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**GUIDELINES**  
**FOR THE IMPLEMENTATION AND REPORTING OF PROJECTS UNDER**  
**PROGRAMS FUNDED BY THE NATIONAL CULTURE FUND**

**I. INSTITUTIONAL AGREEMENT**

**1. Beneficiary that received funding for the implementation of a project under a programme financed by the National Culture Fund (NCF) is responsible for the overall preparation, implementation and reporting of the project by**

- 1.1 Keeping the complete technical, accounting and other documentation on the project in accordance with the provisions of the Bulgarian legislation and the guidelines of the relevant programme;
- 1.2 Providing its own contribution to the project according to the project budget approved for funding;
- 1.3 Assisting the representatives of the NCF in the process of monitoring, control and evaluation of the implementation of the project.

**2. Funding under an NCF contract is carried out:**

The funding of approved candidates in the specific programmes of the NCF is carried out by a bank transfer, after concluding a contract.

**3. Reporting:**

- 3.1 The beneficiary prepares a report with a substantive and financial part according to the model and according to the conditions and period of the contract for funding;
- 3.2 The report is submitted for review and approval. The verification and approval of the report is documented by the Fund employees responsible for the report;
- 3.3 Attached to the financial part of the report is an electronic image of all the documents for the expenses incurred on the project financed by the Fund;
- 3.4 It is recommended that the beneficiary keep a separate accounting analysis of the project costs financed by the NCF's budget and an inventory in electronic tabular form of all supporting documents.

**II. IMPLEMENTATION OF PROJECTS**

**1. Implementation and monitoring of the project:**

- 1.1 The beneficiary implements the project according to the concluded contract, strictly adhering to the activities, terms and conditions, schedule and budget approved by the NCF;
- 1.2 The beneficiary makes a change during the implementation of the project only after the prior approval of the NCF. The beneficiary should fill out an application detailing the

reasons for the requested changes. The request is addressed to the Executive Director of the National Culture Fund and contains: Detailed information; name of beneficiary; project name; funded under the ..... programme; reason for the changes; if applicable: New budget with reflected changes / amended schedule / creative biography / partnership letter/; other applicable documents to the application. Within the project implementation, up to two requests from a beneficiary (only for upcoming changes) are allowed, which may contain a request for an unlimited number of changes.

- 1.3 The beneficiary can make a change during the implementation of the project only after concluding an additional agreement, for which the NCF carries out internal monitoring of the performance of the activities; the beneficiary reports by submitting a final financial statement and substantive report;
- 1.4 The NCF is entitled to control and receive current information related to the implementation of the Project and individual events in it, including on-site (external monitoring) – to check and approve the activities and expenses carried out and incurred by the beneficiary, according to the contract concluded between the parties.

## **2. Organization of the work, management and / or implementation of the project:**

- 2.1 A contract should be concluded with each member of the project management and / or implementation team for the performance of a specific activity from the project;
- 2.2 When assigning work to members of the project team in the subject of activity, the specific duties and deadlines should be clearly and precisely defined, according to the specific responsibilities of each of the members, which should also be reflected in the reports on the work performed;
- 2.3 When formulating the obligations under the contract and when reporting them, it is mandatory not to allow overlap in functions and tasks between individual team members, as well as between team members and other experts involved in the performance of project activities;
- 2.4 If the representative of the organization participates in the project management team or performs expert work on the project, then in all documents related to the approval and payment of remuneration to the representative, the type of activity and the contract number should be indicated.

## **3. Disclosure of the support:**

- 3.1 It is the duty of the funded organization implementing a project financed by the NCF to promote the project's activities throughout the entire period of its implementation in a manner planned in the project proposal and in compliance with the requirements of the contract;
- 3.2 The beneficiary undertakes to publicize the participation and support of the National Culture Fund according to the terms and conditions of the contract under the relevant programme and according to the Instructions for the implementation of rules for visibility and communication of the support of the National Culture Fund for projects in the field of culture – [https://ncf.bg/web/files/documents/187/file/Instructions for disclosing the financial participation of the National Culture Fund.pdf](https://ncf.bg/web/files/documents/187/file/Instructions%20for%20disclosing%20the%20financial%20participation%20of%20the%20National%20Culture%20Fund.pdf).

