
FINANCIAL GUIDELINES 2024

RE: Financial Guideline for development cooperation and humanitarian aid projects of the Slovak Republic financed by the Slovak Agency for International Development Cooperation (SAIDC)

Designed for: Applicants and Beneficiaries of Grants under development cooperation and humanitarian aid projects of the Slovak Republic financed by the Slovak Agency for Development Cooperation

Issued by: Slovak Agency for International Development Cooperation

Purpose: Establishing the rules and procedures for submitting applications and usage of Grants, including determination of the method applied for financial reporting pursuant to applicable legal regulations of the Slovak Republic

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Approved by: Director of SAIDC

DEFINITIONS

Grant	Financial support provided pursuant to Section 8a of Act No. 523/2004 on Budget Rules of Public Administration and on changes and amendments to some other acts and pursuant to special regulation No. 392/2015 on Development Aid and on changes and amendments to some other acts in the wording of Act No. 281/2019 (hereafter “the Act”).
Applicant	The subject applying for a Grant.
Beneficiary	The subject for whom the Grant was approved by a decision of the Minister of Foreign and European Affairs of the Slovak Republic (contractual partner of SAIDC).
Contractual Project Partner	The Beneficiary's partner defined in the grant agreements (hereinafter referred to as CPP, Contractual Project Partner or partner).
SAIDC	Slovak Agency for International Development Cooperation
Donor	The subject providing the Grant. For the purposes of this guideline, this subject is SAIDC.
Personnel	Beneficiary’s employee, natural person or a self-employed natural person , who works for the beneficiary based on an employment relationship, contract for mandate, contract of work, agreement on work activity, agreement on performed work and/or a similar legal relationship.
Project budget	This consists of the provided Grant and the contribution by the Applicant/Beneficiary (co-financing pursuant to Section 7 (5) of the Act).
ODA budget	The approved Grant amount provided for the project pursuant to the Grant Agreement.
Project implementation period	The project implementation period includes only the period of implementing project activities.
Total project implementation period	The total project implementation period includes the period of implementing project activities and administrative completion of the project. This period exceeds the actual project implementation period by one month. It is identical to the term of the Agreement.

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1. FUNDING PRINCIPLES

Grants are provided from the state budget based on a submitted grant application, and the **Beneficiary is therefore obliged to comply with applicable legal regulations of the Slovak Republic**, in particular, the Act on Budgetary Rules, Act on Accounting, Act on Reimbursement of Travel Expenses, Act on Financial Controlling and Audit, Act on Public Procurement¹, Labour Code, Civil Code, Commercial Code and the like. The funds provided by the Slovak Agency for International Development Cooperation (SAIDC) are **solely to finance activities related to project implementation during the project implementation period**. The Grant may not be applied to other purposes or projects, even for a temporary period.

The Beneficiary is obliged to implement the project in compliance with the concluded Grant Agreement and its annexes. This agreement precisely specifies activities, objectives and the amounts of grant and project co-financing.

1.1 Budget

A project budget with a detailed comments section is a mandatory annex to the Grant Application and is part of the Agreement entered into between SAIDC and the Beneficiary.

The total requested Grant amount indicated in the annex to the Grant Application must comply with the maximum Grant amount stipulated in the relevant call. During the project implementation period, changes in the approved budget are permissible in line with the Guidelines No. 7 “Changes in the Project”.

1.2 Basic budget structure

The budget contains categories, sub-categories, groups and items (outlined in Table 1). The individual budget levels must be clearly named and sufficiently specified so that each cost presented in the financial report can be clearly assigned to a cost group, budget item.

The budget contains **two cost categories**, namely **1. Direct costs** and **2. Indirect costs**. Categories are designated by a **single number**. The budget also includes **two sub-categories**, namely **1.1. Costs on project activities** and **2.1 Indirect project costs**. Sub-categories are designated by a **two-digit number**. Categories and sub-categories in the budget are defined and cannot be modified, amended or renamed.

The Budget comprises **nine cost groups**. The Category 1. Direct Costs includes **seven cost groups (1.1.1. Personnel costs of professional and expert personnel; 1.1.2. Travel expenses reimbursement and meal allowance of the professional and expert personnel; 1.1.3. Other services; 1.1.4. Current expenses; 1.1.5. Capital expenses; 1.1.6. Personal costs on project management)** and the Category 2. Indirect costs includes **two cost groups (2.1.1. Overhead expenses of the Beneficiary and 2.1.2. Overhead expenses of**

¹ See Chapter 3. Principles of Contracting.

the Partner). Cost groups are designated by a **three-digit number**. All cost groups in the budget are defined and cannot be modified, amended or renamed.

The individual cost groups contain **budget items**, which are designated using a **four-digit number**. The Applicant will create them when preparing the project budget. However, the Applicant is not obliged to create budget items under every cost group, where not required by the costs on project activities. For example where the project activities for the Beneficiary's management project personnel or CPP do not include travelling, the 1.1.7. expense group will not comprise any budget items. During the project implementation period, the Beneficiary is entitled to request to create a new budget item or remove/cancel a budget item, contained in the approved budget, for further details see Guidelines part No. 7 "Changes in the Project". The approved grant amount shall remain unchanged.

The individual budget items must be clearly named and sufficiently specified so that each cost presented in the financial report can be clearly assigned to a cost group, budget item. The Beneficiary must ensure the budget implementation in compliance with the total amount of individual items according to the currently approved budget.

Table 1: List of individual categories, sub-categories, groups and items of the project budget

PROJECT BUDGET
1. Category: DIRECT COSTS
1.1. Sub-category: COSTS ON PROJECT ACTIVITIES
1.1.1. Group: Personal costs of professional and expert personnel
1.1.1.01 Item – includes eligible professional and expert positions in accordance with the requirements in Table 5 and Table 6
1.1.2. Group: Travel expenses reimbursement and meal allowance of the professional and expert personnel
1.1.2.01 Item – comprises e.g. Flight tickets/fuel/local travel expenses
1.1.2.02 Item – comprises e.g. Accommodation
1.1.2.03 Item – comprises e.g. Meal allowance
1.1.2.04 Item – comprises e.g. Other travel expenses (such as visa, insurance, vaccination)
1.1.3. Group: Other services
1.1.3.01 Item – comprises e.g. Current services (such as rental of spaces and venues, rental of technology, catering)
1.1.3.02 Item – comprises e.g. Analyses, methodologies, studies
1.1.3.03 Item – comprises e.g. Accreditations and certifications
1.1.3.04 Item – comprises e.g. Other personnel required for direct project activities (such as security services, drivers)
1.1.4. Group: Current expenses
1.1.4.01 Item – comprises e.g. Non-depreciable fixed assets, current assets, and material
1.1.5. Group: Capital expenses

1.1.5.01 Item – comprises e.g. Depreciable fixed assets (such as lands and structures, tangible and intangible assets)
1.1.6. Group: Personal costs on project management
1.1.6.01 Item – comprises e.g. Eligible project positions in compliance with the requirements in Table 5 (including other requirements as indicated in the foot-note on personnel costs of professional personnel)
1.1.7. Group: Travel expenses reimbursement and meal allowance on project management
1.1.7.01 Item – comprises e.g. Eligible costs on travel expenses, meal allowance and accommodation of managing personnel required e.g. for monitoring trips in the eligible project duration period
2. Category: INDIRECT COSTS
2.1 Sub-category: INDIRECT PROJECT COSTS
2.1.1 – Group: Overhead expenses of the Beneficiary
2.1.1.01 Item – comprises standard overhead of the Beneficiary, such as flat-rate fee, rental, internet, telephone and the like
2.1.2 – Group: Overhead expenses of the Partner
2.1.2.01 Item – comprises standard overhead of CPP, such as flat-rate fee, rental, internet, telephone and the like

1.3 Bank account

Payments made for the project must be made from a **separate bank account** (the project account). This account is to be established by the Beneficiary no later than the day the Agreement is signed while informing the bank that funds are provided from a state budget within the MFEA SR grant framework for the specific project. Should the Beneficiary already have an established account that has been used as a project account in a previously-completed project, this account may be used as the project account.

Before the signing of the agreement, the Beneficiary is obliged to provide to SAIDC: **a copy of the bank account contract** and **the bank's confirmation of the zero balance** or the minimum amount needed for having the account open and **the following banking details**:

- bank name;
- bank address;
- name of Beneficiary's account;
- currency in which the account is kept (the Beneficiary is obliged to have an account in EUR);
- account number in IBAN format, if relevant;
- SWIFT/BIC code.

In the requests for payment, the Beneficiary indicates the project bank account that is indicated in the Grant Agreement. The change of the Beneficiary's project bank account may be notified during and after the project implementation period, where necessary. For further details see part 7. Changes in the Project.

1.4 Provision of the Grant

A **Committee** of the Ministry of Foreign and European Affairs of the Slovak Republic (“MFEA SR”) for assessing the Grant Applications for development cooperation **will assess the submitted Grant Application as well as the prudence of budgeting in terms of effectiveness and efficiency criteria**. The Assessment Committee **may recommend the application for approval by the Minister of MFEA SR or recommend rejection or include the application in the back-up list**. For applications, which need to be revised, the Assessment Committee may **decide about the suspension of the Committee session discussing the application**. Where the Committee session on the application is suspended, SAIDC will negotiate with the Applicant about the necessary modification of the Grant Application (e.g. checking the eligibility effectiveness of the budget). Where the Applicant makes changes reflecting the comments of the Committee into the Grant Application no later than within the set deadline after these negotiations, the Grant Application will be again submitted to the Committee for *per rollam* voting. The **Minister of MFEA SR decides about applications recommended for approval**. After the decision on application approval by the Minister of MFEA SR is issued, SAIDC will send the Applicant a letter about the grant approval/rejection **no later than within ten working days**. The approved Applicant is obliged to conclude an agreement with SAIDC within three months after the approval of the Minister of MFEA SR at the latest, **unless otherwise specified in the call**. The decision of the Minister of MFEA SR is valid for three months. In the event that the approved Applicant will not conclude a Grant Agreement with SAIDC, before the expiration of the minister’s decision on grant approval², SAIDC will consider the approved Applicant and its application as a withdrawal from the Grant approval. In such event SAIDC will approach an Applicant from the back-up list.

SAIDC will provide the grant via payments set out in the Grant Agreement to the Beneficiary’s project account that is indicated in the Grant Agreement. The project account is to be used only for **the payments related to the Grant** and project activities. Should the Beneficiary be required to pay VAT as a **VAT payer**, the payments are to be made exclusive of VAT. The Beneficiary will use a different account for VAT payment or will reimburse the amount equivalent to VAT to the project account. Salaries, social and health insurance payments, etc. are made similarly: The Beneficiary will pay for these items from their regular account, to which it will subsequently refund only eligible expenses pertaining to the project from the project account. The Beneficiary may only refund eligible expenses.

For every interim and final cost accounting and recording submitted by the Beneficiary, the same will submit all project bank account statements, from the receipt of the first Grant payment until project completion. The Beneficiary will also submit bank account statements showing payments made from other accounts, should they be used to pay out eligible project expenses.

² Unless otherwise specified in the call.

2. PROJECT COSTS

When taking on project costs/expenses including overhead costs, the Beneficiary/partner is obliged to comply with obligations arising from specific regulations when using public funds, in particular, Act No. 431/2002 on Accounting as amended, Act No. 523/2004 on Budgetary Rules of Public Administration and on changes and amendments to some other acts etc.

Legislative and legal frameworks of the Slovak Republic defining the individual areas of costs eligibility apply reasonably to the relevant areas of costs arising in the legislative and legal frameworks of third countries and must in particular take into consideration regulations applicable in the territory where the cost arises while complying with the conditions of transparency and prudence, efficiency, effectiveness, and expediency in expending public funds.

For the purposes of these guidelines, costs, as well as expenses, are defined as a decrease in the volume of finances (or their equivalent) on the Beneficiary/partner's (CPP) account with an intention of reimbursement of funds for a performed eligible activity/project activity or procurement of eligible services, goods or construction works.

2.1 General principles of eligibility of expenses

Expenses are eligible when they are:

- a) **indispensable** for project implementation and related to the activities listed in project documentation;
- b) **reasonable and justified**, stated in the Agreement and in compliance with financial governance principles, in particular with emphasis on efficiency, prudence, expediency and effectiveness;
- c) **paid out and arising during the project implementation period** as defined in the Agreement. Expenses arising and/or paid before or after the project implementation period (defined in the Agreement) are not eligible in the final accounting and reporting; and
- d) **demonstrably expended** by the Beneficiary, recorded in the Beneficiary's accounting as well as the accounts of the Contractual Project Partners (CPP), identifiable, verifiable and supported by copies of accounting documentation. With each financial report in the Cost Reporting Table (*Vyúčtovanie nákladov*) the Beneficiary will submit an affidavit that it is not requesting project cost reimbursement from other donors. For the sake of clarity and transparency, for instance in the event of an audit, we recommend for costs incurred under the project (from the approved grant) that the Beneficiary indicate on each original accounting document that it was covered from project No. SAMRS/XXX/X/X and confirm this fact and the amount paid with the Beneficiary's stamp. The costs must not be stated in a lump-sum form, unless stated otherwise.

If the approved number of units necessary for achieving a project goal or goals indicated in the approved project budget is not reached, SAIDC is entitled to approve only the proportionate part of the total budget of eligible costs indicated by the Beneficiary in its Financial Report. In justified cases specified by the Beneficiary electronically, SAIDC is entitled to approve a 10% decrease in the number of units against the approved number of units indicated in the approved budget.

2.2 Eligible expenses – direct

Expenses in the following expense categories are deemed eligible project expenses:

1.1.1. Personal costs of professional and expert personnel

1.1.2. Travel expenses reimbursement and meal allowance of the professional and expert personnel flight tickets, fuel, local travel expenses reimbursement

- a) accommodation;
- b) meal allowance, meal vouchers;
- c) other travel expenses (e.g. visa, insurance, medical examination, protective equipment, and disinfection necessary for travel within the project, testing and vaccination³)

1.1.3. Other services – expert services.

- a) current services (e.g. Rental of spaces and venues, rental of technology, catering);
- b) analyses, methodologies, studies;
- c) accreditation and certifications;
- d) other personnel indispensable for implementation of direct activities under the project (e.g. security services, drivers); and
- e) other expenses.

1.1.4. Current expenses (Non-depreciable fixed assets, current assets, and material)

1.1.5. Capital expenses

- a) purchase of property;
- b) purchase of tangible and intangible assets (other than property);
- c) purchase of used equipment;

1.1.6. Personal costs on project management

1.1.7. Travel expenses reimbursement and meal allowance on project management

2.2.1. Personal costs of professional and expert personnel and for project management

Personnel is defined as a Beneficiary's employee, natural person or natural person who is an entrepreneur (employment relationship, contract for mandate, contract of work, agreement on work activity, agreement on performed work and/or a similar legal relationship), but not as a legal entity. The

³ Testing and vaccination during a global pandemic declared by the WHO, including COVID-19.

Beneficiary must conclude **agreements** with all external personnel (including volunteers). The scope of such agreements must specify the given activities precisely. **Personnel costs** must be **related to eligible project activities**, which must be expended beyond the framework of existing work activities resulting from employment contracts of employees/project members, if any were concluded with the Beneficiary before the Grant Agreement was signed. The approved unit of measure for personnel costs in the budget is a man-day, man-hour or man-month, though using “project” as a unit of measurement is not allowed. Other units of measure are not allowed.⁴

2.2.1.1. Employees

Employees of the Beneficiary must provide evidence of their involvement in the project through a **work contract**. The activities and volume of work in the work contract must correspond to the volume of work actually performed during the reporting period. Costs are substantiated through a copy of a work contract with specification of the scope of the job (full/part time) and scope of work per individual projects within the eligible period, payroll check copies and copies of bank account statements proving the payment of wages and payroll deductions.

