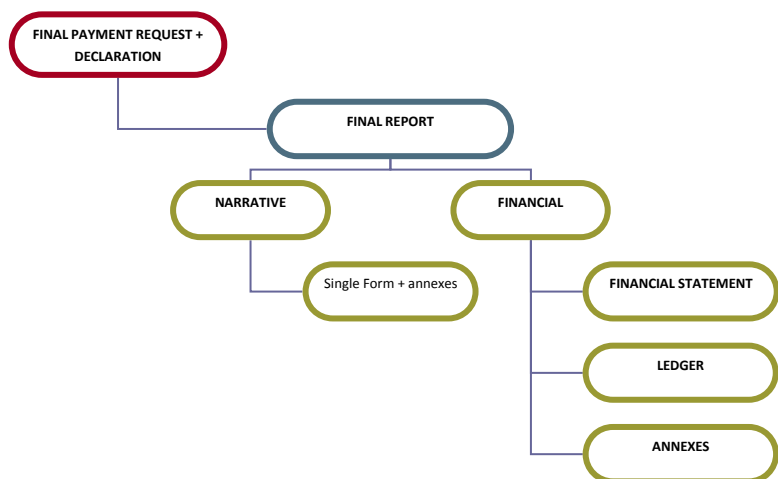


### 11.3 FINAL PAYMENT REQUEST AND FINAL REPORT<sup>97</sup>

At the end of the action, the partner needs to submit a **payment request**, accompanied by a **final report** consisting of a narrative and financial report.

The final report shall ensure comparability and traceability with



<sup>96</sup> See Section [9.3.2 B\) on stocks](#)

<sup>97</sup> Art. 18.4 of General Conditions FPA NGO

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the original proposal, while taking account of any modifications presented in the Single Form, as well as with the internal reporting and accounting systems of the partner<sup>98</sup>.

The final report will cover the whole action, regardless of the source of the funds and the percentage of ECHO contribution.

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### 11.3.1 WHEN AND HOW TO SUBMIT THE FINAL PAYMENT REQUEST AND FINAL REPORT?

The partner will submit the Final Payment Request and final report at the end of the implementation period and **no later** than the date mentioned in the Article 4.2 of the Specific Grant Agreement, i.e. usually 3 months after the end date of the action.

The Final Payment Request and final report will be submitted using APPEL.

Respecting the submission deadline is particularly important, especially for partners with an open amount above the threshold<sup>99</sup>.

However, if the partner realises that it needs more time (e.g. for complex actions or in case of a consortium), it can request an extension of the deadline using the Modification request in APPEL and including its request in section 13 of the Single Form. ([see section 10.1](#)).

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### 11.3.2 INFORMATION TO BE PROVIDED

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#### A) PAYMENT REQUEST

The payment request will include the following information<sup>100</sup>:

- the organisation's identification (name, address, etc.)
- the amount to be paid in euro
- the date
- a declaration that the request for payment is full, reliable and true.

Text of the declaration

I, hereby, declare that the information provided in the request for payment is full, reliable and true. I also certify that the costs incurred can be considered eligible in accordance with the Specific Grant Agreement referred above and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits provided for in Article 23 of the General Conditions. I also certify that all the receipts referred to in Article 18(9) of the General conditions have been declared.

A **template** can be downloaded from APPEL. The template is accessible by clicking on “**downloads**” on the APPEL home page..

[E-request](#) | [Agreement](#) | [Downloads](#)

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<sup>98</sup> Art. 16.3.c of General Conditions FPA NGO

<sup>99</sup> See [section 7.3](#) on risk assessment

<sup>100</sup> Art. 18.4.b of General Conditions FPA NGO

The request will be signed by the legal representative of the organisation entitled to sign the agreement.

The partner will then attach the signed request as an annex of the final report in APPEL. Any error detected in the payment request will trigger the rejection of the request.

## B) NARRATIVE REPORT

The final narrative report will be presented using the Single Form. It will provide an overview of the implementation of the **whole action**, regardless of the scope of the Union contribution. In particular, it will present:

- the level of achievement of the objectives and results envisaged in the proposal, the modification request and interim report;
- how the resources have been mobilised;
- the necessity of the costs and how reasonable they are for the implementation of the action.
- the challenges and difficulties encountered during the implementation of the action, e.g. reasons for possible delays in the action or under-achievements.