## **III. PROJECT REPORTING**

The beneficiaries report the realized activities and incurred costs with a final substantive report and financial statement (if the program does not provide otherwise). The report consists of two parts – substantive and financial, which should be accompanied by an inventory of the documents included in each report or statement. Scanned copies of documents and materials certifying the implementation of project activities is attached to each part. It is not allowed to present only a substantive report or only a financial statement (unless it is explicitly stated in the programme). The report/statement is published in the electronic system according to the terms

and conditions specified in the project financing contract.

## **1. Requirements for the substantive reports**

### **1.1 Substantive report:**

The present rules for mandatory substantive reporting are applicable to the projects supported under the competition sessions of the regular programmes of the National Culture Fund. These reporting requirements do not cover the emergency programmes for the recovery of the cultural sector after the 2020-2021 anti-epidemic measures, as well as the competitions for the allocation of funds from the National Culture Fund, regulated by a specific legal act.

In order to monitor the implementation of the project, the beneficiary undertakes to provide timely access / invitations to the NCF, providing prior notice of the event by e-mail within the timeframe stipulated in the Contract between the beneficiary and the National Culture Fund.

As a supporting organization and in order to comply with the principle of transparent and appropriate use of public funds, the NCF conducts a substantive analysis of each reported project. The aim is to analyze and evaluate the planned work process. It is traceable in the performance of the set objectives and tasks, leading to measurable results with sectoral impact and public contribution during the implementation of the project, as well as after its completion.

### **1.2 General conditions:**

When preparing a substantive report, the requirements, terms and conditions and time periods laid down in the Contract between the beneficiary and the NCF are observed and applied. The substantive report of the project is prepared according to a form that is downloaded from the beneficiary's profile. Once the document has been correctly filled in, it is attached through the beneficiary's profile in the NCF electronic system. Handwritten, paper or electronic reports are not accepted. Exceptions are books and printed publications issued in implementation of projects, physical copies of which are provided to the NCF. Submission of physical copies to the NCF does not replace the obligations of beneficiaries under the Compulsory Deposit of Printed and Other Works and on Announcement of Media Distributors and Service Providers Act.

Technical information (project name, programme, contract number, as well as the name of the project contractor) should mandatory be filled in in the form. An integral part of the substantive report is the detailed descriptive information with which the beneficiary reports the objectives achieved, the activities performed and the final results. The substantive report is subject to official verification. The verification of the report is carried out by the NCF according to the criteria set out for the purpose.

### **1.3 Detailed criteria for evaluating the content of received reports:**

<b>Criteria</b>	<b>Justification</b>
<b>1.3.1 Compliance</b>	Compliance between the implemented activities and events, schedule, team, goals, expected results under the project and those laid down in the application documents;
<b>1.3.2 Compliance</b>	between the various components of the implemented project and those included in the application documents, such as project name, location for the performance of a given activity, partnership with a given organization, title of a product (book, play, catalog edition, etc.), etc.
<b>1.3.3 Consistency</b>	This criterion monitors the presence of interconnected, meaningfully derived from each other, consistent project activities. The links between the project activities, the team members working on the respective activities, the set out budget and the achieved objectives are also tracked by the consistency criterion and originate from the project ideas and goals.
<b>1.3.4 Cultural product</b>	This indicator is used for verifying whether the project addresses specific personal or sectoral needs or develops social causes and

