**CHECKLIST FOR THE EXPENDITURE VERIFICATION**

of a Grant Contract
under the Kolarctic CBC Programme

***Name of the project***

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***ID code of the project***

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| KO |

***Official name of the Partner***

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***Reporting period (dd/mm/yyyy-dd/mm/yyyy)***

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| **Role of the partner in the project:** | **\_\_ Lead Partner** | **\_\_ Partner** |
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| **General remarks of the auditor/public officer (if any):** |

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| Date: |
| Name of the auditor: |
| Signature: |

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| **TYPE OF VERIFICATION** |
| Type of the verification: | **[ ]** Only desk-based check**[ ]**  Includes on-the-spot verification |
| On-the-spot verification(s) | Date: Place(s):[ ]  premises of the partner <indicate address> [ ]  place of project outputs <indicate address>[ ]  other (please indicate)<indicate address> |
| Format in which documents were made available | [ ]  original (including electronic)[ ]  copies (including electronic) |

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| **FORMAL CHECKS** |
| **Checks** | **Yes/No or****N/A** | **Comments** |
| 1. Application Form and Budget in force, as approved by the JMC, are available.
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| 1. Grant Contract signed by both parties (MA and Lead Partner) is available.
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| 1. Addendum of any modification of the Grant Contract is available.
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| 1. Partnership Agreement signed by all project partners is available.
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| 1. Narrative report (copy from PROMAS) made by the Lead Partner concerning the activities undertaken during the reporting period is available.
 |  |  |
| 1. Financial report’s Annexes (*Annexes 1-8*) of the partner are available.
 |  |  |
| 1. Financial report’s Annexes are accurate, informative (required fields filled in with sufficient details) and free of arithmetical errors.
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| 1. The total project budget in force is available.
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| 1. The individual budget of the partner in force is available.
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| **AUDIT TRAIL AND ACCOUNTING SYSTEM** | **Yes/No or****N.A.** | **Comments** |
| 1. Specific accounting codes or other transparent methods are used for the project in the accounting system which allow the identification of costs allocated to the project
 |  |  |
| 1. Computerised list of project expenditure and revenue can be obtained from the accounting system (except Indirect costs)
 |  |  |
| 1. The expenditure declared corresponds to the accounting records and supporting documents held by the Partner.
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| **GENERAL ELIGIBILITY CRITERIA** |
| **Checks** | **Yes/No or N/A** | **Comments** |
| 1. All expenses reported in the ***Annex 1, 1.2. General Ledger Specifications***are reliable, consistent with the records in the accounting system and with the ***Annex 1, 1.1. Financial report****.*
 |  |  |
| 1. All expenses have been actually incurred and paid by the partner, and they can be verified on the basis of adequate original supporting documents.
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| 1. All expenses are directly related to the project’s activities described in approved Project Plan, necessary for its implementation, and they are in accordance with the approved Project budget.
 |  |  |
| 1. All expenses have been incurred between the date of start of the project and the end date of the relevant reporting period or end of implementation period, with the following exceptions for the:

*¤ preparatory costs;* incurred after the publication of the Call for proposal and before the submission of the grant application.*¤ final report;* expenditure verification and final evaluation of the project, which may be incurred after the implementation period of the project. Expenses are paid before the submission of the Final report. |  |  |
| 1. All reported expenses are paid and proofs of payments are available.
 |  |  |
| 1. The exchange rate for converting incurred expenditure in national currency into Euro has been properly applied *(using the rate of the month when the expenditure has been recorded in the bookkeeping records)*.
 |  |  |
| 1. Any ineligible expenditure, including contributions in kind has been excluded from the declared expenditure.

*Article 14.5. of the Annex II: Conditions applicable to Grant Contracts financed by the Kolarctic CBC programme* |  |  |
| 1. All expenses are identifiable and verifiable and accounted in accordance with accounting standards.
 |  |  |
| 1. All expenses are reasonable, justified and in accordance with the principles of sound financial management, in particular regarding economy and efficiency.
 |  |  |
| 1. All expenses comply with the requirements of applicable tax, labour and social legislation of the country in question.
 |  |  |
| 1. Provided data is reliable and acceptable.
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| **VALUE ADDED TAX (VAT)** |
| **Checks** | **Yes/No or N/A** | **Comments** |
| 1. VAT is eligible cost to the partner.