Eligible expenses on employee are for total costs on employee (employee gross wage for the relevant period, compensations and payroll deductions on salary paid as applicable under the legal regulations of the Slovak Republic, including the creation of social fund, complementary pension savings and employer’s meal allowance contribution, referred to as the “total costs on employee”), and hence we recommend the applicants to calculate the total costs on employee in their budgeting. Total costs on employee under the approved budget may not exceed the rates set out in the approved budget.

The employee labour may be reported using the approved unit of measure that is a man-hour, man-day or man-month, though using “project” as a unit may not be used in the project budget. Other units of measure are not allowed. Maximum rates per hour/day/month are available in Table 5 and Table 6 of the guidelines. The Beneficiary has two options to report employee labour:

1. **Flat rate fee (lump sum)** – to apply it, the unit of measure is **Man-month** – while the remuneration will be paid out for the actual amount of work during the previous month. **The work contract must explicitly indicate the scope of work (in % of full-time employment)** on the position for the given project. **The contract must also include the total costs on employee.** The Beneficiary will monthly pay out from the grant to the employee the sum corresponding to the percentage indicated in the work contract. The Beneficiary **is not obliged** to submit work sheets as part of financial report to SAIDC. Regarding employing persons for project implementation purposes, we distinguish between two alternatives:

- a) An employee working on the project **full-time**⁵ (i.e. designated working hours): Throughout his/her working hours (or the hours of work), the employee performs work related solely to project activities and no other activities outside the project scope. In such case the eligible expenses represent the total cost of labour; however, the total cost on employee may not exceed the rates approved in the project budget.

⁴This is without prejudice to employer obligations to the employee based on labour-related legal relationships already signed.

⁵ The term “full-time” as a type of employment applies to contractual employment, agreements (Slovak: *dohody*) outside standard employment, employment by the state (civil service) etc.

Table No. 2: Example of using a flat rate fee (lump sum):

Number of units	Unit	Term of employment	Total hours worked	Rate per unit**	Total amount	Description
40 (23.26%)	man-hour	12 months	40 x 12 = 480 man-hours	EUR 15	40 x 12 x €15 = €7,200	During 12 months on the project, the employee will work exactly 40 hours each month, regardless of the number of bank holidays, vacations, and working days in the given month.
5 (23.26%)	man-day	12 months	5 x 12 = 60 man-days	EUR 120	5 x 12 x €120 = €7,200	During 12 months on the project, the employee will work exactly 5 days each month, which equals to 40 hours worked each months, regardless of the number of bank holidays, vacations, and working days in the given month.
0.25 (25%)	Man-month*	12 months	0.25 x 12 = 3 man-months	€2,580*	0.25 x 12 x €2,580 = €7,740	During 12 months on the project, the employee will work exactly 0.25 of the month (i.e. exactly 5.375 days) each month, regardless of the number of bank holidays, vacations, and working days in the given month.
1 (100%)	Man-month*	12 months	1 x 12 = 12 man-months	€2,580*	1 x 12 x €2,580 = €30,960	Employee works full time and the Beneficiary may apply the total costs on employee for the given month, with regard to the number of bank holidays, vacations, and working days.
<p>* for the purposes of limits, on average 1 month = 21.5 days ** total costs on employee, including the social fund creation, complementary pension savings and employer's contribution for meal allowance</p>						

b) An employee working on the project only **part-time**:

The employee's total working time is divided into project activities co-funded from ODA and other activities within the employment working hours. In such case the eligible expenses represent the percentage of employment working hours dedicated to the project and stated in the work contract. Compensation for annual leave pertains to the period the given employee worked on the project, i.e. eligible compensation for annual leave is reduced for employees who worked on the project for only part of their working hours. The annual leave actually drawn during the project implementation period is eligible (i.e. including annual leave transferred from the previous year, should the entitlement to annual leave arise in relation to the work performed on the project)

- Man-hour and man-day** – while the remuneration will be paid out for the actual amount of work during the previous month. The project budget states the rates for the man-hour rate or man-day/man-month planned for the relevant position and relevant project. **The Beneficiary is obliged to submit work sheets as part of financial reports for the grant to SAIDC.** Using "project" a unit of measure or other units of measure is not allowed in the submitted financial reports.

If the employee signed an **agreement on work activity** or **agreement on performed work** with the Beneficiary, he/she shall prove his/her involvement in the project by means of a copy of the agreement, including copies of pay slips for the period and bank statements. The form of reporting the work of a regular employee and of employees working based on above agreements shall be the same. An employee

working based on an agreement must comply with the same conditions as those stipulated for regular employees.

The personnel costs must not exceed the amount typical for a given field of expertise, time and place, and must be **appropriate** to the tasks and responsibilities of the persons involved in the project implementation.

The Beneficiary must, with respect to the job position or project work, demonstrate the **relevant qualification and expertise** of an employee whose salary expenses/payroll expenditures are funded from ODA.

2.2.1.2 Self-employed natural person

In the case of a **self-employed person**, the involvement in the project is proven by means of **time sheets** for the period in question. A copy of the purchase order/agreement/contract for mandate, a copy of the invoice and a copy of the bank statement proving the payment of the fee to the contracted party must also be provided. The unit of measure is man-hour/man-day and the total maximum amount of eligible personal expenses is calculated based on actual man-hours/man-days worked and approved rates. Using the “man-month” and “project” units of measures in submitted financial reports is not allowed with regard to self-employed persons. Other units of measure are not allowed.

2.2.1.3 Eligibility and ineligibility of personal costs

Expenses where Act No. 311/2001 **Labour Code as amended** (“Labour Code”) is disregarded and violated are regarded as ineligible expenses in cases where a **chain** of labour relations contracts is concluded with a single person, e.g. first an agreement on performed work (Slovak: *dohoda o vykonaní práce*) and then after the stipulated number of working hours (350 hours/year) is consumed another contractual labour relation is signed, e.g. a contract for mandate (*příkazná zmluva*) or agreement on work activity (*dohoda o pracovnej činnosti*) etc, in order to avoid permanent employment contracts, although the activity performed shows signs of continuous work.

Eligible personal costs:

- social fund creation
- complementary pension savings
- employer’s contribution to meal allowance

Creation of social fund is an obligation for the employer. The costs of the contribution to the social fund are **eligible costs** of the project only in case of a person with whom the Beneficiary has an employment relationship in the form of an employment contract for the project or its parts.

Expenses for complementary pension savings are regarded as eligible, provided conditions stipulated in special regulations or collective bargaining agreements are met.

Employer’s contributions to meal allowance are eligible pursuant to the relevant provisions of Act No. 311/2001 the Labour Code.

Bonuses⁶ (as well as incentives or other variable components such as those linked to Beneficiary's economic results) are not an eligible expense.

Other expenses on personnel which are not mandatory for employers pursuant to specific legal regulations (e.g. gifts, benefits) are not eligible expenses. Where the mandatory payroll deductions of the employer include deductions for other expenses on personnel, such amount must be subtracted from the employer's total payroll deductions.

Expenses for severance payment and retirement payment are regarded as ineligible expenses since there is no causative relation between them and project implementation. Where the mandatory payroll deductions of the employer include deductions for expenses on severance payment and retirement payment, such amount must be subtracted from the employer's total payroll deductions.

The types of employment of persons on the project **must not overlap**. It is not permissible that personnel be paid multiple times for a single identical activity or output performed at identical times. Expenses will be regarded as ineligible in cases where working time overlap is identified for a person working on two or more projects (**including the case of a single project with multiple positions within this project, or of multiple contractual relationships for work performed within and outside the projects**) co-funded from public funds or other EU programs or national programs etc. Expenses pertaining to these time sheets will be excluded from financing of the given project or projects for the relevant day, regardless of the type of labour agreement under which the work was performed. Where overlapping of project expenses is identified, SAIDC is entitled to withdraw from the agreement.

Note: personnel costs for professional and expert personnel are stated in the budget table of the expense category No. 1. Personnel costs for project management are stated in the budget table of the expense category No. 6. Limits for personnel costs are indicated in Chapter 2.4 Limits of personnel costs (expenses).

2.2.2 Travel expenses and meal allowance for professional and expert personnel, travel expenses and meal allowance for the project management

The amount of reimbursement for expenses arising in relation to business trips is governed by Act No. 283/2002 on Reimbursement of Travel Expenses ("Travel Expenses Act"). Travel reimbursements are eligible expenses under the project in the amount and under conditions stipulated by the Travel Expenses Act

In order to consider business trips and related travel reimbursement as eligible expenses, the travel **must be related to project implementation**, indispensable for achieving project objectives, undertaken by individuals involved in project implementation or target group individuals, and comply with the principles of economic efficiency, expediency and effectiveness; both domestic and international trips are eligible.

Should the personnel incur any expenses during travel that they had to settle directly, the Beneficiary must provide documentation proving the personnel was reimbursed by the Beneficiary.

Eligible travel expenses are:

- a) reimbursement for documented travel expenses;

⁶ This is a wage component pursuant to Section 118 of the Labour Code, and also applies to similar employment relationships (e.g. Act on Civil Service).

-
- b) reimbursement for documented accommodation expenses;
 - c) meal allowance; and
 - d) reimbursement for documented necessary additional expenses.

Eligible expenses include **travel expenses using all means of public transport** (including expenses for flight tickets, urban public transport and 2nd-class long-distance public transport, seat reservation and/or sleeper reservation tickets) and reimbursement for using the individual's own passenger vehicle and employer's motor vehicles. The purchase of first-class tickets will not be considered as eligible project costs. The price of ticket may be reimbursed maximum up to the price of the 2nd-class ticket.

Use of **local public transport** – the personnel is entitled to reimbursement of travel expenses for local regular public transport in the documented amount. For season public transport tickets it must be documented a season ticket is cheaper for project implementation than reimbursement for the purchase of individual travel tickets.

Use of **airplane** – when using airplanes, a flight ticket for economy class is an eligible cost together with related fees (e.g. airport fees). For domestic business trips, the Beneficiary must prove that using this particular means of transport is more economically efficient and effective than using another means of transport. Cancellation expenses for flight tickets are subject to due justification by the Beneficiary and will be assessed by SAIDC individually. The purchase of the business/1st class flight ticket will not be considered as eligible costs. The price of the flight ticket may be reimbursed maximum up to the price of economy class, the sum must be documented. The Beneficiary documents the use of airplane transportation also by submitting the boarding passes to SAIDC for inspection, to prove the travel. Where boarding passes for relevant flights are lost, the Beneficiary may submit SAIDC an affidavit that the relevant boarding passes are no longer in the Beneficiary's possession and the travel actually happened.

Use of **privately-owned motor vehicles by the Beneficiary/Contractual Project Partner (CPP)** – if the personnel agrees in writing with the employer that they will use for travelling a motor vehicle other than a motor vehicle provided by the employer, the personnel is entitled to reimbursement for the fuel consumed and also basic compensation for personal motor vehicle in the amount of EUR 0.193 for each 1 km of mileage. The use of privately owned motor vehicles must be in line with the Beneficiary's internal regulations and with Act 283/2002, the relevant part of which is stated below.

Compensations for the use of motor vehicles for business trips are defined therein as follows⁷:

(1) If the personnel agrees with an employer in writing that they will use a motor vehicle other than that provided by the employer, they are entitled to reimbursement for each 1 km of mileage (hereafter the "basic compensation") and for fuel consumed; if the personnel uses a motor vehicle upon the employer's request, par. 10 of Act No. 283/2002 is not applicable.

(2) The basic reimbursement for single-track vehicle and tricycles and personal motor vehicles pursuant to par. 1 of Act No. 283/2002 is set by a ministerial decision; this will be announced once its full wording is published. If a trailer is attached to a personal motor vehicle, the reimbursement will be raised by 15%.

(3) The amount of basic reimbursement for trucks, buses and tractors will be agreed between the employer and the personnel.

⁷ Travel Expenses Act No. 283/2002, Section 7

The Beneficiary must attach an Agreement on use of private or business motor vehicle and calculation to its report on business trip costs.

Use of **employer's motor vehicle by the Beneficiary/Contractual Project Partner (CPP)** – if the personnel uses a motor vehicle belonging to the Beneficiary for travel, the purchase of fuel is an eligible expense (for the kilometres officially recorded in the driving log and the accounting of travel expenses). Use of an employer-owned motor vehicle must be indispensable for project implementation in compliance with the principles of efficiency and effectiveness (particularly when compared to public transport). Should the Applicant/Beneficiary fail to prove the above conditions, SAIDC may reimburse for travel expenses as determined in an amount corresponding to use of public transport.

If the Beneficiary or Contractual Project Partner use a private or business motor vehicle that is in their ownership when carrying out eligible project activities, they must follow the above instructions pursuant to Travel Expenses Act No. 283/2002. It is not acceptable for private or business cars in the ownership of the Beneficiary and Contractual Project Partner to be rented and paid for, and this will be considered as ineligible expense. Car rental for the purposes of the implementation of eligible project activities is only possible through an external company and should be classified as a service.⁸

Use of **taxi services** – in order for such an expense to be eligible, it must be proven that use of taxi services is indispensable for project implementation in compliance with the principles of efficiency and effectiveness (particularly when compared to public transport, as in case public transport is not available at the given time and location, or if the trip involves at least three individuals or some materials related to the project, or if there are no other means of transport available. Should the use of a taxi service for a single person be of indispensable importance in countries outside the territory of the Slovak Republic due to security or other crisis, the Beneficiary must provide adequate reasons for such expense)⁹. Should the Beneficiary fail to prove the above conditions, SAIDC may reimburse for taxi services as determined in an amount corresponding to use of 2nd class public transport.

Personnel sent on a business trip is entitled to reimbursement of documented **accommodation** expenses. In this case too, accommodation expenses should reflect usual prices for the given location and time to comply with the principles of economic efficiency, effectiveness and expediency. The Beneficiary at the same time must comply with its own organisation standards should these specify a lower price limit.

Personnel sent on a **business trip** is entitled to a **meal allowance** for each calendar day of travel in compliance with conditions established in the Travel Expenses Act. The amount of the meal allowance is set depending on the duration of travel within a calendar day. Current provisions in the Travel Expenses Act (the currently applicable Provision of the Ministry of Labour, Social Affairs and Family of the Slovak Republic on meal allowance amounts) regulate the meal allowance rates for domestic business travel.

For a **business trip abroad** the personnel is entitled to a **meal allowance** in EUR or another foreign currency for each calendar day of travel abroad under conditions established in the Travel Expenses Act. This meal allowance is set depending on the duration of international travel outside the territory of the Slovak Republic. Current provisions in the Travel Expenses Act (the currently applicable Provision of the Ministry of Finance of the Slovak Republic on the meal allowance amounts of basic rates of meal allowance

⁸ If the total costs of car rental by an external company also includes the remuneration/wage of a driver for hours worked, the Beneficiary/Contractual Project Partner cannot include these expenditures (compensation for wage of a rental car driver) again under the overhead costs.

⁹ In cases where use of another alternative is not possible for reasons of time and public transport availability, use of taxi services will be regarded as eligible. Any such case needs to be duly justified.

in EUR or other foreign currency during business travel abroad) regulate the meal allowance rates for business travel abroad.

Necessary additional expenses are expenses related to business travel, such as parking fees, motorway tolls¹⁰, visas, vaccinations, conference fees, local taxes related to accommodation, etc.

Expenses on hotel **accommodation** abroad must correspond to standard prices in the given location and season.

Note: Travel expenses and meal allowance for professional and expert personnel are stated in the budget table under the expense category No. 2. Travel and subsistence allowances for project management are stated in the budget table under the expense category No. 7.

Travel costs for the target group involved in the project and costs on bus rental or costs on the transportation of participants of project activities are costs for the service and fall under the expense category No. 3, including the costs on bus driver. These costs are ineligible under the expense category No. 2 and expense category No. 7, Table 1 of these Financial Guidelines.