The Single Form guidelines provide details on the information to be provided.

When necessary, the partners will include **annexes** in support to the information provided in the narrative report (e.g. evidence of visibility actions, evaluation report, etc).

## C) FINANCIAL REPORT

The financial report<sup>101</sup> will help ECHO to verify that expenses are in line with the financial regulatory framework (Financial Regulation, General Conditions, etc.). This covers mainly the verification that costs meet the eligibility rules.

The final financial statement must be consistent with the records, accounts and ledgers of the partner and its implementing partner(s)

 Consult the section on "Eligibility criteria" 9.3 for more information on the expenses to be presented in the financial report.

The financial report shall be composed of:

- **Updated Financial Overview** of the action, i.e. section 10 of the Single Form
- **Updated Financial Statement** annexed to the Single Form, (section 10.2 of the SF) providing a breakdown by nature of expenditure of the amounts claimed by

**Important:** information in the narrative and financial reports should:

- Be coherent and complementary
- Cover the whole Action regardless of the source of funds and the percentage of ECHO contribution.

<sup>101</sup> Art. 16.3.e) of General Conditions FPA NGO

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the partner.

- **The general ledger(s)** of the action annexed to the Single Form, classified by the nature of expenditure claimed; and
- When relevant, **information annexed** to the Single Form on transferred or donated equipment or goods, and low value equipment with a cost between EUR 751 to EUR 2500, with a maximum of EUR 15000.

### D) UPDATED FINANCIAL OVERVIEW

The **updated financial overview** is the section **10.1** and **10.3** of the Single Form. The partner will copy in section 10.1 the actual incurred direct eligible costs and the indirect costs. In section 10.3, the partner will report on the funding of the action.

#### 10.1 Estimated expenditure

	Initial budget	Revised budget	Intermediary report incurred costs	Final report incurred costs
Total direct eligible costs	1.401.869,16 €			
Indirect costs	98.130,84 €			
<b>Total costs</b>	<b>1.500.000,00 €</b>			

#### 10.2 Financial annex

[Insert an annex](#)

#### 10.3 Funding of action

	Initial budget	Revised	Final State
Direct revenue of the action			
Contribution by applicant			
Contribution by other donors			
Contribution by beneficiaries			
Contribution requested from ECHO			
% of total funding			
<b>Total Funding</b>			

### E) UPDATED FINANCIAL STATEMENT

The **updated financial statement** is the annex requested in section 10.2 of the Single Form. The partner will follow the structure of the financial statement presented at proposal stage and subsequent updates. It is not required anymore to provide the allocation of costs per result in percentage. However, the partner will have to indicate in section 4 of the Single Form an estimation of the amount spent to achieve the result.

The financial statement will be presented in Euro and in the language of the agreement.

In case of co-financing, the costs cannot be earmarked to specific donors.

#### F) GENERAL LEDGER

A general ledger of the action is a complete record of financial transactions over the life of the action, classified by the nature of expenditure claimed, in the relevant transaction currency, namely the currency of the general accounts, which may be other than Euro. It should enable ECHO to reconcile the figures with the figures encoded in the financial statement: the total of the amounts of each code will have to match with the related code in the financial statement. It is important to indicate the corresponding codes from the ledger in the financial statement, in order to facilitate cross-checking by ECHO.

Ledger = spreadsheet excel

In principle, the general ledger shall be submitted in the language of the Specific Grant Agreement (English or French). In those cases where this is not feasible, ECHO will likely request a translation of the main headings.



The figures presented in the financial overview, the financial statement and the ledger should be reconcilable.

#### What about financial information coming from implementing partners?

- Either the signatory of the agreement recorded the invoices relating to expenses of the IPs in its own ledger or
- The ledgers of each IP will have to be provided.

#### G) ANNEXES

Depending on the nature of the action and the quantity of remaining supplies at the end of activities, the partners will provide the following annexes to justify the expenses:

Type of annex	Comments	Type of annex
<b>Equipment fully charged to the action</b>	Providing information on the end use of the equipment (transfer or donation), except low value equipment.	<a href="#">See template under 11.1.4</a>
<b>Low value equipment</b>	For remaining items with a value of >EUR 750 and up to EUR 2500 - max total amount: EUR 15000	<a href="#">See template under 11.1.5</a>
<b>Remaining goods at the end of the action</b>	Providing information on the end use of the goods	<a href="#">See template under 11.2.4</a>
<b>External evaluation report</b>	When the expenditure of the external	Report

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	evaluation are charged to the budget of the action.	
<b>External audit report</b>	Only when an external audit was foreseen in Article 6 of the Specific Grant Agreement.	Report

Other supporting documents (e.g. donation certificates, list of staff) should not be annexed to the report. ECHO may however ask any additional information to demonstrate the eligibility of costs, either at liquidation stage or at audit stage.

