

**Assistance on how to complete an FCA (Financial Cooperation Agreement) with required attachments (project description, resolutions, project agreement)**

**I. Basic principles:**

- For each transfer of partnership donations, a **valid FCA** with respective attachments (project description, resolutions, PA) is required.
- The FCA with attachments must include all agreements made regarding the support; **do not make any additional agreements** (e.g. by e-mail).
- For **advice** on the development of an FCA and its attachments, you may contact our staff members of the department of Partnership and Parish Work.
- Before each transfer, the documents (proof of receipt and its use) for the previous transfer on this FCA must be available to the German partner and MEW and need to be approved by the German partner and MEW.
- The FCA must be newly signed if on any side of the partnership **a person in charge has changed**.
- If funds which are already transferred are to be used for a different purpose than agreed on in the FCA/PA, both partners have to agree on the change. The **reallocation** must be within the original purpose of fundraising and has to be recorded in writing by both Partnership Committees. The resolutions have to be submitted to MEW as attachment to the FCA.
- Use only one form for the FCA, don't use two FCA's in **two different languages**. FCA forms are available in **various languages**, partly also bilingual.

**II. How to complete the FCA:**

1. The partners discuss all the important contents of the planned support and, if necessary, set up a project description.

2. The German partner completes the FCA with the assistance of the MEW staff (Department Partnership and Parish Work) according to the following points.

3. First of all, enter the two partnership groups under I :

**Financial Cooperation Agreement (FCA)**

I.

In the scope of the partnership relations between

..... (Partner ELCB) and

..... (Foreign partner),

4. Select a category a-c for your planned support:

**(a) Category a: general support/institutional support:**

the foreign partner is supposed to receive donations/offerings with the following purpose:

a) General assistance/ institutional support of:

.....

(Please specify and state purpose and planned project sum)

German Partner

For regular support for the same purpose, e.g. annual support for students with a newly determined amount every year, semi-annual support to a Bible school in the amount of 5,000€.

The FCA for category a is developed once and only renewed when a responsible person on either side of the partnership changes.

Enter a brief description of the planned support (e.g. "Annual school fee grant for students with an annually newly determined amount") in the line provided in category a.

**Attachments:** A brief project description including a finance plan<sup>1</sup> is only required once for the FCA . In addition, prior to any transfer, the respective decisions of both partners on the amount agreed on (based on quotations, budget-planning, etc. ) and their defined use must be available to MEW, e.g. as a scan of signed minutes. In the case of support for students, the foreign partner need to have a resolution stating the selected students as well as the criteria used for their selection.

**Reporting:** Proof of receipt and proof of use. Depending on the complexity, proof of use in the form of individual receipts and a narrative report or an audit (which clearly shows which route the money has taken and for what specific purpose it was spent) and a narrative report are necessary.

**b) Category b: Projects > €10,000 or with high complexity:**

b) Implementation of the project/the individual measure (as a rule, a Project Agreement is also required from Euro 10,000.00 upwards) :  
 .....  
 (Please specify and state purpose and planned project sum)

E.g. Construction of a school building

A new FCA with respective attachments is created for each category b project.

Provide a short description of the planned project (e.g. "Construction of a school with a planned project amount of x€") in the line provided in category b.

**Attachments:** Always complete the form Project Agreement (PA) in addition to the FCA, and attach a project description<sup>2</sup> to it.

**Reporting:** Proof of receipt and an independent financial audit, in form of a project audit or an overall church audit, including a narrative report. The use of the donated funds must be clearly documented in the audit on the expenditure side. The costs of the audit must already be included in the finance plan.

<sup>1</sup> General description of the project/institution including finance plan. A description of the support (reason and objective, how long has this support been running, how did it come about). Which amount (is it annually the same or is it newly determined every year). On what basis and decisions of which committees is the money transferred? At what intervals transfers are to be made (e. g. quarterly or annually)? Which reports are agreed on (e. g. financial report on the latest instalment, in each case before the next instalment is made, and in addition an audit at the beginning of each year for the previous year).