2.2.3 Other services – External services (outsourcing)

Outsourcing (external services) include various items depending on the type of project to which they are related. Selected services must contribute to achieving project objectives and be indispensable for its implementation. When procuring outsourced services the Beneficiary is obliged to proceed in compliance with the Public Procurement Act.

The Beneficiary may use outsourced services in cases and for activities where the Beneficiary does not have or cannot effectively provide such services/activities within its personnel capacity. The condition remains that the Beneficiary must prove that such services are indispensable for project implementation.

Compensation agreed between the Beneficiary and the service provider in percentage (e.g. percentage of the amount in application) shall be ineligible in their full amount. The Beneficiary is obliged to determine the value of service¹¹ that is determined for financing in man-hours (or another time unit) or unit per specific act (e.g. preparing an application for payment while considering its difficulty and scope), though using “project” is not allowed in the financial reports.

The following are the most frequent types of services that can be classified as eligible expenses:

- a) **Standard services** – expenditures on conferences/courses, support of participants¹² (meal allowance, accommodation) – including expenses on organisation and delivery of conferences or courses organised for project purposes, involving target groups, guest participants or a wider public. These expenses most often cover organisation, and rental of venues and technical

¹⁰For motorway toll fees, the Applicant/Beneficiary must prove that the motor vehicle was used solely for project purposes throughout the business trip and the toll was unavoidable. If the motor vehicle was used only partially for project purposes, the Applicant/Beneficiary shall submit a calculation for reimbursement of the corresponding/eligible part.

¹¹This is without prejudice to the possibility that compensation for services agreed between the supplier and the Beneficiary is higher than the maximum value determined by SAIDC; the difference between the agreed compensation and the maximum value shall be defined as ineligible expense.

¹²Participant means a person who participates in the event in question (it can be e.g. the target group, the public, the user).

equipment, expenses to provide for participants' refreshments, meals and accommodation at events (e.g. conferences, courses) organised within the scope of the project.

- b) **Analyses, methodologies, studies** – e.g. Publications/training materials/manuals – purchase of customised publications, the preparation or compilation of publications and training materials such as textbooks, books, manuals, guidelines) or multimedia aid; Professional services/studies, and research ¹³ – including e.g. expenses for processing studies, analyses, data collection, translation and interpreting, and other partial research activities necessary for project implementation;
- c) **Accreditation and certifications** – expenditures relating to the accreditation of newly established fields of study, certifications attesting professional competence;
- d) **Other expenses** – e.g. expert opinions¹⁴ and other services not specified above that are directly related to project implementation and are indispensable for the project.

2.2.4 Current expenses

Current expenses include expenses for current assets and non-depreciable fixed assets, pursuant to Section 27 of Act No. 595/2003 Income Tax Act, except capital expenses, with a useful life not exceeding one year (e.g. medical materials) and are immediately consumable.

2.2.5 Capital expenses

According to the Measure of the Ministry of Finance of the Slovak Republic of 8 December 2004 no. MF/010175/2004-42 type classification, organisational classification and economic classification of the budget classification is established, as amended by later measures of the Ministry of Finance of the Slovak Republic. According to the above, capital expenses include expenses on the acquisition of tangible and intangible assets, including expenses related to the acquisition of these assets in accordance with the Income Tax Act.

Intangible assets are mainly the following:

- results of development activities, such as design;
- software;
- valuable rights, for example production and technical knowledge (know-how), licences, user rights, rights of passage through the land, editor rights, editor titles, copyright, import and export quotas, trademarks, copyrights, formulas, objects or industrial rights and other results of intellectual rights and other results of intellectual work, provided they have been obtained against payment. **It must be worth over EUR 2,400.**

¹³ The Applicant/Beneficiary must respect the "value for money" principle. The cost must be of essential character and the service must be usable as part of project implementation, and it is necessary to monitor the professional competence of the individuals participating in the given services, as ensured by the fact that the individuals participating in the services are not in an employment relationship with the Beneficiary (and/or cannot be so invited).

¹⁴ The Applicant/Beneficiary must respect the "value for money" principle. The cost must be of essential character and the service must be usable as part of project implementation, and it is necessary to monitor the professional competence of the individuals participating in the given services, as ensured by the fact that the individuals participating in the services are not in an employment relationship with the Applicant/Beneficiary (and/or cannot be so invited).

In particular, the following shall not be considered as intangible assets:

- marketing studies and similar studies;
- expenses on trainings and workshops;
- market research;
- counselling and expert opinions;
- obtaining standards and certificates, such as ISO standards;
- preparation and run-in of performances;
- advertising;
- placing a product on the market
- restructuring or reorganisation of the enterprise or part of it;
- expansion of production.

This main category includes expenses on the acquisition of **tangible assets**, i.e. – land, buildings and structures, works of art, collections and objects made of precious metals, which are tangible assets regardless of their acquisition price, **unless they are financial investments**. The residual price of a building or its part, liquidated as a result of new construction, including liquidation costs, is included in construction costs and is paid from capital expenses, separate movables or sets of movables that have a separate technical and economic purpose, have an **entry price is higher than EUR 1,700** and **operational and technical functions for longer than one year**, e.g. interior equipment, office machines, devices, equipment, operating machines, devices and equipment, means of transport. An accounting unit may, but does not have to, create a set of movables defined in Section 22 (2) (a) of the Income Tax Act from separate movables, each of which meets the conditions specified in Section 22 (2) (a) of the cited law. Only movable assets and/or sets of movables **meeting all the three above criteria, can be classified as tangible assets**.

2.2.5.1 Accessories of tangible assets:

Accessories of tangible the assets are objects which, together with the main item, form one property unit and are a part of its valuation and registration. Accessories are part of the consignment or are delivered separately to the main thing. If the relevant objects do not form one property unit with the main thing, they are separate movable assets.

2.2.5.2 All constructions are considered to be constructions, regardless of their:

- a) construction-technical design, e.g. buildings, towers, masts, silos, reservoirs, tanks, wells, roads, tunnels, bridges and footbridges, platforms and ramps, crane tracks, underground and overhead lines, grandstands, walls, fencing, and monuments;
- b) purpose, e.g. buildings for housing, buildings for civic amenities, buildings for production and storage, for transport, energy distribution, for water management, buildings and equipment for civil defence, for recreation, for education and for sports purposes;
- c) duration – permanent, temporary.

2.2.5.3 Construction means:

procurement of a new building or modification of a completed building by superstructure, extension, building modifications (construction, reconstruction), renovation and modernisation of a completed building, i.e. technical upgrade. This also includes advances for intangible or tangible assets, which are paid from capital expenses.

2.2.5.4 Expenses related to the acquisition of tangible assets are:

expenses on the preparation and assurance of construction, while preparation and assurance mean the provision of all tangible investments, not only buildings and structures.

2.2.5.5 Technical upgrade means:

expenses on completed superstructures, extensions and building alterations, renovations and modernisations **in excess of EUR 1,700** in total for the tax period (financial year) for individual tangible and intangible assets. In compliance with the provisions of Section 29 of the Income Tax Act, also expenses on completed superstructures, extensions and building alterations, renovations and modernisations not exceeding **in total EUR 1,700** for the tax period are considered to be technical upgrade if the organisation decides to consider such expenses as expenses on technical upgrade, and/or even technical upgrade in the sum of **EUR 1,700** or less also increases the acquisition price of tangible and intangible assets. It means that **such a technical upgrade is also financed from capital expenses**. Furthermore, capital expenses also cover the technical upgrade of fully depreciated tangible assets in excess of **EUR 1,700**.

2.2.5.6 Renovation means:

such interference with property that results in a change in its intended use, a qualitative change in its performance or a change in technical parameters, whereas a change in technical parameters is not considered to be the use of another material with comparable properties.

2.2.5.7 Modernisation means:

in particular, the extension of the equipment and usability of the property by such elements or objects that the property did not contain, while forming an inseparable part of the property or may be separate items, which are intended for joint use with the main thing (object) and together with it form one property unit. This includes capital transfers enabling their beneficiaries to acquire or compensate for tangible and intangible assets, expenses on the creation of tangible and mobilisation reserves, flats and accommodation for households of members of the armed forces, construction of hospitals, roads, bridges, which may be used by civilians and/or works carried out by defence forces for non-military purposes. Capital expenses also cover the purchase of small tangible assets and small intangible assets, the acquisition price of which is equal to or lower than the amount stipulated by a special regulation (Income Tax Act) for tangible and intangible assets, if the operational technical functions or useful life are longer than one year and the entity has decided to account for it as property, plant and equipment and intangible fixed assets in accordance with applicable accounting policies. Capital expenses do not include expenses on the acquisition of small tangible and small intangible assets, where the costs of its acquisition are covered by current expenses.

Capital expenses also include expenses on intangible assets, which are fixed intangible assets, the acquisition price of which is higher than EUR 2,400.00 and the usability or operational-technical functions are longer than one year.

Table No. 3: Example of correct inclusion of capital expenses in the project budget:

Item category / item	EUR/unit	Number of units	EUR
1.1.5. Capital expenses			10,230.00
1.1.5.01. Modernisation of property	3,000.00	1	3,000.00
1.1.5.02. Solar panels with accessories	3,730.00	1	3,730.00
1.1.5.03. Basic equipment of the maternity ward	3,500.00	1	3,500.00

To **Annex No. 3 Budget** of the SlovakAid project in the **column** labelled **I** and named: **Comment on the budget item** – it is necessary to state, especially when buying furniture/equipment, an explanation of whether it is the price of one piece of furniture/equipment (e.g. **chair, cabinet, etc.**), **it is not sufficient to state the price for the whole set, which consists of a certain number of pieces/units.**

Table No. 4: Example of incorrect inclusion of capital expenses in the project budget:

Item category / item	EUR/unit	Number of units	EUR
1.1.5. Capital expenses			64,840.00
1.1.5.01. Garbage truck	40,000.00	1	40,000.00
1.1.5.02. Small waste containers	76.00	90	6,840.00
1.1.5.03. Large waste containers	600.00	30	18,000.00

In this example, capital expenses do not include 2 items:

Small waste containers and large waste containers. When classifying items as capital expenses, the **price per unit** is decisive. If the unit price **does not exceed EUR 1,700.00**, the **item** must be included in the **current expenses of the project**, even though the total amount for the **purchase of all units** exceeds EUR **1,700.00**.

In organisations funded from the state budget (SK: *rozpočtová organizácia*), capital and current expenses represent separate categories; SAIDC as such organisation under the MFEA SR may alter the categorisation in the current budget year only through the Ministry of Finance of the Slovak Republic. After the Grant Agreement is concluded, budget transfer(s) (changes) from capital expenses to current expenses and vice versa are not authorised. The Beneficiary must account of for capital expenses and current expenses separately as individual respective parts of the grant, under the condition of same-purpose use. The reason is that SAIDC as organisation funded from the MFEA SR budget annually accounts for the provided

grants to the Slovak Ministry of Finance, precisely as these were provided to Beneficiaries, in the breakdown to capital expenses and current expenses, pursuant to its budget drawing. SAIDC may not account for more funds than were provided to Beneficiaries.

In the event of unused funds in the grant for capital expenses or unauthorised use of part of the grant intended for capital expenses, the Beneficiary will have to return this amount to the SAIDC bank account. The Beneficiary will receive a written notification (via email or in hard copy) requesting return of funds.

If the Capital Expenses category of the approved budget is overdrawn (column E, sheet R_Approved Budget DETAIL), the Beneficiary is obliged to cover the extra spending arising this category under the approved grant from co-funding or other Beneficiary/Contractual Project Partner resources. This condition is also applicable to exchange rate differences, which the Beneficiary must cover from co-funding or other Beneficiary/Contractual Project Partner resources. Co-funding of capital expenses is admissible only if the Beneficiary has drawn the total grant amount provided for the Capital Expenses so that no refunds (SK: *vratky*) arise. The Beneficiary is entitled to make changes in items under the Capital Expenses category pursuant to Chapter 7.1. The Beneficiary is entitled to create a new budgetary item under the Capital Expenses category only provided the following two conditions are met:

- 1) if valuation is concerned (e.g. purchase of computer equipment, such as RAM purchase for a PC) and only during the eligible implementation period of project activity; further information is available in the Measure of the Ministry of Finance SR of 8 December 2004 No. MF/010175/2004-42
- 2) creation of a new item is concerned, and the nature of item meets the definition of Capital Expenses and the amount of approved grant in the Capital Expenses category remains unchanged.

For further information see part 7.1.

2.2.5.3 The explanation of terms to computer technology

In the process of the procurement of the computer technology, the term “computer technology” is understood as monitor, hardware, keyboard and mouse (hereinafter referred as “computer”) for the purposes of economic classification.

The term accessories to computer pursuant to Section 121 of the Civil Code are understood as things that belong to the owner of the thing and are intended to be permanently used with the main thing. Accessories to computer are all which are associated with the main thing- to computer at the same time or additionally, and form one unit with the main thing and are part of its valuation (e.g. printer, printer feeder, modem, scanner to computer). If the appropriate objects do not form one property unit with the main thing, these are separate movable assets, and the procurement price is the criterion for the classification of expenses.

If, by decision of the accounting unit, the small tangible asset (equipment and materials- for example computers) is also paid from capital expenses, and its procurement price is equal to or lower than EUR 1,700 and the useful life is longer than 1 year, then also the accessories to these assets are procured from capital expenses.

If the computer operating system (OS) is bought together with the computer, it means that it is the part of the supply of the computer – it is also part of its valuation, for the needs of the classification of expenses

it is crucial if the joint price (the price of computer and the price of operating system together) meets the requirements pursuant to special regulations (Income Tax Act) for the procurement of fixed tangible assets.

2.2.5.4 Purchase of used equipment

Expenses for purchase of used equipment are eligible where the following conditions are met:

- a) the procurement price of the used equipment is lower than the costs of similar new equipment;
- b) the procurement price in compliance with rules for public procurement is an eligible expense;
- c) the used equipment is necessary for the given project and complies with applicable norms and standards;
- d) the Beneficiary, and any of the previous owners of the equipment, has not received any subsidy from public funds (e.g. from the state budget, local or regional authorities' budgets, EU funding etc) to purchase the given equipment, as this would result (in case of co-funding of purchase from the Grant) in duplicate financing and therefore in the arising of an ineligible expense.

2.2.5.5 Purchase of properties

Expenses for purchase of land are eligible if the following condition is met:

Expenses on purchase of land shall not exceed 15% of total direct eligible project expenses, including administrative expenses/fees related to the purchase of land. In exceptional and duly justified cases, a higher limit may be approved for projects related to environmental protection.

2.2.5.6 Purchase of buildings and procurement of construction works

Expenses for purchase of buildings are eligible should the purchase of such building be of indispensable importance in meeting project objectives and the following conditions are met:

- a) Expenses for purchase of buildings shall not exceed 40% of total direct eligible project expenses, including the overhead expenses related to the purchase of the building¹⁵.
- b) The building complies with all valid legislative regulations of the country, where the building will be implemented;
- c) The Beneficiary, and any of the previous building owners, has not obtained any subsidy from public funds (e.g. from the state budget, local or regional authority budgets, EU funding etc) to purchase the given building, as this would result (in case of co-funding of purchase from the Grant) in duplicate financing and therefore in the arising of ineligible expenses.

2.2.6 Financial expenses and fees

A general condition for eligibility of financial expenses and fees is that they must be of essential character and in direct relationship to the project. This condition also applies to insurance of assets and administrative and local fees, such as notary fees. In addition to the administrative and local fees directly associated with the project, the following may also be eligible expenses:

¹⁵ In case of investment projects, the proportion of total direct eligible costs may exceed the above limit.

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- a) bank fees for international financial transactions – indirect expenses;
 - b) expenses for opening and management of account/accounts and for this account's financial transactions – indirect expenses;
 - c) expenses for insurance of assets co-funded from ODA;
 - d) customs duty related to purchases from third countries.