### 11. 4 ANALYSIS OF FINAL REPORT BY ECHO

#### 11.4.1 OPERATIONAL ANALYSIS

The operational analysis will consist of verifying the fulfilment of the Specific Objective, the achievement of the action's results, the mobilisation of the resources, the quality of the information, the necessity of the costs and how reasonable they are for the implementation of the action.

The operational analysis is carried out both by the ECHO HQ and the TA in the field.

ECHO HQ and TA will base their analysis on the information provided in the report and also on the conclusions of their monitoring. When the quality of the report does not permit to verify the achievement of the results of the action, ECHO HQ may decide to send a request for **complementary information**. In exceptional cases, ECHO may also decide to carry out an **additional monitoring**.



When the Final Report and possible monitoring show that the action did achieve its results and that the partner fulfilled its obligations, ECHO will conclude its analysis by accepting the report.

When the analysis of the Final Report and conclusions of monitoring visits show that something went wrong in the action (e.g. Action was not fully implemented, was implemented with delays or poorly, and if the partners failed to communicate with ECHO on the difficulties encountered), ECHO will carry out further analysis to find out the reasons for the lack of achievements.

Indeed, the lack of achievements might be the result of external constraints or might be the result of shortcomings in the partner's management of the action:

- If the lack of achievement is due to external constraints, ECHO will check whether the partner took the necessary steps to mitigate the impacts of those external factors. If this is the case, ECHO will most probably accept the report. On the other hand, if the partner **did not take** mitigating measures or did not react in a responsible way, ECHO may decide on a **reduction** of its contribution after having requested clarification from the partner.
- If the lack of achievement is due to shortcomings in the partner's management of the action, ECHO will have to carry out a deeper analysis to assess whether some costs should be disallowed or whether a reduction of ECHO grant should be applied.

Example Possible mitigating measures /responsible approaches:

- Inform ECHO timely of difficulties
- Assess the risks and assumptions on a regular basis
- Adapt the Actions when necessary
- Transparent reporting
- Adapt the budget according to the actual achievement

**There is no strict rules and threshold to apply in case of lack of performance in an action. Each analysis will be made in relation to the specific context.**

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11.4.2 FINANCIAL ANALYSIS

The financial analysis will consist in verifying the eligibility of the costs and establishing the final amount to be paid. An important element of this analysis is to make the link between the necessity of the costs against the actual achievements of the action.

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11.4.3 CALCULATION OF THE FINAL AMOUNT

The final amount to be paid to the partner will be calculated by ECHO following the approval of the final report and supporting documents.

So as to establish the final amount of the grant, the scope of eligible costs needs to be established. The costs incurred will be judged against the cost eligibility criteria.<sup>102</sup>

Further to this assessment, ECHO may disallow certain costs or may reduce the grant.

Disallowance	Reduction <sup>103</sup> of grants
<ul style="list-style-type: none"> <li>• When the costs incurred do not comply with eligibility criteria</li> </ul>	<ul style="list-style-type: none"> <li>• When ECHO considers that an action was not implemented or was implemented</li> </ul>

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<sup>102</sup> See [section 9.3](#) – "Eligibility criteria"

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<ul style="list-style-type: none"><li>• Full costs are deducted from the amount requested by the partner.</li></ul>	<p>poorly, partially or late, i.e. when the partner did not comply with its obligations under the agreement and it failed to provide acceptable justifications for its lack of compliance.</p> <ul style="list-style-type: none"><li>• Reduction will be proportionate to the gravity and scope of the failing.</li></ul>
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In those situations where ECHO considers that it should reduce its contribution, it will notify officially the partner of its intention to reduce the grant, indicating the amount it intends to reduce and the reasons thereof. The partner will be invited to submit observations within 15 calendar days from the receipt of the notification.

If no information is submitted, or if despite the observations, ECHO decide to pursue the reduction, it will formally notify the partner.

