into with suppliers during the previous 12 months.

The Grantee is responsible for compliance with the public procurement procedures and must ensure rules on procurement are strictly adhered to.

Whenever purchases are made, contracts awarded or external suppliers are involved in a project, public tendering rules **must be observed**, including both National and EU Public Procurement thresholds. These rules are intended to ensure transparent and fair competition and to achieve value for money. **Value for**

money should be the key consideration in purchasing goods and services – obtaining the most advantageous price available consistent with quality and fitness for purpose.

A competitive process carried out in an open, objective and transparent manner can achieve best value for money in public procurement.

All goods and services purchased with funding must be procured on the basis of the public procurement guidelines available at <http://www.etenders.gov.ie>. A brief synopsis is provided in the table below but it is imperative that you familiarise yourself with the full requirements of the public procurement guidelines.

Less than €5,000 (Record to be maintained)	Obtain verbal quotes from one or more competitive suppliers. Select lowest price/most suitable. Maintain written record of quotes sought.
€5,000.01 to €25,000.00 (Record to be maintained)	A minimum of 3 written quotations sought from competent suppliers who ordinarily supply the relevant service.
€25,000.01 to € EU threshold (Record to be maintained)	Full Tender Action

Key steps to be followed when undertaking procurement exercise:

- Start on time.
- Decide on the specification of items or services you require.
- Follow the public procurement guidelines at www.etenders.gov.ie
- The Selection and award criteria, including the weighting of each, should be clearly outlined in the tender specification and cannot be changed after the tender has been issued.
- The same tender document is presented to all potential tenderers. If a potential tenderer seeks clarification from the Grantee it must ensure that the information in the answer is circulated to all potential tenderers.
- Select a panel to assess the tenders.
- Open tenders at the same time.
- A record must be maintained and available for audit.
- Any conflict of interest or potential conflict of interest at any stage of the process must be fully recorded, and managed.
- Select tenderers according to the selection criteria and award the contract according to the award criteria. Please note that for legal reasons experience may not be used as an award criterion for scoring tenders.
- Documentation including notes of decisions and assessment of tenders plus copies of all bids must be retained for inspection.

IF IN DOUBT, SEEK ADVICE

9.8 VAT REGISTRATION

Contract- holders must advise and supply details of VAT registration where held.

9.9 PUBLICITY & LOGOS

It is also a condition of Pobal's contracts that contract- holders use the Pobal logo in printed material and websites, in addition to the Departmental and EU logos and acknowledgments cited in 2.4.2 above.

9.10 CHILD PROTECTION GUIDELINES

The state child protection and welfare guidelines "Children First" were updated and revised in mid-2011 – see here for information: <http://www.tusla.ie/services/child-protection-welfare/children-first>.

If your organisation works with children, please ensure that you read and understand the guidelines and that the recommended child protection arrangements are in place in your organisation. Further information and details are available from the Department of Children and Youth Affairs www.dcy.gov.ie

9.11 COMPLIANCE WITH LAWS AND PUBLIC REQUIREMENTS

It is required that companies funded through the EIF and ERF programmes are fully compliant with all laws applicable to their organisation including (but not limited to) the following:

- Tax legislation – regarding payment of taxes & compliance with tax laws
- Organisation of Working Time Act 1997 – regarding working hours and annual leave/break entitlements etc.
- Irish pension regulations – provision of access to PRSA
- National Minimum Wage Act – regarding payment of staff
- Companies Acts – regarding filing of returns, holding of AGMs etc.

9.12 FRAUD AND CORRUPTION

As explained in section 3 above, proper systems and controls reduce the risk of fraud or corruption being perpetrated and assist in their detection. Pobal operates a zero-tolerance attitude to fraud and we require grantees to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud. Where there is any doubt as to the action required, please contact Pobal immediately.

We will investigate or refer to the appropriate authorities for investigation, all suspected cases of fraud or corruption. We reserve the right to suspend or terminate the grant and commence legal proceedings to recover any funding at risk. Activities considered to be of a fraudulent nature may be liable to prosecution and could lead to the loss of future funding and a recovery of any previous grant paid.

Fraud covers matters such as:

- Receipt of income i.e. retention and misappropriation of cash
- False claims for expenses
- Misuse of the purchase and payments system for personal gain
- False wage and salary claim
- Theft of equipment and stores

- False accounting
- Suppression of documents and
- Misuse of the computer.

Types of corruption include abuse in the following areas:

- Tendering and awarding of contracts
- Settlement of contractors finance accounts/claims
- Appointment and reward of consultants
- Pecuniary interest of members and officers
- Secondary employment of staff
- Hospitality and
- Disposal of assets.

9.13 DOCUMENTS TO RETAIN ON FILE

You are required to retain all records after the cessation of funding/activities in line with legal and funder regulations. Funder requirements will be specified in your Pobal contract. However, it is your responsibility to be aware of the period of retention relating to the records of other stakeholders. This information should be obtained from your accountant/auditor, funder, revenue commissioners etc. In no circumstances should any of the documentation be destroyed or otherwise disposed of before the relevant retention period has expired or without the prior consent of the relevant party.

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