

Guidelines for project reporting

These guidelines provide the beneficiary organisations with instructions for fulfilling the obligations of narrative and financial reporting contemplated and regulated under the Operating Agreement with the ProSolidar Foundation, with the guidelines constituting an integral part of the agreement. The documentation called for below must always be sent by the deadlines, in the formats and under the procedures described. These factors are part of the substance of the documentation and not merely its form. The Foundation shall not evaluate any document that does not comply with the following guidelines.

1. PROCEDURES FOR DISBURSING THE CONTRIBUTION AND INITIATING THE PROJECT

- The start of the project activities, the timing and the procedures for disbursement of the contribution are governed, based on the demands of the specific circumstance, by the operating Agreement between the Foundation and the Organisation. The value of the different portions of the funding is determined by estimating the association's economic commitment for the various phases of the project;
- The instalment representing the first portion of the contribution is disbursed only when all the conditions and assumptions have been met for the effective start-up of the project activities. The subsequent instalments, as stipulated below, are disbursed following approval, of the reports resented together with the related documentation on spending. The final balance must be paid in advance by the association (as required under the agreement) and is reimbursed only after evaluation and approval of the reports and the spending documentation (unless agreed to otherwise with the Foundation);
- To obtain disbursement of the funding instalments after the first one, the Narrative Report and the Financial Report (Annexes 1-2) must be presented for each instalment disbursed and spent, together with the annexes to the reports and the required spending documentation;
- At the time of the disbursement of the instalments that follow, the amounts of the expenses held not to be admissible are deducted.

2. INTERMEDIATE REPORTS

- As required by the specific circumstance, intermediate reports can consist of only the Narrative Report NR (Annex 1) or of the Financial Report FR (Annex 2) as well. All the annexes must be sent in the word or excel format, while the declaration of fulfilment of objectives (Annex 3) is to be signed, sealed and sent in the pdf format. Only in the case of this last document must the original ALSO be sent to the Foundation's address, and **only** when a Financial Report is being presented;
- The reports must always be sent by e-mail, to which scans of the expense documentation must also be forwarded, along with the individual photos indicated in the caption of the last page of the narrative report (Annex 1), with the photos in the jpg format. Care should be taken NOT to insert the photographs on the word (or pdf) page of the narrative report, but rather to send the photographic materials in a separate folder containing a minimum of 8 photos tied to the caption number found on the narrative report with the related description. The format of the photos must be JPG or PNG, with a resolution of 72dpi and a maximum dimension of 1M each. The images sent must be not only, meaningful, but also free of copyright or privacy restrictions, seeing that the ProSolidar Foundation shall use them, as it

shall also use a portion of your narrative report, to publicise the project on the Foundation's website;

- ONLY the declaration of fulfilment of the objectives is to be sent as an original (Annex 3)
- The organisation must present the Foundation with a narrative report on the project at four-month intervals, keeping the report under the "track changes" method. This procedure calls for compilation of the narrative report as a **SINGLE word file**, with a different colour used to describe the updated activities in each four-month report. For example, if the project begins in January, then the first report will be presented in April, describing the start of the work and any activities initiated with the colour RED; after four months, in August, there will be a second report, not on another word file but rather on the same file as the first narrative report presented, with the addition of the progress made on the activities between April and August, which shall be described following the descriptions of the first report, but in another colour, such as GREEN. And the same procedure is followed up to the end of the project.
- The organisation must present the Foundation with a narrative report each time it intends to request project modifications that require the approval (variants, extensions, suspensions – See points 5-6-7) of the Foundation. It is recommended that modifications coincide with the end of a four-month reporting period, though, should different timing be necessary, then the due dates of the subsequent narrative reports shall be adjusted accordingly.
- The organisation must present the Prosolidar Foundation with a narrative report and financial report when it has effectively spent the portion of the contribution disbursed, whether it intends to request another portion or it has spent the last instalment before the final balance (in which case the organisation shall advance payment of the final balance, which shall not be disbursed until after presentation of the final report – See point 3).
- For each financial report, the following must also be presented:
 - Declaration of fulfilment of objectives (Annex 3); PDF sealed signed, scanned and sent, together with the original, to the headquarters of the Prosolidar Foundation.
 - Declaration of currency transfers abroad, in the case of projects not located in Italy, or when the project program includes activities abroad (Annex 4);
 - Declaration of bank transfers in Italy, for domestic and foreign projects that call for payments to be made in Italy (Annex 5);
 - List of the goods purchased to carry out the project, complete with their assigned uses and purchase procedures (open format);
 - List of the personnel, indicating their tasks and compensation, together with the pay criteria normally applied (open format)
 - The documentation backing all the spending sustained (Ref.13 of this document)