If ECHO intends to reduce its contribution, the reduction takes place at the time of determination of the final amount. It is a percentage of the maximum amount of the grant as set out in the Specific Grant Agreement. The definitive final amount of the grant is the lower of the two amounts: the one obtained on the basis of the eligible costs and the one obtained after reduction of the initial maximum amount of the grant.

### 11.5 PAYMENTS

#### 11.5.1 CURRENCY<sup>104</sup>

##### A) CURRENCY OF THE PAYMENT REQUEST

The request for payment shall be drafted in euro.

Partners with accounts in a currency other than the euro shall convert the costs incurred into euro using the “euro foreign exchange reference rate” published on the European Central Bank website<sup>105</sup> for the day on which the first pre-financing payment was recorded in the partner’s accounts.

The partner may request a derogation and use another exchange rate. The derogation can be requested in section 11 of the Single Form. Alternatively, if the partner intends to use a different exchange rate on a permanent basis, it can request a permanent derogation to ECHO<sup>106</sup>.

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<sup>104</sup> [Article 18.5 of the General Conditions FPA NGO](#)

<sup>105</sup> <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>

<sup>106</sup> [ECHO-finance-legal-affairs@ec.europa.eu](mailto:ECHO-finance-legal-affairs@ec.europa.eu)



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## B) CONVERSION BETWEEN THE HQ CURRENCY AND OTHER CURRENCIES USED FOR THE ACTION

There are different systems for recording expenditure in different currencies between HQ and the field, for example using the rate on the first day of the month, the rate on the actual day or weighted monthly averages.

The partner can choose which system of conversion is applied, on the condition that the following essential requirements are respected:

- it is written down as an accounting rule (= it is standard practice);
- the system or rule is applied consistently, to all types of transactions and funding sources;
- the system can be evidenced.

This should be available on request from the European Commission or its delegated representatives.

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## C) CURRENCY AND IMPLEMENTING PARTNERS/CONSORTIUM

The lead partner is responsible for the financial reporting to ECHO. The exchange rate for costs incurred by implementing partners/consortium members is an internal matter agreed upon the lead and other members.

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### 11.5.2 PRE-FINANCING

Different pre-financing rates can be applied by ECHO taking into account the specificities of the action, e.g.:

- the duration of the action;
- the difficult operating contexts, where there is a risk that the action can be suspended or terminated (in order to allow the re-allocation of the un-spent amounts);
- the past performance of the partner in similar contexts;
- in case of partners with a financial threshold to limit the risks incurred by ECHO.

In those cases, ECHO may provide 50% (followed by a second pre-financing payment amounting to 30%) or a different configuration.

The partner is informed directly with the Specific Grant Agreement about the pre-financing rate.

The partner does not have to request the payment of the first pre-financing. It will be made 30 calendar days following the **entry into force** of the Agreement, i.e. from the date of reception by ECHO of the paper copy of the signed agreement sent by post.

The rule concerning the late payment interest will apply.

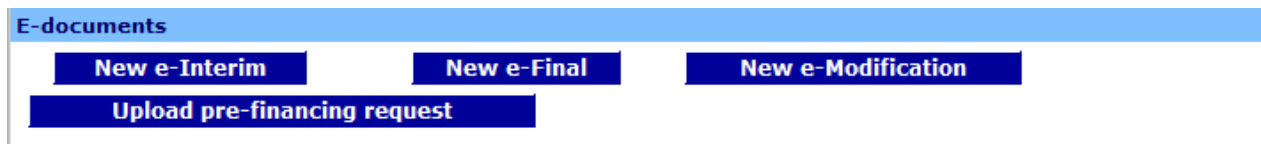
**Interest generated by pre-financing?**  
The partners do not have to reimburse the interest generated by the pre-financing. It can keep the interest and pledge to use them for humanitarian aid purpose.

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### 11.5.3 ADDITIONAL PRE-FINANCING

When the pre-financing rate at contracting stage is not 80%, the partner can request a second pre-financing as soon as it is in position to declare that 70% of the amount received with the first pre-financing has been consumed.

The additional pre-financing request can be done in APPEL. The partner should click on “upload pre-financing request”. A screen will then appear proposing a template (see Annex). The template has to be filled in and uploaded back into the system.



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### 11.5.4 PAYMENT OF BALANCE

The payment of the balance is subject to the acceptance by ECHO of the final report and payment request.