Interest revenue minus tax on interest, and other revenues from deposits (e.g. exchange rate revenues), must be quantified and listed in the interim and final cost accounting and recording as a negative item. The Beneficiary is obliged to return these to SAIDC in connection with final cost accounting and recording. Tax on interest (tax on capital gains) is an eligible expense under the project.

2.2.7 Value added tax

Value added tax (VAT) is an eligible expense only where the Beneficiary is not **entitled to input VAT deduction**. Entitlement to deduction is regulated by the Act on VAT. Eligible VAT only pertains to actions/performances approved as eligible. Should the given expense be only partially eligible, VAT related to such expense will become an eligible expense in this proportion.

Any activity performed during project implementation or after project completion related to obtaining/appreciation in value of assets from public funds (ODA) that might generate taxable income (e.g. science and research activity performed for financial compensation) obliges the Beneficiary to pay VAT, that is an obligation arises for the Beneficiary to apply for tax deduction from the Tax Authority. In such a case, VAT (reimbursed within project implementation as an eligible expense) shall be deemed ineligible retroactively for project implementation period within the scope of activities resulting in taxable income.

In general, other taxes are ineligible expenses. Above all, direct taxes are regarded as ineligible expenses (property tax in the Beneficiary's country, motor vehicle tax in the Beneficiary's country, etc). Exceptions are: natural persons' income tax, as it is a part of gross wage or compensation for work performed and is an eligible expense within the scope of personnel expenses; and accommodation tax, which is an eligible expense within travel expenses.

From the income tax perspective, the funds provided as a grant for the Beneficiary are the Beneficiary's income provided in compliance with the **Act on State Budget and Budgetary Rules**.

The Grant is not income from taxpayer activity or arising from taxpayer assets and **cannot result in generation of profit for the Beneficiary**.

The Slovak Republic has signed **treaties on avoidance of double taxation** with many countries regarding income and assets. The most recent list of applicable treaties is available at <http://www.finance.gov.sk/www.finance.gov.sk>. Tax reliefs and tariff concessions have been established for import of goods to some countries under the framework of international aid.

2.3 Eligible expenses – indirect – overhead expenses

Overhead expenses are indirect expenses with the **character of normal costs** (operational overhead). Overhead expenses cannot be co-funded by the Beneficiary/Contractual Project Partner. Such co-funding will be considered ineligible as project expenses. The Beneficiary/Contractual Project Partner is obliged to provide for co-funding of expenses only for direct project costs.

Indirect expenses are expenses that are not or cannot be linked directly to a specific project activity. These costs also include expenses for which it is difficult to determine an amount that can be allocated to a specific activity. Indirect costs include expenses on **rent, water and sewage, the purchase of fuel and utilities, the cost of travel by train/bus up to the price of a 2nd class train/bus ticket, telephone, fax and internet, cleaning, maintenance, purchase of consumables, and wage expenses for service employees¹⁶, insurance for local personnel.**

For expenditures on the purchase of consumables, the principle of economic efficiency, effectiveness and expediency must be adhered to (e.g. if the Beneficiary purchases consumables to stock up at the very end of project implementation, only a proportional part of the material will be regarded as eligible, i.e. that corresponding to the scope of consumables actually used for project purposes during the implementation period). Should only part of the organisation's premises/spaces be used in project implementation, only that part of the costs corresponding to the proportion of the total premises/spaces should be regarded as an eligible expense. This applies to all other overhead (utilities, water, consumables, the internet etc); **only a proportional part of these expenses** pertaining to the project **will be eligible expenses**. Should the Beneficiary/PPP own premises/spaces where the project is being implemented or have use of them free of charge, rental expenses are not eligible.

Overhead expenses related to general operation of the organisation without a causal link to the project, as well as expenses corresponding to the accounting category of extraordinary costs, are ineligible expenses.

Overhead costs must be associated to the implemented project, i.e. other costs arising from the Beneficiary's activities as a legal entity (e.g. wage/compensation to personnel who do not perform activities or administration under the project) cannot be reimbursed.

Overhead expenses will be applied as a percentage of the costs set by the organisation. Example: *"Since SlovakAid related project activities represent 50% of the Beneficiary's total activities, then the Beneficiary can include 50% of rent as project costs."*

If the Beneficiary declares that work on a SlovakAid project is 50% of the Beneficiary's activities, they are entitled to cover 50% of rental costs from the project costs. The remaining part of the rental cannot be included, either under overhead or any other type of costs, under the rationale that the Beneficiary declared in its application that the remainder of the project costs are not applicable to the Slovak Aid project.

¹⁶ Service personnel is defined as employees supporting business activity of the entity (organisation, institution...) for whom it is difficult to determine the time of work performed on the project. Service personnel may include: supervisor, secretaries, technical maintenance staff, security guards, drivers, accountants, HR staff, employees responsible for procurement for the entity, and other similar positions that typically exist independent of project implementation.

2.3.1 General definition of overhead costs

- a) **communication expenses** related to office operations (postage fees, fax, telephone, internet);
- b) **office operation expenses** (Beneficiary's rental fees in the Slovak Republic, partner's office-related expenses in the country of project implementation);
- c) **office consumables** related to office operations;
- d) **other administrative expenses** (e.g. copying) related to project activities and office operations, and
- e) **other** indirect expenses – bank fees, postage, revenue stamps, insurance, advertising expenses, translations, project publicity expenses; and
- f) **insurance** for other personnel of the Beneficiary and Contractual Project Partners.

2.3.2 Rent and eligible costs

a) Rent in the direct project costs:

In this case, the premises must primarily be used for the main activities of the organisation and the rent must be included in the approved project budget. If the Beneficiary also rents another premises (e.g. administrative space) this can be included under the overhead costs as a percentage of that use.

b) Rent as overhead costs:

For example, where 4 persons work on a project in a certain space – it will be the exact costs of premises used by those employees (e.g. 2 offices). Where the calculation is based on an exact surface area, overhead costs may be included – i.e. share of rent for the workspace of the accountant or other personnel pursuant to the Financial Guidelines, clause 2.2. Eligible expenses. The only eligible rent includes rent for project-related activities performed by the persons specified in the Guideline as service employees, and in the proportion of work on the project. The Beneficiary must submit an exact calculation and description what it used/recognised as an area solely assigned to the SlovakAid project according to the percentage of use, with justification (in %).

The rental costs of premises as overhead costs must be indicated as a percentage. The Beneficiary should not calculate any part of the rent separately, but calculates the percentage (%) of the total rent.

2.3.3 Examples of overhead expenses broken down by type of expense:

- a) personnel expenses related to the performance of these activities (particularly in the location where the Beneficiary operates:
 - 1. **legal counselling**¹⁷ (e.g. drafting documents on legal acts, processing of legal analyses);
 - 2. project **publicity** and information;

¹⁷ E.g. for supplier-buyer relationships (including sanctioning provisions) but not concerning the filing of petitions and the related acts against SAIDC.

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3. **accounting and bookkeeping;**
 4. personnel and payroll agenda;
 5. consultancy and supervision in public procurement;
 6. services (cleaning, copying of material etc);
 7. repair and maintenance of assets used for project purposes;
 8. driving of vehicles used by project personnel;
 9. control and professional supervision (e.g. supervisor, including management of the organisation¹⁸);
 10. insurance of personnel and all participants involved in the project implementation and project activities.

b) **expenses for procurement of services** indispensable for the above activities (listed under item a):

1. outsourcing of services related to publicity and information associated with project implementation (operating of common website of the Beneficiary¹⁹);
2. outsourcing of accounting and bookkeeping;
3. outsourcing of personnel and payroll agenda;
4. outsourcing of public procurement provision; market research provision;
5. outsourcing of sanitation activities (cleaning etc);
6. outsourcing of repair and maintenance services for assets used for project purposes;
7. outsourcing of transportation of persons and goods apart from individuals in the target group and professional personnel (e.g. lecturers, experts etc);

2.4 Limits of personnel costs (expenses)

The established limits of selected expense categories are binding equally for the Applicant/Beneficiary and for any partner (CPP).

SAIDC has defined standardised positions (see Table 5 and Table 6) and a corresponding limit of eligible wage expenses for these positions at the national level of the Slovak Republic²⁰ for the purposes of this Guideline as the maximum daily wage of the Applicant/Beneficiary's employee including mandatory eligible payroll deductions by the employer (i.e. **total cost on employee**). An eligible expense is therefore the employee's hourly gross wage and the corresponding mandatory payroll deductions of the employer, as defined in par. 2.2.1.1 Employees.

Where supply of services to Beneficiary includes the refunding of value added tax (VAT) as an eligible Beneficiary expense, such tax is included in the supplier's rates.

Qualification requirements on individuals and proof of qualification by Applicant/Beneficiary and partner's employees, including the specifics of unit rates:

¹⁸ These are predominantly management activities of a statutory body of the Beneficiary/partner (e.g. Managing Director of a private enterprise).

¹⁹ The visibility that is linked to direct project activities (e.g. banner production) may be included in direct activities, namely, to expense category No. 3 Other services.

²⁰ Project positions are evaluated from the perspective of the character of activities performed, and employee qualifications and experience, and not based on the position name in the individual projects' organisational charts.

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- a) Qualification requirements on persons in positions according to the list of standardised project positions (Table No. 5 and Table No. 6) is demonstrated by the Applicant/Beneficiary (CPP) as employer through a CV of employees noting **the length of appropriate professional experience** in the relevant project position and other documents demonstrating the individual's professional qualifications²¹ (e.g. certificates, diplomas, decrees, documents substantiating professional internships with employers, references etc.)
- b) Should there be a duly justified need to use a **highly qualified international expert**²² (foreign expert, or perhaps an expert working for an international organisation etc), who must meet the qualification requirements for the position of **expert No. 2** in the SAIDC list of standardised project positions (Table No. 5 and Table No. 6) to implement professional project activities within the scope of the wage expenses of the Applicant/Beneficiary (partner), **SAIDC may**, based on the documents provided by the Applicant/Beneficiary (partner), **consider the usual level of compensation** in the expert's original organisation or with respect to the specifics of the expert's home location (country).²³

The structure and allocation of project positions proposed by the Applicant/Beneficiary/CPP in terms of the number of persons in individual project positions, as well as the total number of man-hours/man-days/man-months of the employees and man-hours/man-days of a self-employed natural person/man-days/man-months of the individual project positions for the implementation of project activities, is subject to evaluation during the application approval process. Normally, qualification of persons in project positions is demonstrated by the Applicant/Beneficiary/CPP at the following stages:

- a) **when submitting the Grant application**, particularly in relation to the personnel capacities of the Applicant (Contractual Project Partner, where administrative and professional capacity to perform project activities is demonstrated (i.e. the Beneficiary's own capacities through employees or those in a similar relationship);
- b) **before signing the Agreement**, the Applicant is obliged to submit an organisational chart at least 50% completed, featuring specific individuals;
- c) **upon changes of personnel assignment in project manager position of the Beneficiary and every contractual partner** during project implementation;
- d) upon reporting personnel changes in interim project reports.

The **Organisational Chart form** is a mandatory annex to the Grant application that the Applicant is obliged to submit together with CVs of the Applicant's and partner's management, professional and expert personnel. Each CV must be accompanied by: consent to processing personal data pursuant to Act No. 18/2018 on the Protection of Personal Data and on changes and amendment to some other acts and the Regulation of the European Parliament and Council No. 2016/679; and such consent must be signed (see Annex No. 7 – Consent to the processing of personal data – template) **Project Managers of the Applicant and of the Contractual project partner must be known already when submitting the Grant application**

²¹ This mainly concerns expert positions according to the list of standardised project positions.

²² Professional experience of an international expert (No. 2) must be demonstrated by the Applicant/Beneficiary (CPP) not only through a CV but also through other documents demonstrating the expert's extraordinary qualifications and international activity (e.g. publications in respected international periodicals, membership in international professional associations and organisations etc).

²³ The expert, or the original organisation where he/she works, must be able to prove this e.g. by showing a contractual relationship (employment or similar), the compensation policy of the home organisation, or other documents proving the costs of the employee in the employment relationship.

and their CVs including information noting the length of relevant professional experience and the consent to processing their personal data must be attached to the Application. Should the positions of professional and expert personnel in the project be unassigned at the time of submitting of the Application, the Applicant is obliged to **attach detailed job description conditions for the given positions. Upon signing the Agreement, the approved Applicant is obliged to provide the Organisational Chart at least 50% completed, featuring specific individuals.**

Overall eligible limits of costs of personnel are calculated as the maximum unit rate multiplied by the man-hours/man-days/man-months worked as stated in the employment contract for employees or in the worksheet, and for self-employed natural persons by the man-hours/man-days stated in the worksheet. As overall cost limits are set, monthly cost limits are set alike. (see Table No. 5 and Table No. 6).

In providing services in personnel terms (and associated costs) a legal entity may not be a contractual party on the side of the supplier (i.e. self-employed individuals, contracts based on the Copyright Act, or contracts for mandate [SK: *příkazná zmluva*] with natural persons are acceptable, in particular).

These limits do not apply to supply of goods, services and construction works, where the subject of supply is not stated in personnel terms (so-called man-day etc).

A functional change in a position of a Beneficiary's/Contractual Project Partner is regarded as a change to the project and is therefore subject to SAIDC approval.²⁴ Change in the number and structure of approved project positions in the Grant Application included in the Agreement during project implementation, is regarded as a change to the project and is therefore subject to SAIDC approval.

An employee's daily wages and daily compensation for those in agreements outside standard employment (Slovak: *dohody*), are calculated based on a working day of 8.5 hours in total, or a minimum of **eight hours of net working time**. Should work be contracted pursuant to specific regulations in some cases (e.g. Act on Civil Service), the net daily working time is 7.5 hours.

Table No. 5: The SAIDC list of standardised project positions²⁵ and corresponding limits of total costs of labour for employee's wage or supplier's rate

Ab bre viation	Standardised project position/ Main job description in project position	Minimum qualifications	Limit – monthly expenses on personnel	Limit – daily expenses on personnel	Limit – hourly expenses on personnel
AP	Administrative and management project personnel				
AP	Administrative personnel - Assistant to Project Manager/Financial Manager (administrative and support activities for project management, financial management, monitoring of activities, communication and information, professional activities with respect to project administration and project support documentation)	University education with Bachelor's degree without experience	€1,892	€88	€11

²⁴ See Chapter 7.3

²⁵ In all job positions, the use of personal nouns means both genders, regardless of the gender used in the text.