<sup>2</sup> This should include the following information: Description of the planned project: general description, history of the project idea, reason and objective, planned project period, cost- and financing plan, planned project sections, target group benefiting from the project, confirmation of the involvement of the higher-level church office in the project country, risks of the project, clarification of who bears the costs of the necessary audit, how is the sustainability of the project guaranteed, which monitoring and evaluation are planned during the course of the project. Which reporting was agreed on, deadline for the financial reports (e.g. financial report on the latest instalment before the next instalment is made; audit at the beginning of each year for the previous year).

**c) Category c: Simple, small projects and individual measures**

c) Implementation of small and simple projects and individual measures<sup>1</sup> (i.e. measures that can be proved in full by means of a confirmation of receipt, a brief report and receipts). In all cases described under c), it suffices to fill in the FCA once only. All resolutions made with regard to such projects/individual measures inclusive of the planned project sum are to be attached to the FCA in the form of certified extracts from the records of the foreign partners abroad and the Bavarian partner (Partner ELCB). Please do only fill in a new FCA if the persons in charge change.

E.g. purchase of corrugated iron sheets for a church building, purchase of a water filter for a hospital, new mosquito nets for the dormitory of a boarding school, etc.

The FCA for category c is developed once, and only renewed if a responsible person on either side of the partnership changes.

Indicate the choice of category c by checking the box.

**Attachments:** Before each transfer, the respective resolutions of both partners on the sum decided (on the basis of cost estimates, budget planning, etc.) and their specific use must be available at MEW, e.g. in the form of signed minutes as a scan.

**Reporting:** Proof of receipt and payment receipts in form of individual receipts and a narrative report.

5. Fill in the information about the Partnership Committee in Bavaria:

Name of the Bavarian committee: .....

Date and place of decision: ....., .... / .... / .....,  
 made under the presidency of (name) .....

The following responsible person (e.g. head of church district)  
 .....  
 was informed on .... / .... / ..... by .....  
 in writing on this undertaking.

6. Under point III. you may record further agreements and comment your attachments (e.g. project description for category a):

III. Other agreements (e.g. administration expenses of the dioceses):  
 .....  
 .....  
 .....

7. Put your signature and name printed on the form:

Place, date: .....

\_\_\_\_\_  
 Partner ELCB

8. Please consult with the respective person at MEW/Department Partnership and Parish Work whether the FCA with all its attachments is complete and correct in terms of content. If so, send the forms to your overseas partner.

Overseas Partner

9. The overseas partner examines the received FCA together with all attachments and completes the FCA and its signature. He sends all final documents to his German partner.

Name of the foreign committee: .....  
Place and date of the decision: ....., .... / .... / .....,  
made under the presidency of (name) .....  
The following responsible person (e.g. head of church district, bishop)  
.....  
was informed on .... / .... / ..... by .....  
in writing on this undertaking.

Place, date: .....

Foreign partner

G. Partner

10. After the German partner has received the final FCA completed and signed by the overseas partner, they send it together with the attachments to MEW, Partnership and Parish Work for final check. For actual transfers, the respective decisions must be available.

11. If the FCA and all attachments have been successfully checked by MEW for its completeness and accuracy, a transfer can be made.

**III. Ways of reporting:**

The original receipts always remain with the partner, who carries out the project on-site. The partner in Germany receives the receipts in the form of scans.

Partnerships with Africa/ Central America and Pacific Region/East Asia:

The partner in Africa/ Central America/ Pacific Region /East Asia sends all reports/receipts to its German partner. As a first step, the German partner is responsible for obtaining and reviewing the receipts/reports. If there are problems (missing receipts, open questions) the German partner, citing the FCA-number, will contact the relevant MEW staff member of the Department Partnership and Parish Work. Once the German partner has successfully verified all receipts, the German partner, citing the FCA-number, sends all receipts/reports to the relevant MEW staff member of the Department Partnership and Parish work with a note indicating that examination can now take place at MEW.

Partnerships with Brazil:

The Brazilian partner sends all reports/receipts to the Project Office IECLB:

[secretariageral@ieclb.org.br](mailto:secretariageral@ieclb.org.br)

After the appropriate examination, the project office passes on the documentations of proof to the country representative at MEW for examination. In the case of missing/inadequate documentations of proof or unresolved questions, the country representative gives feedback to the project office. The respective staff member of the Department Partnership and Parish Work informs the German partner of this. After the country representative has completed the examination successfully, the German partner receives the respective documentation of proof from the respective staff member of the department Partnership and Parish Work of MEW.