Note: if requests for project modifications requiring approval (variants extensions, suspensions) are sent between one four-month report and another, or if intermediate reports are presented to request the following portion, then they must always be accompanied by a narrative report, after which the timing of the reports must be rescheduled.

FOR EXAMPLE: A project starts in September 2014 – 1st Narrative Report in January 2015; 2nd Narrative Report in May 2015; the funding instalment is completed in July, and so the 3rd Narrative Report is presented, together with the Financial Report; at this point, the 4th Narrative Report shall be scheduled for November 2015.

3. FINAL REPORT ON THE DISBURSEMENT OF THE BALANCE AND THE END OF THE PROJECT

- The final report ALWAYS consists of the Narrative Report (Annex 1) and the Financial Report (Annex 2), together with all the accompanying documentation, as specified under the preceding point. After carrying out its control and evaluation, the Foundation shall pay out the balance, based on the provisions of the Operating Agreement;

- The organisation must present the Foundation with the report no later than 3 months from the official date of the conclusion of the project;

4. OFFSETTING ACCOUNTING ADJUSTMENTS

- The Foundation allows, within reasonable limits, and in keeping with the overall approved project structure, a margin of divergence (offsetting accounting adjustment) that does not require approval from the Foundation.
- The offsetting adjustments must be such that no major item is increased or diminished by more than 10%. It should be noted that major items are those with headings preceded by one-digit numbers, such as “Movable assets and real estate” or “Equipment, materials and supplies” etc.. Modifications of more than 10% (Ref. 5 of this document) must be approved by the Foundation; Note: Though there is leeway of 10% on the major items, it goes without saying that the limits of reasonableness and consistency with the original project must always be maintained, meaning that, for example, if 4 flights costing 700 euro each have been planned, 2 flights costing 1,400 euro each cannot be taken, unless justification is provided for the decision.
- Under no circumstances are offsetting adjustments that increase the personnel item (“Human Resources”) or administrative expenses allowed, and within the personnel item, reasonable organisational measures are expected, and care should be taken, in the case of projects performed abroad, to avoid offsetting adjustments that favour Italian personnel over local staff.

5. VARIATIONS IN THE PROJECT DOCUMENT (Annexes 6 - 7)

- A variation request consists of:
 - The Narrative Report (Annex 1), which is always obligatory and must adequately present the activities, the timing of their performance, the beneficiaries and the results
 - The Variation Request Form (Annex 6), which must be sent in, having been signed and scanned
 - Variant Request (Annex 7), which must be sent only in the excel format.
- Requests must not entail extra costs for the contribution of the ProSolidar Foundation; variations that do come at a cost are subject to internal agreements to be reached with the Foundation on each separate occasion.
- All variations in the approved project (objectives, duration, financial plan, suspensions, beneficiaries or other changes of substance) are allowed only FOLLOWING AUTHORISATION on the part of the Foundation;
- Requests are subject to authorisation when the offsetting adjustments between major items are higher than the percentages that govern the offsetting accounting adjustments (Ref. of this document);
- Under no circumstances may requests alter the logic of the project, nor can they in any way affect its specific objective;
- Under no circumstances are variations that increase the personnel item or administrative expenses allowed. These items may be decreased in favour of other spending entries, but they never be increased.
- Should the association present more than one variant during the project, the same document shall always be used (Annex 7), adding the columns needed.