	<p>- accountant, payroll accountant (provides bookkeeping for project purposes) - human resources specialist (provides personnel management for project purposes)</p> <p>Each Beneficiary is entitled to include a maximum of one assistant to the Beneficiary and one assistant to the Contractual Project Partner. The same limitation applies also to one Project/Financial Manager of the Beneficiary and one Manager of the Contractual Project Partner at the most. SAIDC will deem any costs related to more than one assistant to the Beneficiary and more than one assistant to the Contractual Project Partner to be ineligible costs. SAIDC will deem any costs related to more than one Project/Financial Manager of the Beneficiary and one Project/Financial Manager of the Contractual Project Partner to be ineligible costs.</p> <p>If assistant to project manager or financial manager is expert in a particular area, i.e. he/she has expert skills or has command of the language of the country where the project is implemented, such assistant is entitled to a higher rate. We recommend consulting this with SAIDC.</p>	<p>or secondary education, two years of experience in the field</p>			
MP					
MP	<p>Management personnel</p> <p>- Project Manager/Financial Manager</p> <p>- manages project activities and overall project administration and implementation at all levels - coordinates all activities related to implementation of project activities - coordinates activities of professional personnel - ensures communication between managing, administrative and professional project capacities - is responsible for overall financial management during project implementation - ensures compliance with budget in accordance with Grant Agreement and applicable legislation of the Slovak Republic. Oversees effective usage of funds and eligibility of applied expenses - coordinates implementation of professional project activities. - implements and elaborates description of subject of Contracting Agreement and ensures implementation of all forms of public procurement - manages and is responsible for project promotion/visibility, external communication on the project and achieving promotion plan of entire project - administers documents for monitoring and communicates with the project target group and other persons and institutions participating in implementation of project activities or influenced by implementation of project activities, communicates with project's target group and collects documents from and about the target group, processes</p>	<p>University education with Bachelor's degree, experience in the field up to five years**</p>	<p>€2,408</p>	<p>€112</p>	<p>€14</p>
		<p>University education with Master's degree, experience in the field of more than five years</p> <p>or University education with Bachelor's degree, experience in the field of at least seven (7) years</p>	<p>€3,440</p>	<p>€160</p>	<p>€20</p>

	documents for monitoring, archives documents on implementation of activities, monitors implementation of project activities based on documents processed by monitoring administrative personnel, processes monitoring reports.				
PP	Professional/expert personnel – coordinator, consultant, training personnel for project’s professional activities²⁶				
PP. 1	Professional – junior - processes expert documentation, coordinates expert working group - Performs activities related e.g. to organisation (in relation to expert job description) and professional leadership of working groups, seminars, workshops etc using existing analytical, methodological, and process materials and procedures including consultancy or training activity (in relation to attendees); or specialised lawyer.	University education with Bachelor’s degree** experience in the field of up to five years	€3,784	€176	€22
	Professional – senior specialist in coordination of expert working groups/professional performs activities related to organisation (in relation to expert job description) and expert leadership of working groups and management committees or members of expert groups and committees for core project issues using existing analytical, methodological, and process materials and procedures including consultancy and processing of expert or training activity; or a specialised lawyer.	University education with Master’s degree*** experience in the field of over five years	€4,644	€216	€27
FW	Fieldworker				
	- is responsible for project activities directly in the project implementation location, closely cooperates with local partner and final project Beneficiary.	University education with Bachelor’s degree without experience or secondary-school education and over 2 years of experience in the field	€3,440	€160	€20
EX	Expert personnel				
EX. 1	Expert – No. 1 - highly qualified expert in the relevant field. Expert lecturer/consultant/analyst/methodologist independently performing	University education with	€5,676	€264	€33

²⁶Standardised project positions of “professional personnel – PP” must be held only by individuals in an employment relationship (contract for mandate, self-employed individual or a similar type of relationship) ensuring performance of tasks and activities of the Applicant/Beneficiary (partner) that pertain to the Applicant/Beneficiary (partner) as an entity based on its own position (e.g. as a public administration authority, public institution, or the main activity or activity associated with the organisation’s main activities).

	analytical activity, design of systems and methodologies, processing of expert documentation and concepts.	Master's degree*** experience in the field with qualifications of over eight years			
	- researcher or scientific worker with academic PhD degree or scientific/pedagogical title of Assistant Professor	University education with Master's degree*** with experience in the field and required qualifications of over five years	€5,676	€264	€33
EX. 2	Expert – No. 2				
	- leader in the relevant field – expert lecturer/trainer/consultant/analyst/methodologist independently performing analytical activity, design of systems and methodologies, processing of expert documentation and concepts, trainer of personnel project positions PP.1-2	University education with with Master's degree with experience in the field and required qualifications of over 15 years	€6,536	€304	€38
	- highly specialised, exceptionally qualified expert - researcher or scientist with an academic title - expert with scientific/pedagogical title of Professor.	PhD./scientific/pedagogical title of Assistant Professor/Professor with experience in the field of over 10 years	€7,568	€352	€44
	- expert – holder of a specialised qualification/licence (e.g. issued pursuant to special regulations, typically an auditor, lawyer, expert, interpreter or translator etc) - equivalents to licences will be acknowledged.	University education with Master's degree,	€7,568	€352	€44
	- foreign expert - lecturer/trainer/consultant/analyst/methodologist independently performing analytical activity, design of systems and methodologies, processing of expert documentation and concepts	University education with Master's degree****,	€9,460	€440	€55
Other personnel					
	- other, ancillary personnel, necessary to carry out project activities, such as local teachers, chauffeur, security, ordinary medical staff, farmers, fruit growers, etc.	The Beneficiary shall substantiate the terms of reference on the basis of which it	€1,376	€64	€8

		will fill the position.		
<p>* An eligible expense is the total costs on the employee including mandatory payroll deductions of the employer required by law or the remuneration of the supplier. The above limits represent the total costs on employee that can be claimed per man-hour/man-day/man-month of work. Payroll deductions by the employer may not be used to increase the above limits. Monthly limits are applicable solely to the employees in labour-legal relationship (contracted on the Employment Contract).</p> <p>** In extraordinary cases, SAIDC may consider, upon review, assigning the position to personnel without university education, with a minimum of completed secondary education and demonstrable experience of min. 5 years in the given field.</p> <p>*** In extraordinary cases, SAIDC may consider, upon review, assigning the position to personnel without university education with Master's degree, with a minimum of completed secondary education and demonstrable experience of min. 15 years in the given field.</p> <p>**** When determining the daily rates of foreign experts, based on the documents of the Applicant/Beneficiary (partner), SAIDC may consider the usual level of compensation in the expert's original organisation or with respect to the specifics of the expert's home location (country).</p> <p>SAIDC acknowledges the generally acknowledged equivalent of the above titles and the equivalent of licences.</p>				

Table No. 6: The SAIDC list of standardised positions in humanitarian projects and corresponding limits of total costs of labour for personnel's wage or supplier's rate

Administrative and management project personnel: Job positions, rates, qualification prerequisites and job description/content are the same as in Table No. 5.

Ab bre viation	Standardised project position/ Main job description in project position	Minimum qualifications	Limit – monthly expenses on personnel	Limit – monthly expenses on personnel	Limit – hourly expenses on personnel
FW	Fieldworkers				
	Personnel performing general activities directly at the site of a humanitarian project, works closely together with CPP staff (in the case of local field worker with Beneficiary staff), e.g. coordinator - CPP and/or Beneficiary, technical staff, field clerk, etc.	University education with Bachelor's degree without experience or secondary-school education and over 2 years of experience in the field	€3,440	€160	€20
PP	Professional personnel/Experts				

		Personnel bringing expertise to the humanitarian project, working in relevant fields such as: health care (doctor according to relevant fields such as surgery, gynaecological obstetrics, general medicine, paediatrics and others, nursing staff belonging to individual medical disciplines, experts in the field of nutrition), education and psychology (professional social worker, psychologist, teacher, educational specialist, vocational training coordinator), construction (civil engineer), environmental specialist, water and sanitation specialist, logistics specialist, supply specialist etc.			
	Junior expert	University education with Bachelor's degree** experience in the field up to five years	€3,784	€ 176	€22
	Senior expert	University education with with master's degree, in the respective field *** experience in the field of over five years	€4,644	€216	€27
EX	Expert personnel				
EX. 1	Expert – No. 1	university education with Master's degree*** experience in the field with qualifications of over eight years	€5,676	€264	€33
	- highly qualified expert in the relevant field. Expert in the relevant field performing highly specialised activities within the project. The activities have a practical, analytical, consulting or training character, the expert can train the expert staff of the project.				
EX. 2	Expert – No. 2	University education with with Master's degree with experience in the field and required qualifications of over 15 years	€6,236	€304	€38
	- leader in the given field – Expert in the relevant field performing highly specialised activities within the project. The activities have a practical, analytical, consulting or training character, the expert can train the expert staff of the project. - expert/leader/ holder of a specialised qualification/licence (e.g. issued pursuant to special regulations, typically an auditor, lawyer, expert and so on).				
OP	Other personnel				
	Other, ancillary personnel necessary to carry out project humanitarian activities, e.g. chauffeur, logistics worker, security, cook, workplace registrar, farmer, information campaign volunteer, etc.	The Beneficiary shall substantiate the terms of reference on the basis of which it will fill the position.	€1,376	€64	€8

2.5 Limits at the project level

Start-up expenses are any costs indispensably incurred by the Beneficiary after the grant approval, however prior to signing the Agreement – i.e. from the date of ministerial approval of the grant. Such **expenses** may represent a maximum of **2%** of the total eligible project costs.

The maximum percentage limit for **indirect project expenses** within the scope of overhead costs is **7.00% of the total eligible** projects costs.

The maximum percentage limit for **project management** within the scope of direct project costs is **23.00% of the total eligible** project costs (Categories 6 and 7 in Table No. 1).

If the grant application is approved, SAIDC will verify the level of demonstrated co-funding when auditing the Final Financial Report. If the percentage of the contractually agreed co-funding is not directly proportional to the actual eligible drawdown of the Grant, SAIDC will reduce the final grant refund payment by a percentage corresponding to the amount of the unfulfilled co-funding.

2.6 Limits on technical equipment in the project

In the case of standard usage of technical equipment for project administration purposes and technical support of training and other normal activities under the project, the following maximum limit will be regarded as eligible Grant expenses:

PC with accessories	maximum €800 excl. VAT
Notebook with accessories	maximum €1,000 excl. VAT
Data projector	maximum €300 excl. VAT
Printer	maximum €400 excl. VAT
Video camera	maximum €300 excl. VAT

In duly justified cases SAIDC may accept higher rates. Eligibility shall be assessed on an individual basis.

If the supplier of the project's technical equipment is changed, the Beneficiary is obliged to observe the maximum limits indicated in the table in part 2.6 of this Financial Guidelines.

3. PRINCIPLES OF CONTRACTING.

In compliance with Section 1 (13) (c) of Act No. 343/2015, as expenses intended for development cooperation, we consider in particular the expenses incurred in partner third countries or in direct connection with the implementation of development aid, aimed at promoting sustainable development in partner countries, or humanitarian aid.

Procurement of goods, construction works, and services form an important part of project implementation. Despite the fact that **Act No. 343/2015** on Public Procurement²⁷ does not apply to below-the-limit contracts (SK: *podlimitná zákazka*) and low-value contracts (SK: *zákazka s nízkou hodnotou*), the subject of which is, inter alia, the supply of goods and services within the official development assistance and international humanitarian aid of the Slovak Republic, in case of the above activities, SAIDC determines **simplified procedures** for the assurance of meeting the terms and conditions of transparency, efficiency, effectiveness and expediency in expending public funds.²⁸ The Beneficiary is obliged to apply the principle of equal treatment and the principle of non-discrimination of applicants/candidates when awarding contracts for goods, services and construction works.

In the event of a change in Act No. 343/2015 on Public Procurement, the Beneficiary must comply with the maximum amount of the directly awarded contract, as stipulated in the Public Procurement Act and its relevant amendments.

Types of contracts:

- **A contract for the supply of goods** is a contract having as its scope the purchase of goods; it may also include activities related to the placement and assembly of goods.
- **A contract for the execution of construction works** is a contract the scope of which is the elaboration of construction project documentation, the execution of construction works or the execution of a construction.
- **A service contract** is a contract the scope of which is to provide a service.

The Beneficiary shall proceed with the following rules when awarding the contract:

Direct contracting:

The Beneficiary awards the contract for the delivery of goods and/or provision of services and/or execution of construction works directly if the value of contract is in line with a below-the-limit contract set out in the Public Procurement act and its respective amendments.

The supplier to whom the Beneficiary will award the contract directly will be determined on the basis of the previous experience of the Beneficiary or the Contractual Project Partner, references, advertising, information obtained on the Internet and the like. The Beneficiary must follow **the principle of economic efficiency** and must not knowingly award a contract directly to a supplier that would provide unfavourable conditions for contract implementation. A direct contract may be awarded through a direct **purchase order**. The contract may be directly ordered depending on the nature of the contract and provided the documents accompanying the subject of the contract are sufficient for its use, for possible claims in the event of any defect identified while under warranty, or for exercising other rights in the future. All situations that arise will be agreed in the contract in writing.

Awarding contracts based on market survey

²⁷Act No. 343/2015 on Public Procurement, and on changes and amendments to some other acts as amended

²⁸At the same time, expenses arising from the above activities (by the contractual project partner) in the legislative and legal frameworks of third countries are applied appropriately and must also take into account the rules at the point of expense origin. By respecting the conditions of transparency, efficiency, effectiveness and expediency in the expending of public funds.

The Beneficiary awards the contract for the delivery of goods and/or for provision of services and/or for execution of construction works based on a market survey if the value of contract is set out in the Public Procurement act and its respective amendments. The Beneficiary will select the supplier from amongst the potential suppliers based on the information on the scope of contract, respecting **the principle of economic efficiency** in expending the funds, such that the costs incurred for performing the survey correspond to its quality and price. The Beneficiary must carry out market survey **with at least three selected suppliers** that are entitled to deliver goods, provide services, perform construction work being the subject of the survey, with whom the Beneficiary has had prior positive experience/or have positive references. At the same time, the Beneficiary **must publish the market survey results** for the delivery of the contract on its website and contractual project partner's website depending on the location where the contract will be ordered and purchased. If publishing such information on the contractual project partner's website is not possible due to objective reasons (e.g. the contractual project partner has no website or because of security issues), the Beneficiary must send **prior written notification** about such circumstances **to SAIDC** with due justification. The market survey **may be performed electronically** – by e-mail survey or written correspondence if written correspondence is relevant. The Beneficiary will send a call for tenders to the selected candidates. The call for tenders must contain: a) definition of the beneficiary, b) precise definition of the scope of contract, c) place, date and method of submitting the price offer (quotation), d) criteria and method of evaluation of bids, e) required delivery date, f) bid binding period, g) other necessary data. Where there are **objective reasons**, which make it impossible to conduct a market survey of at least three bidders, the beneficiary **is obliged to notify the facts occurred and justify them to SAIDC** and also state them **in the interim and final report** (in writing/electronically).

When selecting the method of performing the market survey and within the market survey, in accordance with the principle of economy in spending funds, the following must be taken into account: a) costs of performing the survey, b) total contract price, including transport, possible quantity discount, etc., c) delivery time, (d) other factors depending on the nature of the subject of the contract. The Beneficiary **must follow the principle of economic efficiency** and always choose a place for purchasing the contract in order not to unreasonably increase the costs related to the delivery of the contract, servicing/maintenance costs, etc.

The Beneficiary is obliged to set up **a commission of at least 3 members to evaluate the submitted bids**. From the evaluated survey, the Beneficiary will prepare **Minutes from the performed market survey** according to Annex No. 8, containing, inter alia, a solemn declaration by the members of the commission that they are not in a conflict of interest. At the same time, the Beneficiary shall document the market survey and the evaluation of the market survey with relevant documents – sending a call for tenders to selected suppliers; publishing a call for tenders on the website; submitted price offers.

4. CO-FUNDING

Pursuant to Section 7, par. 5 of Act No. 392/2015 on Development Aid and on changes and amendments to some other acts in the wording of Act No. 281/2019, the level of mandatory project co-funding by the Beneficiary or Contractual Project Partner is specified in the Call for Grant Proposals.

The co-funding by the Beneficiary **must be reflected in the project budget**, which forms an Annex to the Agreement. Additionally to the Financial Report, the Beneficiary must also demonstrate the **use of its own resources** for co-funding eligible project expenses, at least at the level (in %) set in the call for proposals, towards the total eligible project costs (i.e. 10.00%). As part of the Final Financial Report, the Beneficiary is obliged to report the overall eligible co-funding according to the co-funding percentage stated in the signed Grant Agreement for the project.

The Beneficiary must demonstrate the level of co-funding **no later than** in the submitted Final Financial Report.

SAIDC will verify the level of demonstrated co-funding when auditing the Final Financial Report. The final level of co-funding will be directly proportional to the actual eligible drawdown of the Grant. If the percentage of the contractually agreed co-funding is not complied with, the amount of the grant (final payment) will be reduced by a percentage up to the amount of the unfulfilled co-funding. Co-funding agreed in the Agreement is made in the amount of co-funding specified in the Grant Application. When both contractual parties sign the Agreement, the Beneficiary commits to provide for co-funding as indicated in the Agreement.