	challenges with which the beneficiary identifies itself and whether what has been implemented according to the project can be qualified as a cultural product in accordance with the stated in the application. Its project presence is identified by the presence of a creative process that leads to the creation of new content (play, exhibition, translation, virtual content, creative debut, performance, etc.).
<b>1.3.5 Impact</b>	This criterion is used for monitoring both the immediate effect related to the degree of achieving specific objectives and the long-term consequences of the project results for the relevant cultural field, the target group, individuals, the local community, the region, the country or abroad. The criterion is quantified (with statistical burden: number of events, spectators, etc.) and a qualitative dimension related to the quality of the activity, its performance, the emotional experienced, artistic impact of the cultural product that has embodied, most importantly, identity and meaning, spirit and values – everything that characterizes it as a cultural product. This criterion is considered a general indicator for the whole programme, with all its approved and implemented projects, and individual projects are not assessed under this criterion. It is analyzed separately from the project reporting evaluation work.
	The environmental and social impact of the project on the environment and the impact on society and certain societal issues are also included in this criterion and are assessed when present in the conditions of the programme concerned.
<b>1.3.6 Public communication and project mediation – media coverage of the project and dissemination</b>	Active use of all media tools, not only the one-off information coverage, but, if possible, for a combined or networked media presence throughout the project cycle.
<b>1.3.7 Disclosure and acknowledgement in all promotional, printed and media materials, throughout the validity of the contract, of the support of the National Culture Fund</b>	The criterion ensures that the Fund’s participation and support in the implementation of the project is publicly disclosed in all media appearances, promotional materials (digital or printed) and other printed products produced during the implementation of the project through the current logo of the National Culture Fund and accompanying text. All media communications in a public setting should include and reflect distinctive information about the project and the source of funding.
<b>1.3.8 Sustainability</b>	This criterion tracks the project impact in its entirety, which continues even after the end of the project. It helps to identify the benefits and their duration after the project has ended. For example: Creating new partnerships and / or unexpected contacts, attracting additional support, invitations for new events, etc. The criterion is used only in targeted analyses, and specific project implementations are not subject to verification under this criterion.

The report should contain full information on the activities carried out under the approved project and their participants. Documents and materials, certifying the performance of the project activities should be **mandatory** attached to the substantive report, as follows:

<b>1.3.9 Type of activity (if applicable)</b>	<b>Documents and materials certifying the performance of the activity*</b>
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<b>1.3.10 Surveys; Analyzes; Forms</b> for feedback from various events	<b>Survey form</b> among target groups; <b>Summary of results</b> – number, scope and content, conclusions that show the achieved results; <b>Copy of materials / presentations</b> for participants; <b>Print screen</b> in case of online surveys; <b>Link to access summary information and results</b> of any survey conducted.
<b>1.3.11 Trainings</b> , seminars, workshops, simulations, demonstrations, forums, creative residencies	<b>Agenda</b> of the training; <b>Attendance list</b> / list of participants in the events; <b>Copy of materials / presentations</b> for the participants; <b>Protocol</b> for disseminated information materials; <b>Form for feedback</b> from the participants; <b>Photographic material of activities completed;</b> <b>Print screen</b> in case of online meetings.
<b>1.3.12 Public events</b>	<b>Program/Schedule</b> of the event; <b>Invitation</b> to media and / or participants; <b>Copies of materials / presentations.</b>
<b>1.3.13. Publications</b>	<b>Copies of media publications</b> , related to the presentation and implementation of the project; <b>List</b> of links to publications.
<b>1.3.14 Audio or video materials</b>	<b>Recording</b> of audio / video materials – link; <b>Broadcast certificate</b> , issued by the relevant media; <b>List</b> of active links to publications.
<b>1.3.15 Products and printed materials</b> – information, training and promotional materials	<b>Copy of each product and / or printed information material prepared under the project;</b> <b>Copies of information and promotional materials;</b> <b>Photographic material of activities implemented.</b>

\*The table shows the main documents certifying the implementation of the project activities, which should be submitted to the substantive report as attachments.

All listed attachments are strongly recommended to be present in the project reporting documentation, if applicable.

The appendices to the substantive report are published in the NCF electronic system.

The substantive report is signed by the project manager.