6. EXTENSIONS (Annex 8)

- Requests for extensions must always entail no extra cost and be authorised by the ProSolidar Foundation;

- The organisation may request that the duration of the project be extended for a maximum of 12 months, except in the case of exceptional events, as judged by the Foundation on each separate occasion, and at its full and binding discretion;
- Extension requests (Annex 8) must be presented together with a narrative report (Annex 1).

7. PROVISIONAL SUSPENSION

- Such a request is to be made by the Association on an exceptional basis only, and it must be justified by objectively significant elements, with the request itself to be drawn up without any specific format and presented together with the Narrative Report (Annex 1).
- During the period of suspension, the Association must still send narrative reports with updates on the situation that caused the suspension.
- The Prosolidar Foundation reserves itself the option of requesting a suspension of the project for evaluations and controls.

8. INTERRUPTION

- The Prosolidar Foundation reserves the right, at any point in time, to interrupt an approved project, and to withdraw the financing of the same, due to irregular operating practices, as these are regulated under the Operating Agreement and the present guidelines; the Foundation may also request restitution of amounts already paid.
- Notification of the interruption of a project by the Foundation shall be sent by e-mail, together with an explanation of the decision, as soon as possible.
- Unexpected spending shall be accepted only if included in the budget for the approved project;
- Funding that is not utilised/not admissible must be returned to the Prosolidar Foundation by bank transfer.

Note: When a project is interrupted or suspended after the first portion of the funding has been disbursed, then the only expenses admitted are those having to do with the project between the date on which the activities start and that on which the notification of the interruption or suspension is given.

No new expenses shall be admissible, unless they represent payments for supplies or services already provided. The Foundation, in any event, must already have been notified of the circumstance.

Unforeseen expenses shall be admitted only if they are included on the approved project budget, and assuming they are communicated to the Foundation in advance.

Funding not utilised/not admissible must be returned to the Prosolidar Foundation by bank transfer.

8-b RESERVE PROVISION FOR THE UNFORESEEN

- The item "*Reserve provision for the unforeseen*" refers exclusively to situations that are unforeseen, or unforeseeable, in the planning phase, such as episodes of theft, changes in the political or security scenario. Under no circumstances can errors in evaluating other budget items, such as cost increases involving a specific item or the inclusion of a spending item not previously taken into account, be considered an unforeseen event. In order to be able to utilise the amount indicated under this item, the Foundation must be notified in advance and it must give its approval. This item can never be adjusted to offset others, meaning that, if the conditions for its use are not present, then it cannot be disbursed.

9. ADMISSIBLE EXPENSES

- Those pertinent and attributable to the activities performed;
- Those sustained during the time period covered by the Operating Agreement;
- Those that meet the normal parameters of reference for the sector and the local/geographic context;
- Expense are reported without including VAT (or the equivalent tax), should the organisation be exempt from paying VAT or be entitled to its reimbursement. In cases where the VAT (or the tax in force abroad) is not subject to recovery, it is included in the calculation of the expenses sustained and in the report. In the interests of determining whether VAT is admissible, the related support documentation must be presented, eventually in the form of a notarised substitute declaration that includes all the necessary information
- An exception: if the invoice with VAT also indicates withholding tax, then the expense that can be reported is the net amount due, regardless of whether or not the organisation is exempt from VAT
- All expenses sustained in a currency other than the EURO must be reported in Euro, using an exchange-rate procedure that should be declared in the first report and maintained unchanged for the entire duration of the project. The options for currency exchange procedures are:
 - Average UIC or Infoeuro exchange rate for the month in which the expenses were sustained, as published on the official site of the Bank of Italy <http://uif.bancaditalia.it/UICFEWebroot/indexHP.jsp?lingua=it> and on the Infoeuro site http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm;
 - The FIFO method (First In First Out – the first exchange rate considered is the first to be removed, up until the funds obtained with the exchange have been covered).