*(According to the national tax legislation, the partner’s organisation does not have the right to recover the paid VAT and it remains as final cost for the partner)* |  |  |
| 1. If the VAT **is eligible cost** to the project,

- the confirmation of the VAT status from the tax authorities or the partner is available - this explanation is reliable and acceptable, and proofs the eligibility of the VAT. |  |  |
| 1. If the VAT **is** **eligible cost** to the project, reported expenditure include VAT.
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| 1. If the VAT is **not eligible cost** to the project, any recoverable VAT has been deducted from the amount of declared expenditure for all relevant items
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| **ELIGIBILITY OF EXPENDITURE**  |
| PERSONNEL | **Yes/No or****N/A.** | **Comments** |
| 1. All staff working in the project are indicated in the ***Annex 2, 2.1 Personnel list.***
 |  |  |
| 1. Work contracts /any similar type of contracts according to national rules /designation or secondment order of civil servant for all project staff are available.
 |  |  |
| 1. The data and calculations of the salaries provided in the ***Annex 2, 2.2 Salary Specification*** is consistent with ***Annex 1. Financial report with General ledger specification*.**
 |  |  |
| 1. Payslips and other supporting documents are available.
 |  |  |
| 1. Monthly timesheets *(****Annex 6 Timesheet****; or electronic follow up)* are available

*Timesheets can be checked in sample basis; but at least 1/3 of each employee´s timesheets shall be checked.* |  |  |
| 1. Timesheets are sufficiently detailed
 |  |  |
| 1. Timesheets are approved by the supervisor
 |  |  |
| 1. The method for calculating the hourly/daily/monthly rates and the calculation of the staff costs are available and correct.
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| 1. The calculation of staff costs is based on real costs (real gross salary proved by payslips) and real worked hours (time spent on the project proved by timesheets)
 |  |  |
| 1. Working time is according to the national legislation in force.
 |  |  |
| 1. Any fringe benefits, rewards over the monthly salaries are excluded from the monthly/hourly/daily rate
 |  |  |
| 1. Additional charges besides the obligatory social security charges are excluded from the monthly/hourly/daily rate
 |  |  |
| 1. Salary costs include costs of sick leave and/or maternity leave, these costs

a) are reported correctly in the Financial report’s Annexes *(For part time employees the share which can be allocated to the project is the average of the working hours calculated from the previous six (6) months);*b) are paid in accordance with the national legislation; c) reimbursement or any compensation from other sources like national social security system, taxation system or obligatory/voluntary insurance are deducted. |  |  |
| 1. Salary costs include annual holiday payments and/or holiday bonuses and/or holiday compensation, these costs

a) are reported correctly in the Financial report’s Annexes *(calculation is based on the share of project work during the period when the holiday was earned)*; b) are in accordance with the national legislation and Partner organisation’s common regulations. |  |   |
| 1. Salaries, social security charges and other remuneration-related costs are correctly distributed to the project as project expenditure.
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| TRAVEL COSTS | **Yes/No or****N/A** | **Comments** |
| 1. Only travelling costs of the project staff or other persons taking part in the project are declared
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| 1. Authorisations of the missions are available (if obligatory according to national/ institutional rules)
 |  |  |
| 1. Mission report signed by the travelling person is available (if obligatory according to national/ institutional rules)
 |  |  |
| 1. All relevant supporting documents are available (invoices, tickets, invitation, agenda, list of participants, minutes, etc.)
 |  |  |
| 1. The most economical way of transport is used, in accordance with the internal procedures of the organisation
 |  |  |
| 1. In case of use of own car or company car, calculation sheet prepared according to national or institutional rules stating at least the distance, the unit rate and the total costs of the travel is available
 |  |  |
| 1. Compensation of the daily allowances comply with the real travelling days.
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| 1. Compensation of the daily allowances are paid according to the national compensation rates.
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| EQUIPMENT AND PURCHASES | **Yes/No or****N/A** | **Comments** |
| 1. The equipment is used exclusively for project implementation
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| 1. Documents on the selection of the suppliers are available
 |  |  |
| 1. The supply contracts and other supporting documents are available
 |  |  |
| 1. Leasing contracts of the equipment are available
 |  |  |
| 1. The evidence of the purchase of equipment is available (e.g. inventory of the equipment purchased)
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| 1. Purchased items with value over 300 EUR/ 21000 RUB/ 3000 SEK/ 3000 NOK are indicated in the ***Annex 3. List of Purchases.***
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| OFFICE COSTS | **Yes/No or****N/A** | **Comments** |
| 1. Rent contract of the premises is available and equals with the paid rent
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| 1. Rent costs of the part-time staff are allocated to the project according to the working hours
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| 1. Other office costs of the part-time staff are not included to the direct costs *(they are part of Indirect costs)*
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| **5. EXTERNAL SERVICES AND SUBCONTRACTING** | **Yes/No or****N/A** | **Comments** |
| 1. Documents on the selection of the service providers/external experts are available
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| 1. The service/work contracts and other supporting documents are available
 |  |  |
| 1. The acceptance of the service/works is available
 |  |  |
| 1. Partners of the same project or its associated entities are not contracted as an external expert or sub-contractor
 |  |  |
| 1. The evidence of the service/work carried out by the service provider is available (e.g. studies, researches, analysis, brochures, project website, translation of project documents, etc.)
 |  |  |
| 1. For meetings and events, the invitation, agenda of the meeting, list of participants, photos of the event, etc. are available
 |  |  |
| 1. For costs of catering, a list of participants is available
 |  |  |
| 1. For financial charges and guarantee costs, only eligible expenditure according to the Grant Contract are declared:
* charges for transnational financial transactions;
* bank charges for opening and administering the account or accounts where the implementation of a project requires a separate account or accounts to be opened;
* the cost of guarantees provided by a bank or other financial institution to the extent to which the guarantees are required by national or Community legislation;
* legal consultancy fees, notarial fees if they are directly linked to the project and are necessary for its implementation
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| 6. INFRASTRUCTURE INVESTMENTS | **Yes/No or****N/A** | **Comments** |
| 1. The building permit is issued on behalf of the partner.
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| 1. The project tracking and quality control work is covered by the relevant public supervising body, signed by the legal representative / project’s technical designer and contractor according to the national requirements
 |  |  |
| 1. Payment statements of works are signed and dated by the legal representative / technical representative, the tutor / supervisor inspector (with attesting certificate) and contractor according to the national requirements
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| 1. The total amount of payment statements for work matches the value of the work situation
 |  |  |
| 1. Works are executed according to the time schedule and the payments don’t exceed the contracted budget
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| **7. INDIRECT COSTS** | **Yes/No or****N/A** | **Comments** |
| Share of the Indirect costs do not exceed the percentage specified in the approved **Budget by partner** |  |  |