*In case of missing documents and materials evidencing the performance of a certain project activity, NCF does not fully or partially recognize the expense reported for the relevant activity.*

#### **1.4 Financial statement:**

Scanned supporting documents with the reason for the expense is attached to the financial statement: **project name and contract registration number.**

The supporting documents are in Bulgarian or accompanied by a translation, which does not necessarily have to be legalized.

The amount allocated by the NCF as the funding institution and the deductibles should be reported, when this is required for reporting under the program and the contract.

The beneficiary is responsible for verifying / confirming the expenses (check for the presence of mandatory details, complete, true and accurate information, etc.). The verification is confirmed by the signature of the financially responsible person on the original document.

Copies of the supporting documents, arranged and submitted with the statement, should

be legibly scanned and all their required elements should be visible – number, date, value, type of document and content, should meet the legal requirements and be filled in, according to the Accountancy Act, Obligations and Contracts Act, Commercial Act and all other normative documents determining the legality for their preparation and issuance.

*Where the programme so provides, the beneficiary undertakes to carry out an audit at the end of the project and to submit a financial statement and an audit report certified by a certified expert accountant – a statutory auditor, entered into the Statutory Auditors Register at the Commission for Public Oversight of Statutory Auditors (CPOSA).*

**The documents are attached only in the NCF electronic system.**

Example of types of expenses and required supporting documents for expenses:

No.	Type of expense	Supporting documents*	
I.	Purchase of goods / services	Contract with goods / services supplier; <b>Handover protocol;</b> <b>Important*</b> <i>The eligible expenses for the purchase of equipment under the project, digital and computerized devices related to the provision of equipment, furniture and acquisition of fixed tangible assets should not exceed the amounts specified in the project documentation.</i> Purchased equipment <b>may be subject to inspection within 5 years following the completion of the project activities.</b>	
		<b>For bank transfer payment</b>	<b>For cash payment</b>
		<b>Invoice</b> <b>Payment order</b> <b>Inventory protocol</b> or goods receipt of the purchased goods or services – applies in cases where the invoice does not detail the type, number and unit price of goods and services purchased. The protocol should be certified with signature and stamp of the organization and the supplier.	<b>Invoice</b> <b>Receipt</b> <b>Inventory protocol or goods receipt</b> of the purchased goods or services – applies in cases where the invoice does not detail the type, number and unit price of goods and services purchased. The protocol should be certified with signature and stamp by the organization and the supplier.
II.	<b>Expenses for remuneration (concluded civil contracts for the performance of project activities) or an amount allocated to their employment contracts</b>	<b>Contract</b> , signed bilaterally – by the Contracting Authority and the Contractor. Particulars for the regularity of the contract – date, subject of the contract, period of execution, value of the contract (amount of remuneration); <b>Bilaterally signed report</b> of the Contractor; <b>Bilaterally signed protocol</b> for acceptance without or with objection of the work performed; <b>Declaration of the social security status</b> of the Contractor; <b>Account for amounts paid or a document under Art. 9, para. 2 of the Personal Income Tax;</b> <b>Recapitulation</b> of amounts paid and contributions payable; <b>Payment orders for the social security contributions paid for the employees;</b> Payment orders for the social security contributions for State Social Insurance (SSI), Supplementary Compulsory Pension Insurance (SCPI), Health Insurance Contributions (HIC) and Personal Income Tax (PIT) are attached;	