10. EXPENSES NOT ADMISSIBLE

With the proviso that, in making payments, the association must, apart from exceptional situations of which the Foundation must be notified in advance, utilise traceable instruments of payment (checks, bank transfers etc.), the following expense are not held to be admissible:

- Expenses sustained in cash without having been duly communicated to the Foundation, or approved by it, via e-mail;
- Bank expense and expenses from currency-exchange losses;
- Expenses planned but not actually sustained;
- Expenses sustained by the association for pre-feasibility project activities;
- Expenses for purchases of goods or vehicles made outside of the beneficiary countries, with the exception of expenses for which it can be demonstrated, with a declaration containing an explanation of the situation, that it was impossible to purchase the same items locally at the same levels of quality and at competitive prices;
- Expenses for taxis in Italy;
- Fines (even if they regard project vehicles) financial sanctions, penalties and expenses for legal disputes;
- VAT or another, equivalent duty, if subject to reimbursement;
- Public-relations and personal expenses sustained (in Italy or in the beneficiary country) by project operators, such as products or services for personal comfort during their stay in the beneficiary country, the hairdresser etc.;
- Expenses dated before or after the agreed to time period;
- Expenses sustained by third-party subjects, such as members of consortiums or salaried personnel reporting to other entities, ruling out reimbursements from foundations, government bodies, the European Union;
- Depreciation and/or financial expenses;

- Lump-sum spending or daily stipends;
- Lump-sum reimbursements to volunteers (meaning only expenses sustained for their activities and documented);
- Expenses not supported proper, approved documentation;
- Expenses for travel that is not in second class, for trains, or in economy class, for airplanes.
- Expenses for air travel for which boarding passes (including those for connecting flights) are not presented

11. VISIBILITY

- The association must make the contribution of ProSolidar visible through the means available to the organisation itself. To this end, the Foundation reserves the right to provide instructions to the association, along with the logo of the association, which must be used in any publications, on the organisation's website, on any printed materials and with any other information media;

12. MONITORING, CONTROLS AND EVALUATIONS

- The Foundation arranges for on-site accounting monitoring of the project, as well as evaluation of the results of the activities;
- The monitoring mission is agreed to in concert with the organisation, taking into account the scheduling demands of the Foundation, setting the date of departure and the working program sufficiently in advance to allow the organisation to ensure that its personnel are present, along with any beneficiaries available;
- In light of the above, the association is required to preserve the administrative and accounting documentation regarding projects at its headquarters for at least 5 years;
- Should irregularities not be remedied, or should they prove to have no remedy, then the Foundation reserves the right to revoke the funding and obtain restitution of the amounts disbursed, eventually through the courts with jurisdiction over such cases.

13. SUPPORT DOCUMENTATION

- All documentation must be sent SOLELY in electronic format, unless EXPRESSLY indicated otherwise.
- Together with the Financial Report, digital copies of the support documentation for the expenses sustained (invoices, receipts, cash-register slips, bank transfer print-outs, plane tickets etc.) must be sent to the Foundation. Bank statements must be included separately, meaning local bank statements as well, in the case of projects abroad. Receipts or invoices certifying spending for the project must be scanned or saved as pdf files and sent via e-mail to the address indicated above; expenses attributed to "others" (compensated and/or monetary) must be reported with a declaration made on letterhead paper and signed by the legal representative. The ProSolidar Foundation reserves the right, at any point in time, to examine the documentation for spending covered by other donors, or by the association itself, when the project contemplates co-financing.
- All account statements, including local ones for projects abroad;
- All expenses documents regarding the funding covered by the Foundation, plus the related receipts, must be stamped with the stamp of the Organization and signature of the person who drafted the report, next to the stamp with the red pen must be indicated the project code and the words PROOLIDAR FOUNDATION. All expenses documents must be marked in red pen with an expense-documentation code consisting of a number that corresponds to that indicated for each expense on the monetary list (Annex 2 – Sheet 2); this code must be put: **on the paper copies of spending documents, on copies of the related payments and on the corresponding account-statement entry;**