5. INTERIM AND FINAL REPORT

The Beneficiary must submit Interim and Final Project Reports **by the deadlines set forth in the Agreement**, using forms included as Annex No. 2 and 3 to these Guidelines. The Beneficiary is not obliged to submit an Interim Report for the last month of project implementation, since it is solely reserved for preparing the Final Financial Report and Final Project Report. The Final Report **supersedes** the last Interim Report. The Final Report contains the reporting for the last reporting period and a comprehensive analysis and overall evaluation of implemented activities, achieved outputs and their impact on target groups.

Unless otherwise provided in the Agreement, the submission of reports follows this procedure:

The Beneficiary is obliged to provide **the Interim Report**, always after the **half-year period** from the beginning of the project implementation. For the one-year project two interim reports are foreseen and for two-year projects three interim reports are foreseen.

The Beneficiary is obliged to provide the **Final Project Report** after the termination of the project implementation period. The Final Project Report evaluates the **overall project results**, which were partially evaluated in the individual interim reports submitted.

6. PAYMENT REQUEST PROCEDURES AND GRANT FINANCIAL REPORTING

6.1 Payment request procedures

SAIDC will send payments to the Beneficiary upon electronic request signed by the Beneficiary's statutory body in the amount specified in the Agreement and adjusted based on the financial report results. The first payment of the approved grant is provided after the Agreement took effect, while electronic request is not required.

The Beneficiary submits requests for payments via a required form (electronically – with a scan of the signed application) only after the previous financial report was approved by SAIDC. The application form template is included as Annex No. 5 to these Financial Guidelines. SAIDC will review the formal accuracy of the application. In case of any discrepancies, it returns the application to the Beneficiary for correction. If Grant eligibility requirements are provably met, the funds will be transferred to the bank account indicated in the Grant Agreement or to the bank account electronically notified to SAIDC. SAIDC reserves the right to extend the period for payment of the second and final payment and disburse the payment only after the funds are released from the Ministry of Finance SR to SAIDC budget at the beginning of each calendar year.

Unless otherwise stated in the Agreement²⁹, payments **in development projects are disbursed as follows:**

- **The first advance payment amounting to 50% of the approved grant**, will be paid no later than 30 working days **from the day the Agreement took effect**,
- **The second advance payment in the amount of 40% of the approved grant** will be paid no later than 30 working days from the electronic request submitted by the Beneficiary and signed by its statutory body,
- **The final payment in the amount of 10% of the actually reported and eligible costs** for the entire project implementation period will be reimbursed by SAIDC no later than 30 working days from the electronic request submitted by the Beneficiary and signed by its statutory body.

Unless otherwise stated in the Agreement, payments **in humanitarian projects are disbursed as follows:**

- **The first advanced payment amounting to 90% of the approved grant**, will be paid no later than 30 working days **from the day the Agreement**

²⁹ In case of projects with a high investment part at the beginning of the project implementation, SAIDC will agree with the Beneficiaries individual payments, which will be stated directly in the agreement.

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- **The final payment in the amount of 10% of the actually reported and eligible costs** for the entire project implementation period will be reimbursed by SAIDC no later than 30 working days from the electronic request submitted by the Beneficiary and signed by its statutory body.

6.2 Procedures and principles of financial reporting of Grant

The Beneficiary must submit a financial report and copies of accounting documentation on expenses related to individual payments under the Grant, pursuant to the concluded Agreement. The Beneficiary is entitled to submit the Financial Report only if it can demonstrate it withdrew minimum 80% of awarded advance payment. The Beneficiary is entitled to the **next/following payment** only if it eligibly drew and reported on a **minimum of 80%** of the awarded payment and SAIDC approved the submitted Financial Report.

The Beneficiary must submit a financial report and hard copies of accounting documentation or via electronic mailbox, together with Annex No. 4 (Cost accounting and reporting – template) and budget to SAIDC by deadlines outlined in the Grant Agreement. The Beneficiary must also send via e-mail the Cost accounting and current budget with the filled-in sheets N1 or N2, which are part of audit. After its internal control, SAIDC will submit the Financial Report together with all documents to the external audit firm that carries out, for SAIDC, the verification and audit of all financial expenses under the grants awarded. For the purposes of its final decision, the audit firm is authorised to request additional information and submission of documents throughout the verification process. The PFM of SAIDC shall communicate with the audit firm exclusively. In the event of an exceptional situation and need, the Beneficiary will be invited to communicate with the audit firm directly. The Beneficiary may apply for the next/final part of the grant in line with the provisions of the Agreement only upon the approval by SAIDC of the relevant Interim/Final Report pursuant to the timeline specified by the Agreement and receipt of the Report from Administrative Financial Control (AFC) or in the event of a finding in the project financial report, or after the receipt of the Report from Administrative Financial Control (AFC) with the finding.

If the Beneficiary fails to submit a complete financial report together with the relevant copies of accounting documents, SAIDC is entitled to invite the Beneficiary to send the required missing copies of accounting documents two times and then close the audit of the financial report. Costs lacking sufficient supporting documentation, even after two additional requests to provide those, will be deemed ineligible. SAIDC is electronically informed by the audit firm about the Beneficiary's failure to comply with the condition to submit copies of accounting documents, in accordance with the national legislation. The Beneficiary is obliged to submit the required copies of accounting documents to the audit firm no later than within **five working days** from the date of sending the call by the relevant PFM (Project and Financial Manager) of SAIDC. In the event of failure to submit the missing copies of accounting documents, SAIDC then sends a written reminder to the Beneficiary. If the Beneficiary fails to submit the missing copies of accounting documents within 10 working days from the sending of the written

reminder, the PFM (Project and Financial Manager) shall send the Draft Report from the Administrative Financial Control (AFC) to the Beneficiary by e-mail and post. The Beneficiary may provide its opinion on the Draft Report, and/or send comments within 5 working days. After approval of the Draft Report and/or after incorporating the comments, the PFM of SAIDC sends the final version of the Report from the Administrative Financial Control with the finding to the grant Beneficiary. SAIDC reserves the right to withdraw from the agreement or to terminate the agreement in accordance with Article 14 clause 14.2 (d) of the agreement and request payment of the full amount of the pre-financing in accordance with Article 14 clause 14.4 of the agreement.

The Beneficiary will develop a financial report according to the structure of expenses categories and budget items, as approved in the budget or as specified in the notification and request for budget adjustments and transfers between budget items. Funds expended must be listed on “N1, 2, 3” in the excel table of Annex No. 3 Budget in the given structure.

SAIDC is authorised to approve travel costs and accommodation costs for business trips indicated in the approved budget that the Beneficiary or the Contractual Project Partner (CPP) did not carry out due to unexpected events – *vis maior only upon submitting a confirmation from the travel agency and accommodation facility that refused to refund these costs.*

The Beneficiary submits financial reports by the dates outlined in the Agreement. Expenses will be considered as eligible only provided that accounting documents and other receipts are attached (see chapter 6.5). The Beneficiary has a minimum of **30 working days** for preparing a financial report. This period also serves for reimbursing expenses from the previous accounting period, i.e cost originating in one accounting period cannot be documented with accounting documents in the following accounting period. This does not apply to the final financial report. **Reporting periods are set from the start of the implementation of the project, not from the start of the calendar year. Where necessary, the Beneficiary is entitled to contact SAIDC electronically to request changing the submission date of financial report. Such a request will be assessed by SAIDC and the Beneficiary will then be informed about further procedure.**

For one-year projects and humanitarian projects, the Beneficiary is obliged to submit **one** final financial report.

For two-year projects, the Beneficiary is obliged to submit **two** financial reports.

Unless otherwise specified in the agreement, the Beneficiary is authorized to submit the financial report only when it can demonstrate it withdrew minimum 80% of the awarded advance payment.

The Beneficiary is obliged to submit all financial reports in accordance with the deadlines specified in the agreement to SAIDC. SAIDC recommends the Beneficiary to complete the “N1, 2, 3_”, excel table of Annex No.3 Budget on an ongoing basis for a better overview of spending by budget items.

The Beneficiary shall attach the following to the Financial Report:

- a. **Cost accounting and recording** – inter alia, the statement must indicate which advance is being accounted for, the total stated amount, the time period for which the statement is submitted, the amount of capital expenses (if relevant), and the budget version the statement is to be compared to. If this is a final financial report, this must be labelled as “Y” in the “Final financial reporting” field; the individual advance should not be indicated here, only the cumulative amount of already-paid advances. The field “Amount for settlement” must give the amount for the last accounting period. The Beneficiary must check the conformity of the accounted amount of costs per individual expense categories/items in the Table “Cost accounting and reporting” with the actual budget spending under the project.

- b. **Electronic version of the “Project budget”**: the Beneficiary must complete the sheets “N1, 2, 3” and “Annex No. 3 Project budget”. The Beneficiary uploads the latest version of Annex No. 3 Project budget into the Grant Management (GM). All amounts indicated in the budget must be rounded up two decimal places, especially when converting foreign currency to euro (e.g. 10,500 Kenyan shillings = 80.37 euro, instead of 80.371462 euro). For the purposes of individual financial reports, the Beneficiary uses N1, N2 or N3 sheets of Annex No. 3 Budget depending on the type of accounting and reporting. For interim financial report, the Beneficiary will use the sheet N1 of Annex No. 3 Budget, for submitting final financial report it must use the sheet N2 of Annex No. 3 Budget. _ . This condition applies to the submission of two financial reports. For three financial reports, the Beneficiary will use the sheet N2 of Annex No. 3 Budget N2 and sheet N3 of Annex No. 3 Budget.

- c. Copies of the Beneficiary's tax documents and accounting documentation (payment receipts etc.) and copies of the Contractual Project Partner's (CPP) accounting documentation demonstrating eligible costs. A person authorised by the Beneficiary verifies that the originals of the tax and accounting documents conform to the copies thus submitted for settlement. With each financial report in the Cost Reporting Table (SK: *Vyúčtovanie nákladov*) the Beneficiary will submit an affidavit (such affidavit is part of the form itself), that it is not requesting project cost reimbursement from other donors (see chapter 2.3 General principles of eligibility of expenses, clause d) demonstrably expended by the Beneficiary). Where the Beneficiary submits the financial report in hard copy, **we recommend** verifying the conformity of the originals of the tax and accounting documents and the copies thus submitted for settlement also with a stamp, date and signature of an authorised person. The date, stamp and signature of the authorised person must be indicated on the first page of the accounting document. For documents that have more than one page, it is possible to verify the conformity in summary (on the first page, it shall be indicated that the Copies conform to the original in the number of pages...). SAIDC does not require official certification of project documents. All accounting documentation must be identified with the budget sub-item number which they correspond to. The Beneficiary must submit a copy of proof of payment for each eligible cost document (e.g. bank account statement, cash receipt with a signature of the recipient), or mark a clear reference on copies of bank

account statements to a document (item) paid for by bank transfer. Documents of Slovak origin lacking attributes of tax or accounting documentation (such as receipts) pursuant to the Slovak legislation cannot be accepted (e.g. advance invoices if they do not attach a final invoice). On all documents in languages other than Slovak the Beneficiary must indicate in Slovak language the type of document and name of goods or services and confirm the accuracy of translation with his/her signature.

- d. **Copies of all project bank account statements for the given period.** The Beneficiary must submit individual parts of bank account statements from other current accounts of the Beneficiary or CPP if they were used for paying eligible project expenses. It must be clear to whom the money was transferred from the bank account as well as the number of the payee's account, variable payment identifier (SK: *variabilný symbol*), date of payment and amount paid. For payments in foreign currency, if the bank account statement does not indicate all the above details, the recipient must attach a transfer order or payment notice or other documentation with the given details. If the Beneficiary or a partner transfers the Grant or part thereof into its treasury, it must submit a statement of project income and expenses from/into the treasury, labelling them with numbers of deposits and withdrawals. Copies of these then must be attached individually to each respective expense or are presented cumulatively in the ledger, and all must be accompanied by a document confirming the expense eligibility. If the Beneficiary or partner has a treasury, in a currency other than euro, it must state an exchange rate calculation to euro for each money transfer.
- e. If the Beneficiary does not list expenses individually in the Annex No. 3 "Project Budget" in the sheet(s) "N1, N2, N3", but rather in summary items, or if the Beneficiary divides the total amount such that the eligible expense represents only one part of the total, the Beneficiary must present all supporting calculations and a table of calculation, so it is clear which expenses are included in the total sum or how the expense is structured.

The Beneficiary submits or archives documents for the purposes of audit/control such that it is possible to clearly check the values and sums in the electronic file Annex No. 3 Project Budget in the sheets named "N1, N2, N3_". For the purposes of control/audit, the Beneficiary submits or archives all documents in standard office folders. Documents consisting of multiple pages need to be stapled so that they are not divided. Documents of smaller size than A4 (receipts from cash registers, written cash receipts etc.) need to be glued or stapled to A4 sheets of paper such that they do not overlap. The Beneficiary must cooperate during audit/control in order not to disrupt the timeline of Grant instalments specified by the Agreement 7.4 General rules for provision and processing of documents.

The Beneficiary/CPP proves eligible expenses claimed under a given project by relevant accounting or other documentation. Eligible costs/expenses that are not duly supported by documents are considered non-eligible.

The Beneficiary proves the following basic facts through accounting and other documentation that:

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- a) the expense was incurred and paid for in due time; and
 - b) the expense was directly related to project implementation and indispensable for project implementation.

Submitted accounting documentation that does not comply with all the above requirements simultaneously are not proof of eligible expense.

6.3 Final financial report, final payment

The Beneficiary **reports the Grant funds in its final financial report by expense categories** (approved budget structure) **and by the budget items**. The Beneficiary must ensure that the conditions and provisions of the Agreement apply to all its contractual project partners.

Total amount of the Grant that is subject to Financial Report must not exceed the amount approved in the original project budget even in the event the total real expenses exceed the total approved ODA budget. In the event the eligible expenses after project completion be less than the total approved ODA budget, the Grant is limited to the amount of real eligible expensed approved by SAIDC.

It is recommended that Beneficiaries **check the level of costs related to individual budget items at least once a month**. Such regular checks of expenses by budget items **will prevent overruns and problems during final financial reporting**.

The final payment, which is a refund payment, will be transferred to the Beneficiary's account only upon complete financial reporting of all project expenses. That means the Beneficiary must cover expenses from its resources and SAIDC will make the final payment only based on the complete final financial report. **The Grant may not lead to generating profit for the Beneficiary** and must be limited to an amount needed to cover project expenses. **The final payment is in the maximum amount of 10% of the approved Grant amount**.

A request for final payment (final Grant payment) is submitted by the Beneficiary **upon the approval of the Final Report and Final Financial Report** using the requested form. SAIDC will review the formal accuracy of the application. In the event of any discrepancies, it returns the application to the Beneficiary for correction. If Grant eligibility requirements are provably met, the funds will be transferred to the Beneficiary's project account within 10 working days from the receipt of approved request for final payment. SAIDC reserves the right to extend this period in case of a shortage of available funds.

In case of a duplicate payment or payment greater than the amount for which the financial report has been submitted, the Beneficiary must return these funds without undue delay no later than within 10 working days from the date it was identified or notified thereof.

6.3.1 Project accounting

Pursuant to **Section 1 Act No. 431/2002 on Accounting** as amended (hereafter the “Act on Accounting”), accounting units are legal entities with a registered office in the Slovak Republic, foreign entities doing business in Slovak territory, foreign nationals doing business in Slovakia or performing other types of activities as defined by separate rules and regulations (e.g. foundations) and natural persons doing business or self-employed if they prove their expenses were incurred in connection with achieving, providing and sustaining income for the purposes of an identifying tax assessment base for income tax, with the exception of natural persons whose tax reporting is under a special tax regulation.

Pursuant to the Act on Accounting, each accounting unit must maintain simple or double-entry bookkeeping. Pursuant to the Act on Accounting, Section 8, the Beneficiary must keep its accounting correctly, completely, with documentation, clearly, and such that it ensures the permanent character of its accounting records.