		<p><b>Payment order</b> for amounts paid by bank transfer (in case the payment is made by bank transfer) or cash payment order for amounts paid under the contract in cash.</p> <p><b>Payroll recapitulation</b> and statement of contributions paid or payment orders for contributions paid.</p>
<b>III.</b>	<b>Mission expenses</b>	<p><b>Mission order</b>, issued according to the Ordinance on Business Trips in Bulgaria or the Ordinance on Business Trips and Specializations Abroad. Only persons who are directly involved in the project and the implementation of the activities for which the funding organization issues the relevant required documents may be send on a business trip;</p> <p><b>Vehicle travel expenses</b> (fuel invoice with data of the organization, waybill, order for a car with make, model, reg. No., fuel consumption rate and a registration certificate;</p> <p><b>Public transport travel expenses</b> – ticket, other applicable document / electronic document;</p> <p><b>Daily allowances are according to the Ordinance on Business Trips in Bulgaria and Abroad;</b></p> <p><b>Invoice for accommodation.</b></p>
<b>IV.</b>	<b>Travel expenses for individual or group travel services</b>	<p><b>Transport service contract;</b></p> <p><b>Name of the people</b> who have used the service, certified by the carrier company;</p> <p><b>Transport insurance</b> – passenger transport;</p> <p><b>Invoice from the carrier;</b></p> <p><b>Travel expenses</b> – copy of ticket, copy of boarding card, protocol,</p> <p><b>Receipt</b> (when paying in cash) or <b>payment order</b> (when paying by bank transfer).</p> <p><b>Supporting documents for accommodation.</b></p>
<b>V.</b>	<b>Rental costs</b> (halls, premises for the purposes of the project activities)	<p><b>Real estate rental agreement; Invoice;</b></p> <p><b>Receipt</b> (when paying in cash);</p> <p><b>Payment order</b> (when paying by bank transfer).</p> <p><b>Note:</b> <i>When reporting hall rental expenses, signing, a contract is not mandatory if the expense is certified by an invoice accompanied by a payment document.</i></p> <p>When renting a property with a private person – reporting is done with a civil contract, a bill for amounts paid and a payment order.</p>

<b>VI.</b>	<b>Rental costs of equipment (tools, multimedia, sound, etc.)</b>	<b>Rental agreement; Invoice; Receipt</b> (when paying in cash); <b>Payment order</b> (when paying by bank transfer).
<b>VII.</b>	<b>Expenses for using courier and postal services</b>	<b>Invoice accompanied by: Receipt</b> (when paying in cash); <b>Payment order</b> (when paying by bank transfer)..
<b>VIII.</b>	<b>Administrative expenses (office supplies)</b>	<b>Invoice accompanied by: Receipt</b> (when paying in cash); <b>Payment order</b> (when paying by bank transfer).

\* *The table shows the standard documents certifying the project expenditure that has to be submitted as part of the financial statement.*

### **Requirements for supporting documents**

#### **A. Invoices:**

- Name and number of the document containing only Arabic numerals;
- Name and unified identification code (UIC) under BULSTAT or personal identification number or foreigner's personal number of the issuer and recipient;
- Date of issue and place;
- Subject, in-kind and value of the business transaction;
- Text showing that the expense is for the specific project financed by the NCF – the text *“The expense has been incurred under project ....., contract No. and (date)” should be included.*
- Prepared and received by – name and family name;

When reporting costs for purchased goods, the invoice should necessarily describe the type, number and unit price of the goods purchased. If a detailed description is not possible, the following text “materials as per attached inventory” is included in the substantive part of the invoice and an inventory is attached to the invoice.

When purchasing equipment, the invoice should contain information with the name, make and model of the equipment. ***Eligible expenses on behalf of the NCF for equipment, for digital and computerized devices, for the provision of equipment, furniture and acquisition of fixed tangible assets (FTA) should not exceed the amounts specified in the application documentation. The amount exceeding the approved part is borne by the beneficiary.***

***Definition of Fixed Tangible Assets (FTA) for the purposes of NCF programmes: Assets with a unit value of more than BGN 2,000 excl. VAT are regarded as FTA (when purchasing a computer configuration (computer, laptop) – over BGN 1,000 excl. VAT per unit).***

When reporting expenses for events, the number of the people participating in the event and the period of performance of the service should be described in the invoice.

When conducting events, lists of participants may be attached.

When reporting expenses for services with organized transport (group travel), the number of travelers and the period of travel should be entered in the invoice. If it is not possible to enter the relevant text in the invoice, a protocol signed by both parties containing a list of the travelers with the specific transport and the period of travel is attached. An invoice without a receipt or payment order is issued by the carrier when travel tickets are issued to all passengers.