- The expense-documentation code must be indicated on the account statements, on the spending documents and on the related receipts in such a way that the expense sustained can be clearly associated with the related transaction. Any cumulative account statements must always be accompanied by a note indicating the total of the transaction shown on the account statement and the expense-documentation codes entered in the reporting;
- The administrative expenses of the project (item No. 10 of Annex All.2) can be reported on with a cumulative declaration signed by the legal representative, though the Foundation reserves the right to examine, at any point in time, the spending documentation for the total amount;
- Expenses sustained in cash (see point 10) must always be accompanied by a © sign
- The bank accounting regarding currency transfers made locally (for projects abroad) must be sent in under the same procedures and timing as the spending documents, along with personnel contracts and the CVs of the personnel employed, plus purchase estimates for payments of more than € 5,000 (at least 3 estimates).
- Should the justification documentation result in the processing of personal data, the Organization shall be responsible for working towards respect for privacy in fulfilling the regulations in force.

The Foundation reserves the right to make changes in the present guidelines. Should this prove necessary, the changes shall go into effect only with the financial and narrative reports following the ones currently underway.

COMPLETE LIST OF THE ANNEXES

- Annex 1 Narrative Report (word)
- Annex 2 Financial Report. The file consists of 2 sheets: “Summary Notebook” and “Monetary List”, with instructions for their compilation appearing at the ends of both sheets (excel);
- Annex 3 Declaration on the fulfilment of the objectives, bearing the seal of the organisation and the signature of the legal representative (pdf/paper)
- Annex 4 Declaration of currency transfers abroad (only for projects not in Italy), with the seal of the organisation and the signature of the legal representative (pdf/paper)
- Annex 5 Declaration of bank transfers in Italy (for projects abroad as well, when they include activities and sending in Italy), with the seal of the organisation and the signature of the legal representative (pdf/paper)
- Annex 6 Request for variation at no cost (pdf/paper)
- Annex 7 Table for modification of the budget for a variation at no cost (excel)
- Annex 8 Form for request of an extension at no cost (word/pdf)
- (open format) List of the goods purchased for the performance of the project, indicating assigned uses and purchase procedures (pdf)
- (open format) List of the personnel, indicating their assigned tasks and compensation, plus the pay criteria normally applied (pdf)
- (open format) Document containing the scans of all the spending documentation for the funding covered by the Foundation (pdf)

A paper copy, ONLY for the indicated, and accompanying only the Financial Reports, must be sent to:

FONDAZIONE PROSOLIDAR
Piazza del Gesù 49, 00186 ROME
Att.: Sara Gulli

TABLE SUMMARISING APPLICATION OF THE FOLLOWING GUIDELINES.

IN ALL CASES, NARRATIVE REPORTS MUST BE SENT TO THE FOUNDATION FOUR-MONTH INTERVALS.

REQUEST AND REPORTS	DOCUMENTS TO SEND
Narrative Report (NR)	Narrative Report (Annex 1) – DOC
Variation Request (at no cost)	Narrative Report (Annex 1) - DOC Request for variation at no cost (Annex 6) - DOC Table for budget modification (Annex 7) - EXCEL
Request for extension (P)	Narrative Report (Annex 1)
Request for suspension (S)	Narrative Report (Annex 1) - DOC
Disbursement of instalments of funding following the first & Disbursement of final balance of the funding (FR)	<p>Narrative Report (Annex 1) – DOC</p> <p>Financial Report (Annex 2) – EXCEL</p> <p>Spending documentation and account statements (scanned and stamped with seal)</p> <p>Declaration of fulfilment of objectives (Annex 3) – PDF and ORIGINAL</p> <p>Declaration of bank transfers (Annexes 4-5) - DOC</p> <p>List of goods purchased for the performance of the project, indicating assigned use and purchase procedures (open format);</p> <p>List of personnel, indicating their tasks and compensation, plus the pay criteria normally applied (open format)</p> <p>List of all the spending documentation regarding the funding covered by the Foundation (open format)</p> <p>Declaration on paper not bearing tax stamps of the expenses sustained in cash (single or cumulative), signed by the legal representatives - PDF</p>