Accounting of an accounting entity is:

- a) correct if the accounting unit keeps its books in line with the Act on Accounting and other applicable regulations;
- b) complete if the accounting unit enters each transaction during the accounting period in the books;
- c) documented if all accounting records are demonstrable and the accounting unit carried out an inventory;
- d) clear if it is possible to identify reliably and clearly the content of transactions both individually and in context, according to accounting principles and methods and the content of accounting records according to applied forms of accounting records; and
- e) permanent in character if the books are kept in a way that ensures durability of accounting records if the accounting unit is able to provide for this throughout the processing and archiving period.

A Beneficiary that is not an accounting unit must keep records of project-related assets, liabilities, income and expenses in its books, with items identified as project-related in words and numerically. Such Beneficiary must reasonably apply provisions of the Act on Accounting, accounting records, accounting documentation, and valuation methods, when keeping such records, supporting entries and asset valuation methods.

If the partner has a registered office or place of business outside of the Slovak Republic, **it must keep its accounting** related to the provision of aid pursuant to the legal regulations of the country of its registered office or place of business.

6.3.2 Origin and payment of eligible expenses – general conditions

When assessing eligibility of expenses, the reviewed categories include the type of expense, **when it was incurred and when it was paid for**. The expense must be incurred and paid for during the project implementation period specified in the Agreement.

The date the expense is incurred is the date the transaction occurred. This date is indicated on the accounting documentation (e.g. receipt).

The date the transaction occurred is the date of delivery, payment for a liability, cash disbursement for a receivable, set-off of a receivable, payment or receipt of advanced payment, or transfer of assets within the accounting unit, as well as the date when other facts were identified resulting from specific regulations or the accounting unit's internal guidelines or internal conditions/rules that are subject to accounting and that occurred in the accounting unit, providing the accounting unit has necessary supporting documentation available.

Accounting documentation issued to an entity that is not required to pay VAT originate on the date of transaction, which is required information in accounting documentation. In most cases, the transaction date is identical with the time the accounting documentation is issued.

In order to evaluate eligibility of an expense it must be proven that all expenses were paid out³⁰. This payment may be proven e.g. by bank account statement, written cash receipt, cash register receipt, or a simplified tax document.

6.5 Supporting documentation for eligible expenses by categories

Supporting documents are either presented in writing (original or copy of a³¹ documentation) **or electronically. Request for payment/reporting and documentation for this request** (including accounting documentation and documents for expense reimbursement) **need to be submitted to SAIDC in one copy.**

When substantiating **overhead costs, summary sheets** as an internal accounting document must be used, and must contain the following:

³⁰ Proof of payment for expenses does not relate to expenses incurred as overhead expenses or those incurred as in-kind contributions and depreciation.

³¹ Copies of documents must be signed by the Beneficiary's statutory body/representative (or an individual so authorised); this is only required for documents proving payment for expenses (such as bank account statements). If the documentation consists of various documents, each must comply with the requirement in the first sentence. Statements from the state treasury do not require copies of documentation.

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- a) A summary table specifying type of cost, amount, number of accounting documentation under which the document is entered in bookkeeping, payment date, and number of the document demonstrating the payment for the expense;
 - b) total amount of overhead costs for the given period;
 - c) a summary table calculating the ratio of project-related overhead costs (e.g. if only part of rented premises/spaces is used for project purposes, or only some of the phone lines; or the project's ratio of expenses for electricity, heating, maintenance etc.)

The Beneficiary does not submit originals/copies of the tax documents when submitting documentation supporting overhead costs. The Beneficiary confirms the veracity of the information indicated in the table with **an affidavit by an authorised individual** (authorised to act on behalf of the Beneficiary) **with signature** on the table submitted.

6.5.1 Personnel expenses

When claiming and documenting personnel expenses, the Beneficiary must prove the existence of an employer-employee relationship under which the employees perform project-related activities and the volume and type of work they performed within the project framework.

When documenting personnel expenses, in particular the following documents must be submitted:

- a) Employment based on work contract³²
 - 1. Work contract or addendum to the work contract and job description (specifying job description for the project/projects) or description of activities under the civil service, and suggested salary, including addenda to the above documents;
 - 2. payroll or other relevant document (pay record, pay slip);
 - 3. proof of payment;
 - 4. calculation of eligible pay and payroll deductions;
 - 5. accounting documentation; and
 - 6. bank statement proving payment of wages and payroll deductions.
- b) Work contracts for work outside of employment frameworks
 - 1. Agreement on working activity (*dohoda o vykonaní práce*) or other type of agreement under the Labour Code;
 - 2. payroll or other relevant document (pay record, pay slip);
 - 3. calculation of the eligible expense;
 - 4. proof of payment;
 - 5. accounting documentation; and
 - 6. bank statement.
- c) self-employed individuals

³² Including employment in the civil service.

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1. copy of order/contract/contract for mandate;
 2. invoice;
 3. bank statement on payment of remuneration to the contracted individual; and
 4. worksheets.

Work agreements and agreements on working activity must be concluded under the Labour Code, Act on Public Benefit Work or Act on Civil Service. They must comply with all formal requirements of work agreements/agreements on working activity pursuant to these acts. Work agreements/agreements on working activity and their annexes (amendment to work contract) also must contain:

- a) identification of the project, in which the personnel is involved;
- b) a job description relevant for project purposes; and
- c) a specification of how the project work is appraised/remunerated; this specification must always include calculation of personal costs eligible as project costs, especially in cases when the personal project-related costs represent only part of the total personal costs of the given personnel while for the rest of the time the personnel works on other activities unrelated to the SAIDC project. It is not mandatory to document hourly pay in the remaining part of personnel costs, but time sheets must be submitted, specifying the number of hours worked, paid national holidays, holidays (if claimed), while the methodology of dividing costs into respective categories should be documented. Then it is necessary to document that the personnel cost was paid out.

When documenting **personnel expenses** to SAIDC, the Beneficiary must also **identify the account of the personnel** or of an authorised individual if the account is not identified in the work agreement (or agreement on working activity).

Educational and training activities (e.g. lecturing, training) must be documented by a list of participants signed by the³³ trainer, lecturer, teacher or other individual delivering training activity and the timeline of those activities (e.g. lectures, training)³⁴.

The time sheet must include in particular the following:

- a) identification of the project;
- b) name of the entity;
- c) clear personnel identification and work position (with reference to budget item that covers personnel expenses); time frame (month and year when the activity was performed);
- d) scope of work in time as identified in the contract and description of activities performed under the project in specific days;
- e) detailed description of activities and outcomes; general formulations like “administrative work” or “project management” are not sufficient; activities must also be reported on days corresponding to actual implementation; and
- f) signature(s) of personnel and statutory representative or individual authorised by the Beneficiary.

³³The list of participants must also be signed by the participants in those training activities.

³⁴ If the training activities are not organised by the Beneficiary but by sending persons to the given training activities, the claimed expenses must be documented in an alternative manner allowing verification of the services actually delivered and the participation in the given activity.

Activities and volume of work on the time sheet must correspond with work actually performed within the reported period and must be in line with records on time worked as kept by the Beneficiary.

The expenses which are linked with other **personnel**, who is, however, necessary for the direct project activities (e.g. security, chauffeur, regular medical staff, local teachers, farm workers), will be reported in a summary table that forms Annex No.9. When reporting on this type of personnel, the Beneficiary does not submit additional documents. The veracity of data in the summary table will be confirmed by affidavit.

6.5.2 Travel costs reimbursements

Travel costs reimbursement (domestic and foreign business trips) may be claimed and documented as follows:

- a) travel order form, containing the following data: employee's name and surname, consent to business trip with the employee's signature, start of travel, place of activity, purpose, end of travel, and set means of transportation.
The completed business travel report includes the following: date, hour and place of departure/arrival; in case of foreign business trips also the time of border crossing; in case of public transportation (local or other) the ticket price; in case a motor vehicle is used the distance in kilometres; meal allowance during business travel, overnight stay fee, necessary additional expenses; total amount of travel reimbursement; dated signature of authorised personnel who received the business travel report; number of accounting documentation for payment of travel expenses (number of written cash receipt or bank account statement), dated signature of the employee, the cashier and the superior in the organisation when reimbursing travel expenses;
- b) transportation ticket, boarding pass (if applicable);
- c) proof of payment (for e.g. accommodation, travel costs etc);
- d) written report on business trip – a brief report from each business trip that will contain the following information: who took the business trip, when and where, relevance of the trip for the project, and brief description of the outcomes (conclusions from negotiations, implemented activities – e.g. training etc);
- e) if a private motor vehicle was used for business purposes³⁵ – information on the travel costs by public transportation (e.g. electronic confirmation of a price from a carrier);
- f) if a motor vehicle of the organisation was used for the purposes of a business trip: request form for transportation (the relevant form for project-related transportation), driving log (relevant pages from the log) showing project-related business trips, invoice or receipt for fuel purchase, copy of the vehicle registration card, and method of calculating eligible expenses for fuel;
- g) supporting documentation on travel costs by public transportation (e.g. ticket);
- h) documentation on necessary additional expenses (e.g. taxi services including written justification for using the service, parking receipts, highway toll receipts, left-luggage receipts etc);
- i) method of calculating eligible expenses (if applicable);
- j) travel reimbursement agreement (if applicable);

³⁵ SAIDC requires documenting travel costs in a reasonable manner pursuant to item (f) above if the amount of expenses is set at a maximum of the amount of eligible fuel consumption.

k) accounting documentation (if travel report is not official accounting documentation).

6.5.3 Other expenses – External services (outsourcing)

This relates to supply of contracted external services pursuant to e.g. the Commercial Code or Civil Code. The most frequent types of services that can be considered as eligible expenses include: publications, training materials, manuals, expert services, studies, analysis, research, publicity, and conference and training course expenses including expenses for meals and accommodation of participants. In particular the following documents need to be presented when documenting expenses related to external services:

- a) written agreement³⁶ including amendments thereto;
- b) invoice or equivalent accounting documentation;
- c) certificate of acceptance³⁷ on performing activities/services;
- d) list of participants (if applicable);
- e) proof of payment;
- f) method of calculating eligible expenses (if applicable); and
- g) outputs from delivered services (e.g. publications, reviews, analyses, studies, audit reports, and photographic documentation).

6.5.4 Purchase of tangible and intangible assets (other than property)

In projects that **include purchase of tangible and intangible assets** (excluding real estates), these expenses need to be supported by the following documentation:

- a) written agreement³⁸ including amendments thereto;
- b) invoice or equivalent accounting documentation;
- c) delivery note or certificate of acceptance (if applicable), including signature of a representative of Beneficiary/partner, confirming acceptance and date of acceptance;
- d) proof of payment;
- e) confirmation of including into assets, and
- f) method of calculating eligible expenses (if applicable).

6.5.5 Purchase of land

Purchase of **land** must be supported by the following documents in particular:

- a) contract of purchase;
- b) accounting documentation; and
- c) proof of payment.

³⁶ An agreement entered into pursuant to a special act – Act on Public Procurement (below-the-limit contracts using the electronic marketplace) is also considered as a written agreement.

³⁷For documenting delivered services, SAIDC also accepts a time sheet as a Certificate of acceptance in case of personnel activity for project management and services of experts.

³⁸ An agreement entered into pursuant to a special act – Act on Public Procurement (below-the-limit contracts using the electronic marketplace) is also considered as a written agreement.

6.5.6 Purchase of buildings and procurement of construction works

Purchase of **buildings** must be supported by the following documents in particular:

- a) contract of purchase;
- b) proof of payment; and
- c) accounting documentation.

When submitting supporting documents for **procurement of construction works**, the following documents must be included in particular:

- a) invoice or equivalent accounting documentation;
- b) photographic documentation of progress of works;
- c) certificate of acceptance from supplier/subcontractor and construction supervisor,
- d) written contract; and
- e) proof of payment.

Depending on the type of intervention, SAIDC may also request the following documents for **procuring construction works**:

- a) valid certificate of occupancy (if applicable);
- b) construction project documentation including drawings;
- c) construction budget/appraised bill of quantities (upon finalised public procurement);
- d) construction log book (those parts that correspond to the period documented in the list of performed work), which should include:
 1. day, month, year;
 2. number of workers by type of craft;
 3. air temperature, weather conditions;
 4. start/end time of construction works;
 5. construction and assembly works performed, by type of buildings and operating units;
 6. delivery of construction products, and waste collection and disposal;
- e) protocol on performed construction works: an annex to the invoice; the Supplier confirms by an authorised individual's signature and Supplier's stamp that works listed in attached documents are in line with the actual situation and comply with the Supplier's requirements listed in the contract. The list of performed works and other related supplier documents must be attached to this documentation as stipulated by the contract. If those documents comply with the above requirements, the protocol on performed construction works does not need to exist as a separate document; and
- f) list of performed work: with each issued invoice, the Supplier must attach a list of performed work, in keeping with the requirements below:
 1. The itemised list of performed works (supplied goods and services) must correspond with itemised work (goods and services) listed in the bill of quantities as an integral part of the approved contract;
 2. The list of performed works must include quantities of activities/works performed by the Supplier and quantities of delivered goods pursuant to the budget/ appraised bill of quantities that is an integral part of the contract;

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3. The list of performed works must be confirmed by an authorised individual (such as construction supervisor) with his/her stamp and signature;
 4. The list of performed works must contain unit prices of items of invoiced works pursuant to the contract;
 5. The reporting system for performed works must ensure that performed work will not be reimbursed twice.

6.5.7 Purchase of used equipment

For projects that involve purchase of **used equipment**, these expenses are substantiated above all by the following documentation:

- a) written agreement³⁹, including amendments thereto;
- b) invoice or equivalent accounting documentation;
- c) delivery note or certificate of acceptance (if applicable), including signature of a representative of Beneficiary/partner, confirming acceptance and date of acceptance;
- d) document on including the used equipment in the assets;
- e) proof of payment;
- f) method of calculating eligible expenses (if applicable); and
- g) confirmation (e.g. by affidavit) that neither the current nor any previous owners of the used equipment received subsidies from public funds to purchase the equipment prior to registration of the Grant Application.

6.5.8 Overhead expenses

Procedures of financial reporting for overhead expenses are defined under “Supporting documentation for eligible expenses by categories”.

6.5.9 Financial expenses and fees

Bank fees (i.e. expenses related to opening and managing a bank account and financial transactions from/to this account) are reported and documented by **bank account statements** documenting the amount of expenses and payment thereof, or through other documents issued by the relevant bank that clearly indicate the fees for the given period and payment thereof by the Beneficiary/PPP. The same principle applies to expenses for bank guarantees awarded by financial institutions.

Expenses related to issuing a Record from the Business Register or registration in/record from the Land Registry, notary fees, or asset insurance are documented by bank account statements or payment receipts and proof of payment (for property/asset insurance also by an Agreement on Asset Insurance).

³⁹An agreement entered into pursuant to a special act – Act on Public Procurement (below-the-limit contracts using the electronic marketplace) is also considered as a written agreement.

6.6 Archiving of supporting documents

Originals of the documents or verified copies of originals need to be archived, or documents stored on generally accepted data storage media, including electronic versions of original documents or documents existing only in electronic form.

Documents are to be stored in a form that allows for identification of given data for a period no longer than that inevitable for the purposes for which it was collected or processed.

Verification procedures for certifying that documents stored on generally accepted data storage media correspond to the original documents are specified by internal (Slovak) state authorities and will also ensure the stored versions comply with national (Slovak) legal requirements and are reliable for the purposes of control and audit.

If documents exist only in an electronic version, the computer systems used must comply with accepted security standards that will ensure stored documents comply with national legal requirements and are reliable for audit purposes.

6.7 Expenses in foreign currency

When converting foreign currencies into EUR the following methods are recommended:

- a. **the real exchange rate** (currency exchange rate), for which the foreign currency was purchased;
- b. **the rate used by the bank** to convert the EUR into a foreign currency (e.g. in the case of a transfer of funds to a partner's account, this rate may be used until the amount transferred is spent);
- c. **the exchange rate determined and announced by European Central Bank (ECB) or National Bank of Slovakia (NBS)** on the day preceding the day of the accounting event (the day of payment) in accordance with Section 24 (2) (a) of the Accounting Act No. 431/2002.