#### Partnerships with Papua New Guinea:

The credit advice and proof of use from Papua New Guinea are being collected/prepared in the Project Office in Lae and provided to the country representative at MEW. The country representative examines the documentation. In the case of missing/inadequate documentation or unresolved questions, the country representative gives feedback to the Project Office. The respective staff member of the Department Partnership and Parish Work informs the German partner. After the country representative completes the examination successfully, the German partner receives the documentation from the respective staff member of the Department Partnership and Parish Work of MEW.

#### **IV. Required documents of proof (receipts/reports)**

The basis for all accounting is the information provided in the FCA/ Project Description/ Resolutions (as well as any cost and financing plan, if included). All funds must only be used in the way specified in these documents. Any reallocation of funds during the project period must be agreed in writing between both partners before the money is used. Also MEW must be informed about this. Usage of any remaining funds has to be agreed upon in advance by the partners in writing. Transparent documentation for all parties involved is necessary. Financial resources from different donors must not be mixed (unless there is an audit). Funds must not be transferred to private accounts.

Required evidence:

##### **Receipt(s) of income**

(bank statement(s) including exchange rate and if applicable bank fees)

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##### **Financial report**

(numbered list of expenditures with attached individual receipts\*, which are also numbered; 4-eyes principle in the form of 2 signatures each and continuous receipts up to the final recipient; all cost items must be specifically documented, lump-sum settlements are not possible; funds from different donors must not be mixed, the purposes of use must be clearly separated from each other).

##### **or Audit**

(Guideline: 10,000 € and above / high complexity / various donors)

Audits must always fully record and document the use of funds.

The following principles apply:

- Audits must be carried out according to the International Standards on Auditing (ISA) and must include the corresponding certification. In justified cases, if the ISA has not been ratified in a country, the audit may be executed according to the customary standards on auditing that are accepted in the country.
- All funds given by the Evangelical-Lutheran Church of Bavaria (ELKB) must be accounted for in full on the revenue and expenditure side.

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##### **Narrative report**

(which shows everything important that cannot be gathered from the list of expenditure alone.)

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If applicable, **special documents of proof.**

**Special documents of proof** are additionally required, e.g. for study support and other support for which a selection of beneficiaries takes place: the selection of beneficiaries must be made by a committee, a corresponding resolution with at least 2 signatures and indication of the beneficiaries, amount of support, institution and underlying selection criteria is required. The beneficiaries have to acknowledge the receipt of funds on this list (or on separate documents) by signature. In addition, confirmation of actual participation in the study programme is required (e.g. confirmation of enrolment, overview of grades, confirmation of payment from the university, etc.).

#### **\* Additional information on individual receipts**

**Self-receipts** are possible in exceptional cases for expenses for which there are no official receipts available. For example, shopping at a market where the vendors do not offer receipts. In these cases, the buyer should take his or her own receipt with him or her, on which he or she can record what was bought, how much was bought and at what price. This receipt must be signed by the buyer and the seller (or, if the seller's signature is not possible, by a second person involved).

For the settlement of **fuel costs or mileage** (usually includes one third of the costs for fuel and two thirds for maintenance), we require copies of the logbook with two signatures (alternatively your own list of journeys with two signatures if no logbook is available) and a corresponding km statement (fuel costs or mileage allowance for the kilometres driven).

**Tanzania:** The electronic sales receipts in Tanzania only include the date and the total sum of the items purchased. Therefore, it is necessary that the store compiles a list of the sold items, signs this list, and staples the sales receipt to this list.

#### **V. Note on the digital location**

The current versions of our FCA and PA can be found in several languages as well as partly bilingual here: <https://mission-einewelt.de/internationale-beziehungen/compliance-seminare/>

This document of assistance is available there as well.

German Version last reviewed on 23.04.2021 C. Engels-Müller (Compliance Manager)

English Version last reviewed on 23.04.2021 C. Engels-Müller (Compliance Manager)

English translation by PG (Partnership and Parish Work)  
(L. Baschton, S. Schmidt, M.Volz)