The payment will be made within 60 calendar days of the registration of the final payment request<sup>107</sup> unless ECHO suspends the time-limit.

ECHO will notify the partner of the final amount to be paid or recovered, explaining when necessary why the amounts requested by the partners have not been fully paid. If the pre-financing already paid is greater than the final amount to be paid, ECHO will recover the difference.

If the partner disagrees with the statement, it may request clarification to ECHO within 30 calendar days.

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### 11.5.5 SUSPENSION

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#### A) SUSPENSION OF TIME-LIMIT OF PAYMENT (STOP-THE-CLOCK)

ECHO may suspend the time-limit for payment if:

- The final report has not been submitted;
- the final report does not comply with the requirements, e.g. it does not contain sufficient information to allow a good appraisal;
- there is a doubt about the eligibility of certain costs.

In such cases, ECHO will send to the partner a request for complementary information. From the date of sending this request, the remaining time-limit from the 60 calendar days for the final payment will be suspended.

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<sup>107</sup> See 11.3.2 – "Which documents to be submitted"

The partner has 30 calendar days to reply to the request. The time-limit for payment will be resumed from the date the complementary information is received. In exceptional cases, the time-limit may be suspended until the necessary on the spot checks are carried out.

## B) SUSPENSION OF PAYMENTS

ECHO may suspend the payment procedure at any time during the implementation of the action if it has evidence or doubt that the partner has committed substantial errors, irregularities or fraud.

In such cases, ECHO will notify the partner of its intention to suspend the payment. The partner will have 30 calendar days to make observation. This timeframe might be shortened. If no observations are submitted, or , if despite the observations, ECHO decides to pursue the suspension, it will notify the partner of its decision.

### 11.5.6 PAYMENT OF INTERETS ON LATE PAYMENT<sup>108</sup>

ECHO will pay interest when payment takes place after the expiry of the time-limit.

If the calculated interest is above EUR 200, it will be paid automatically by ECHO. If the interest is below EUR 200, the partner will have to request in writing within 60 calendar days from reception of the payment.

### 11.5.7 RECOVERY<sup>109</sup>

In case a partner has to return funds to the European Commission, these must be paid within the period indicated in the debit note issued by the European Commission. If the payment comes after the set deadline, the sum due will bear interest at the rate fixed in Article 20.2 of the General Conditions.

### 11.5.8 TO SUMMARISE

WHAT	From – to?	Means	Deadline (= calendar days)	Where?
<b>1° prefinancing request</b>	<b>Partner -&gt; ECHO</b>	By sending back by post the signed agreement	30 days from reception signed Specific Grant Agreement	Address mentioned in the Agreement
<b>Additional pre-financing request</b>	<b>Partner -&gt; ECHO</b>	Upload in APPEL	30 days from reception	APPEL
<b>Payment of balance</b>	<b>Partner-&gt; ECHO</b>	Payment request in APPEL	60 days from reception	APPEL

<sup>108</sup> See article 18.13 of General Conditions FPA NGO

<sup>109</sup> See Article 20 of General conditions FPA NGO

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WHAT	From – to?	Means	Deadline (= calendar days)	Where?
Request complementary information	ECHO -> Partner	Email	Any time during the liquidation process	Partner HQ legal representative
Complementary information	Partner -> ECHO	APPEL	30 days from the request	APPEL
Notification of a possible reduction of grant	ECHO -> partner	Registered letter with deliver receipt	Any time during the assessment of final report	Partner HQ legal representative
Comments on possible reduction	Partner -> ECHO	Email	15 days from reception of notification	Address mentioned in the notification.
Payment advice, if any	ECHO -> partner	Email		Partner HQ legal representative
Comment on payment advice	Partner -> ECHO	Email	30 days from reception payment advice	<a href="mailto:ECHO-FINANCE-LEGAL-AFFAIRS@ec.europa.eu">ECHO-FINANCE-LEGAL-AFFAIRS@ec.europa.eu</a>
Reply on comments	ECHO -> Partner	Email	30 days from reception of comments	Partner HQ legal representative
Request for late interest ≤ EUR 200	Partner -> ECHO	Email	60 days from final payment made by ECHO	<a href="mailto:ECHO-FINANCE-LEGAL-AFFAIRS@ec.europa.eu">ECHO-FINANCE-LEGAL-AFFAIRS@ec.europa.eu</a>