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| **8. PREPARATION COSTS**  | **Yes/No or****N/A** | **Comments** |
| 1. They are incurred after the publication of the Call for proposals and before the submission of the grant application and included in the approved budget.
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| 1. They are limited to travel and subsistence costs of staff employed by the Partner.
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| **9. PROCUREMENT** | **Yes/No or****N/A** | **Comments** |
| 1. The procedure applied for the procurement of services, equipment or investments/infrastructure is adequate according to the Grant Contract, national laws and Programme rules
 |  |  |
| 1. Public procurements are documented (e.g. award criteria, requests for offers, offers, reports from evaluation committee, contracts are available)
 |  |  |
| 1. There is no restriction for participation in tenders for reason of nationality of the tenderer
 |  |  |
| 1. It is ensured that no conflict of interest exists between the Partner, the project consortium and the supplier of services, works or equipment/supplies concerning the procurement.
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| **LIST OF CONDUCTED PROCUREMENTS >3000 EUR** | **Contract value (EUR/RUB/SEK/NOK)** |
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| **10. REVENUES AND INTEREST** | **Yes/No or****N/A** | **Comments** |
| 1. The partner has reported revenues
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| 1. The revenues are real and adequately recorded
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| 1. At the Final report, in case the Partner is **not a government department or a public body**: the bank account produces interest *(interest on the programme funding paid by the Managing Authority to the project)* and the interest is correctly reported in the ***Annex 5, 5.2. Interest***
* Bank account statement on the amount of interest accrued from pre-financing is available;
* If the bank account statement is not available, the partner has provided a reliable method for calculating the accrued interest.
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| **11. INFORMATION AND PUBLICITY** | **Yes/No or****N.A.** | **Comments** |
| The requirements of Programme´s communication and visibility instructions and the Grant Contract are respected (e.g. use of EU-flag)*Project Implementation Manual, chapter 7 Communication and visibility instructions*  |  |  |

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| **CHECKLIST FOR AUDITOR** | **Yes/No or****N.A.** | **Comments** |
| 1. If less than 100% is verified, in ***EV3*** auditor has indicated for which budget headings a sample has been applied and described the used method for sampling.
 |  |  |
| 1. Auditor has filled in and signed the form ***EV5 List of factual findings***
 |  |  |
| 1. Amounts in ***EV5 “Summary table”*** equals with reported amounts in ***EV3*** and with ***Annex 1, 1.1. Financial report***
 |  |  |
| 1. ***In EV5****,* non-accepted costs are specified and justified
 |  |  |
| 1. ***In EV5****,* table “Indirect costs” is filled in by auditor
 |  |  |
| 1. ***In EV5****,* table “Income / Revenue” is filled in by auditor
 |  |  |
| 1. Auditor has marked verified expenditures/receipts in the ***Annex 1, 1.2. General Ledger Specification*** and signed the forms
 |  |  |
| 1. Auditor has checked and signed the ***Annex 7. Consolidated Financial report***
 |  |  |