#### **B. Contracts:**

- Number, date;



- Text indicating that the contract is concluded in implementation of a project / contract financed by the NCF programme;
- Subject matter of the contract (assignment);
- Period for execution;
- Value of the remuneration and method of payment;
- Signatures of the contracting parties.

***Important!** When renting technical equipment, the contract should contain a detailed description of the make, model, factory or serial number, other significant values and parameters of the rented equipment.*

- B. Mission order** – in the event of a business trip in Bulgaria or abroad, the person sent on the trip is entitled to travel expenses, daily allowance or accommodation expenses under the conditions and procedure specified in the **Ordinance on Business trips in Bulgaria** or the **Ordinance on Business Trips and Specializations Abroad**. The mission is carried out with a Mission Order.

## **1.5 Approval of incurred expenses:**

### **General requirements**

- The financial statement should be submitted within the time period specified in the contract.
- All project costs should be lawful, incurred against the required supporting documents – invoices or other documents of equivalent evidentiary value, according to the national legislation.
- Where a quotation for the supply of goods / services/ rent of premises is included in the project documentation, this quotation is illustrative in its nature. An expense is approved which, in terms of the parameters of the product / service / premises, corresponds to the characteristics of those from the tender under the project proposal or the same product, but from another supplier. In this case, if the price of the delivery / service / rent is lower than the one originally set in the budget, the balance of the amount is reimbursed to the NCF account, according to the Rules for Organizing the Work of the National Culture Fund on the Announcement of Tenders for Provision of Funds under the Fund, Their Implementation, the Conclusion of Contracts for Financial Support of Projects in the Field of Culture and Their Reporting. If the price of the delivery / service / rent is higher than the one originally set in the budget – the difference is at the expense of the beneficiary.
- All project expenses should be directly related only to the performance of the project activities and should be completed within the approved project period specified in the contract. Expenses incurred outside of the contract period are not eligible unless the terms of the program or the contract so provide.
- All supporting documents should include, in addition to expense details, a mandatory text that clearly indicates the project and contract number under which the specific expense is incurred. If it is not possible to enter the text required by the company issuing the document, then the text is entered manually by the project manager on the front side of the original supporting document with the signature and stamp of the organization.
- Financial statements that do not meet the conditions are returned to the organizations for processing in the required form and according to the Rules for Organizing the Work of the National Culture Fund on the Announcement of Tenders for Provision of Funds under the Fund, Their Implementation, the Conclusion of Contracts for Financial Support of Projects in the Field of Culture and Their Reporting – Art. 16.
- In the event that the entire allocated amount is not used or part of the expenses are not approved, the Beneficiary undertakes to transfer the balance to the NCF account within

5 days following the date of notification, including information about the contract number in the payment order and the refund programme.

Where the relevant program or contract for financial support provides, when taking into account the allocated amount, up to 15% of funds are allowed to be transferred from the approved funds in the budget of the project, which is part of the contract, subject to compliance with the mandatory percentage ratios under the program and without a transfer from administrative to production costs or vice versa being permissible.

**The following will not be recognized as a project expense:**

- Incurred outside the period specified in the contract;
- Reported with documents that do not meet the legal requirements (with incomplete or incorrect details);
- Reported only with a receipt;
- Unrelated to project activities;
- For catering, only if the expense is allowed under the relevant programme;
- For the purchase of alcohol, tobacco products and sanitary materials in connection with conducting events within the project;
- Recoverable VAT costs;
- Expenses determined to be ineligible under the programme;
- Expenses incurred and funded under other programs of the NCF or other donors;
- Partial costs, those that do not lead to the creation of an event or activity and do not contribute to the implementation of an event / activity that is part of the planned project program.

When reporting for the expense of informational printed and promotional materials, an electronic image (scanned or photographed image) of the specified materials should also be applied.

**Expenses for information materials without distinctive information about the project and the source of funding will not be eligible!**

**Final provisions**

In the event that the contractor organization violates the rights of a third party during the performance of the contract, the NFC cannot be held liable.