The Beneficiary shall choose one method which must be used throughout the project's implementation period.

When reporting costs in foreign currency, **the Beneficiary submits:**

- documents confirming used bank and exchange rates; or
- exchange rate list of used reference exchange rates printed e.g. from the Internet.

Where other method of conversion is used (e.g., applying the arithmetic average of the reference exchange rates when dividing one transaction into several consecutive payments), **SAIDC will treat the beneficiaries individually upon the latter's sufficient justification.**

When converting foreign currency to euro, the Beneficiary must round up the amounts indicated in the budget form to two decimal places (e.g. 10,500 Kenyan shillings = 80.37 euro instead of 80.371462 euro).

7. CHANGES IN THE PROJECT

Changes during the project implementation period are permissible if there are necessary or increase the impact of the project. During the project implementation period, the Beneficiary communicates with the SAIDC project and financial manager (PFM) responsible for the given area regarding changes in the project and other matters related to the "Grant Agreement".

7.1 Changes (transfers) in the budget

The following changes in the budget are distinguished:

- a. Budget changes not requiring approval and notifying SAIDC is sufficient;
- b. Budget changes requiring an electronically filed change request and its subsequent approval by SAIDC.

Any changes in the budget are permissible only **during the project implementation period**. Any request delivered after the project implementation period will not be considered. Shifting financial funds are permissible as are the addition of new items, provided that **project outcomes and objectives remain unchanged**. All budget adjustment changes are tied to the total project value.

7.1.1 Budget changes not requiring SAIDC approval

With regard to budget transfers which **will not impact the expected project results** (project objective, specific project goals, outcomes and indicators according to the project's logical framework) **and concurrently do not impact cross-cutting topics**, and are also implemented:

- a) **within one category** of expenses while maintaining its volume;
- b) **between categories up to 15% of the expense category volume** in the last approved budget⁴⁰, to which the transfer relates⁴¹;

⁴⁰ The last approved budget means the last budget that was approved by SAIDC in writing. If the Beneficiary did not submit a budget change request during the implementation, the last approved budget is the budget version attached to the Grant Agreement. The Budget changed by means of an email notification during the reporting period or along with the sending of interim/final report, is not considered approved, and thus it is not the basis for the calculation of % of the following notified change. If the beneficiary reports several changes to the same expense category, these notifications will be cumulated. Hence, it is not possible e.g. to increase the category through a notification by 15% and then again by additional 10% through a notification, as this represents 25% of the last approved budget. With the second change it is necessary to ask for approval of a budget change.

⁴¹ Calculating the change percentage pertains to the category **from which** the amount is transferred and the category **to which** the amount is added. The transfer must not account for more than 15% of the category volume, according to the last approved budget, this applies both to the category from and to which the amount being is transferred.

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- c) **changes in the price of units of measure by less than 50%**, where at the same time the absolute value of the change does not exceed EUR 1,000. This rule does not apply to personnel costs.

the Beneficiary may implement such budget changes, however, it must notify SAIDC of such fact electronically. The Beneficiary must indicate such notification in the following interim report at the latest. Along with the notification, the Beneficiary shall also send the updated budget to SAIDC electronically, in which the Beneficiary must indicate ODA amounts compared to the last budget approved by SAIDC. The Beneficiary must upload the budget to the GMS system within 10 days. This rule must not be applied if it could result in the exceeding the following limits: 7% for indirect costs, 23% for the sum of personal costs on project management and travel expense reimbursements and meal allowance for the project management, as stated in chapter 2.5 Limits at the project level. This rule must not be applied to contractually agreed volume of capital expenses, as stated in part 2.1.5 Capital Expenses.

7.1.2 Budget changes requiring SAIDC approval

The following changes are subject to written approval by SAIDC:

- a) Any **transfers between expense categories** exceeding 15% **of the volume of the expense category** in the last approved budget⁴², to which the transfer relates;
- b) **changes in the price of units of measure by 50% and more %**, or change in the price of units of measure the absolute value of which exceeds EUR 1,000;
- c) any change in the price of units of measure in personal costs;
- d) creation of a new project item;
- e) cancellation of a project item;
- f) change in the name or comment of a budget item with a significant impact on the project⁴³

In such cases the Beneficiary must seek approval SAIDC from electronically (with a scan of the application signed by the Beneficiary's statutory body) **prior to making such change**. SAIDC will then inform the Beneficiary in writing whether the budget transfers are accepted, **no later than within 10 working days after having received the electronic scan of a signed application by SAIDC** for development projects, and no later than 5 working days **after having received the electronic scan of a signed application by SAIDC**

⁴² The last approved budget means the last budget that was approved by SAIDC in writing. If the Beneficiary did not submit a budget change request during the implementation, the last approved budget is the budget version attached to the Grant Agreement. The Budget changed by means of an email notification during the reporting period or along with the sending of interim/final report, is not considered approved, and thus it is not the basis for the calculation of % of the following notified change. If the beneficiary reports several changes to the same expense category, these notifications will be cumulated. Hence, it is not possible e.g. to increase the category through a notification by 15% and then again by additional 10% through a notification, as this represents 25% of the last approved budget. With the second change it is necessary to ask for approval of a budget change.

⁴³ A change having a significant impact on the project means a change with the impact on the project's logical framework and cross-cutting topics. For a minor change, which will not impact the expected project results (main project objective, specific project goals, outcomes and indicators according to the project's logical framework) and does not impact cross-cutting topics, it is sufficient to notify SAIDC of the change.

for humanitarian projects. These **terms** apply **only to the understanding** that the Beneficiary submits to SAIDC **all necessary supporting documents and information** and no additional request for missing documents and information is required by SAIDC.

Any submitted application for change or transfer in budget items must be signed by the statutory body of the Beneficiary's organisation and **the change thoroughly justified**; it must include the amount being transferred **in EUR and percentage**, and the names of the concerned cost categories and budget items. The form for requesting a budget change is Annex No. 10 of the Financial Guidelines "Requests for change or transfer of funds in the budget". Along with the filled-in and signed change request form, the Beneficiary must send SAIDC the proposed updated budget after the change, which the Beneficiary must submit within 10 days following SAIDC approval.

SAIDC reserves the right to reject, in writing/electronically any application for budget changes should there be any suspicion of ineffective Grant use, such as an unjustified increase in compensation to professionals in the final days of project implementation or if the change is considered as unfounded, inefficient and ineffective and it had impact on the successful project implementation.

The Beneficiary may also request the approval of a change which satisfies only the conditions for change notification referred to in part 7.1.1.

All examples of budget transfers are available to Beneficiaries in Annex No. 12 of the Financial Guidelines "Examples of requests for change or shifting of funds in the budget".

7.2. Personnel changes

As is specified in the Call, the **Organisational Chart form** is a mandatory annex to the Grant application that the Applicant is obliged to submit together with CVs of the Applicant's and partner's (CPP) management, professional and expert personnel. **Project Managers of the Applicant and the partner must be known already when submitting the Grant application** and their CVs including information noting the length of relevant professional experience and consent to processing their personal data must be attached to the Application. Should the positions of professional and expert personnel in the project be unassigned at the time of submitting the Application, the Applicant **is obliged to attach detailed job description conditions** for the given positions. **Upon signing the Agreement, the Applicant is obliged to provide the Organisational Chart at least 50% completed, featuring specific individuals.**

If all positions in the Organisational Chart form are not occupied, the Beneficiary may fill them during the project implementation period.

Changes in the Organisational Chart regarding the position of a Beneficiary/CPP project manager are subject to approval by SAIDC upon electronic request submitted by the Beneficiary. The Beneficiary must submit an updated Organisational Chart, including CVs and GDPR approval forms.

Any other changes in the Organisational Chart are the sole responsibility of the Beneficiary. If any personnel changes occur during the project implementation period, the Beneficiary is obliged to notify them to SAIDC in the **interim project reports**, including by CVs and consent to the processing of personal data. If this requirement is not observed and SAIDC, during checking, discovers the discrepancy between the CVs and eligibility criteria, the discrepancy between rates with terms (limits) and the discrepancy in expertise/qualifications of the worker on the project, **the risk of ineligibility of expenses is borne by the Beneficiary.** SAIDC points out that in such cases the amount of the approved Grant may be reduced. In order to prevent the risk of ineligibility of expenses and of reducing the amount of the approved Grant, SAIDC recommends consulting the changes to the Organisation Chart of the project in advance with the PFM of SAIDC.

An increase in approved personnel costs is not possible. The only exceptions are situations when a new activity is added to the original project activities, which requires additional personnel work. In this case, costs may be reimbursed under the transfer/transfers in the project budget.

7.3 Changes in project activities and in timeline

The Beneficiary may request for the **shift of the activity** to the next reporting period **electronically** if there are **objective reasons**. It is sufficient to notify the shift of an activity within one reporting period electronically. The Beneficiary must also send a modified version of the timeline of project activities.

The Beneficiary may request **extending of the original activity electronically** if the circumstances in the project require so, or request **adding a new activity**. These changes may be covered from the saved funds.

SAIDC does not recommend changing approved activities. If circumstances so require, the Beneficiary is obliged to apply for the change **in advance** – **no later than within 5 working days before the planned implementation of the proposed change**. Planned achievement of an indicator specified in the project's logical framework **at less than 75% of the originally approved indicator value** is also considered a change. The request for change (electronically – with a scan of the signed request) must include a thorough **explanation**. The written/electronic request must explicitly specify the original and new indicator value or a description of a change in the activity. SAIDC will inform the Beneficiary by means of electronic mailbox no later than within **5 working days** of accepting/of receiving the Beneficiary's complete request. In the case of **humanitarian projects**, SAIDC will inform the Beneficiary by means of secured electronic mailbox no later than within **3 working days** of accepting/of receiving the Beneficiary's complete request.

The required change is possible to apply **after the approval from SAIDC**. Following the approval of the change, the Beneficiary is obliged to make the change in the budget in the prescribed form as well as the GM. SAIDC reserves the right to reject in writing/electronically any application for changes.

7.4 Changes requiring amendment to agreement

If not otherwise specified in the Grant Agreement, any change and addition to the agreement is performed in writing form by an **amendment** to the Agreement. The purpose of the amendment shall not be to perform changes to the Agreement which may call into question the decision to award a grant, or which could violate the principle of equal treatment of the beneficiaries.

Each request for change and addition shall be duly reasoned in writing/electronically and sent to the other Contracting party ahead of time, however, **no later than 30 working days⁴⁴ before the end of the eligible project activities (i.e. project implementation period), specified in the agreement.** Each request must be justified, and it must be clear which activities will be implemented during the proposed project extension period. Project implementation in the last year of its realisation (for two-year projects) is possible **by the end of July of the given calendar year at the latest**, with the final report being submitted no later than at the end of **August of that calendar year.**

The amendment shall be deemed to have been concluded on the date of its signature by the last contracting party. The amendment to the Grant Agreement shall enter into force on the date on its signature by both contracting parties. It shall take effect on the day following its publication pursuant to Section 47a (1) of the Civil Code, as amended.

In case of a vis maior event defined in the Grant Agreement, the Beneficiary may apply, based on a written request, **for an extension of the project's implementation period, however, no more than twice during the implementation period**, the total project implementation period may not exceed the period: two years from the year when the Grant Agreement was signed (example: projects starting in 2024 must be completed no later than in 2026). The Beneficiary must request any such change in writing and upon its approval by SAIDC, a written amendment to the Agreement will be signed. Another situation, when an amendment to the Agreement with SAIDC is needed is when there is a **change of the Contractual Project Partner**. The Beneficiary must notify SAIDC of this change electronically **no later than within 10 working days from when such changes were implemented. Once the change of the Contractual Project Partner is approved, SAIDC will invite the Beneficiary to sign the amendment to the Agreement.**

Where there is a **change of the Beneficiary's bank count**, the Beneficiary must notify SAIDC of this change electronically. A scan on the change of Beneficiary's bank account signed by its statutory body, including a bank statement confirming the minimum account balance are attached to such email message.

In the event of a **change at the position of the Statutory representative, registered office, business name or organisation name, bank details of the Contractual Project Partner, Business Identification Number or Taxpayer Identification Number**, SAIDC is not obliged to sign an amendment to the Agreement with the Beneficiary. The Beneficiary must notify SAIDC of these changes through a secured electronic mailbox no later than within 10 working days from when such changes were implemented.

8. VISIBILITY

The Beneficiary **must place the "SlovakAid" logo** on an information notice of **all projects** supported by ODA SR pursuant to the SAIDC Design Manual. The following information must be indicated:

⁴⁴In exceptional and duly justified cases, SAIDC may shorten the time limit.

“This project (full project name) implemented from MM.RRRR–MM.RRRR (project duration pursuant to the approved Agreement **was carried out from the funds of the official development aid of the Slovak Republic.**”

The Beneficiary undertakes to **publish on its website**, if any, **basic information on the project** together with **photo documentation** of the project.

The Beneficiary is obliged to inform the public during the implementation and after the end of the project, **at least 5 years** from the sending of the final payment of the Grant, that the project is/was co-financed from the **official development assistance program of the Slovak Republic**. The Beneficiary **is obliged to place the "SlovakAid" logo** on all published materials related to the project, as well as on tangible assets acquired from the project.⁴⁵

SAIDC encourages the Beneficiary to consider the use of other available tools for project presentation (e.g. printed or audio-visual materials, communication with the media, public information presentations, **videos** and others). In case of producing an image material, the Beneficiary undertakes to provide the material in question to SAIDC (**videos** and **photographs**) based on the Grant Agreement for marketing purposes, together with the consent of the data subjects.

For breach of the individual obligation of the Beneficiary to publish information about the project, SAIDC is entitled to apply a **contractual penalty** to the Beneficiary in the lump sum **of 0.8% of the maximum amount of the grant**. SAIDC is entitled to apply a contractual penalty even if SAIDC has called on the Beneficiary to additionally fulfil an individual obligation, the breach of which is subject to a contractual penalty, and the Beneficiary has failed to fulfil this obligation even within the provided additional period.

9 LEGISLATION

Act No. 392/2015 on Development assistance act as amended in wording of Act No. 281/2019

Act No. 431/2002 on Accounting as amended

Act No. 513/1991 – Commercial Code as amended

Act No. 40/1964 – Civil Code as amended

Act No. 311/2001 – Labour Code, as amended

Act No. 283/2002 on Travel reimbursements as amended

Act No. 222/2004 on Value added tax as amended

Act No. 595/2003 on Income tax as amended

Act No. 343/2015 on Public procurement and on change and amendment to some acts as amended.

⁴⁵ The SAIDC logo and the Design Manual can be downloaded at the following website: <https://slovakaid.sk/dizajn-manual-loga/>

Act No. 523/2004 on Budgetary rules for public administration and on change and amendment to some acts as amended.

Act No. 357/2015 on Financial control and audit and on change and amendment to some acts

Act No. 122/2013 on Personal data protection and on change and amendment to some acts

Act No. 406/2011 on Voluntary work and on change and amendment to some acts

Act No. 278/1993 on Managing state assets as amended

Act No. 382/2004 on Experts, interpreters and translators

10. Annexes

Annex No. 1: Time sheet – template

Annex No. 2: Interim report – template

Annex No. 3: Final report – template

Annex No. 4: Cost accounting and reporting – template

Annex No. 5: Request for payment – template

Annex No. 6: Certificate of acceptance – template

Annex No. 7: Consent to the processing of personal data – template

Annex No. 8: Record of market survey – template

Annex No. 9: Summary sheet personnel costs – template

Annex No. 10: Template Requests for shifting of funds in the budget

Annex No. 11: Table of overhead project costs – template

Annex No. 12: Requests for change or transfer of funds in the budget