



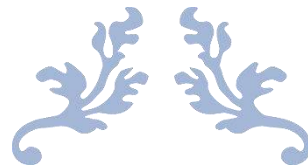
## **Del.3.2.3 Analysing needs and entrepreneurial readiness of social enterprises - Elaboration of a Funding Scheme and a Support Programme for Social Enterprises**

### **PB\_2 Municipality of Haskovo**

**[www.socialforces.eu](http://www.socialforces.eu)**

*The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece-Bulgaria 2014-2020” Cooperation Programme.*

*The contents of this deliverable are sole responsibility of the Municipality of Haskovo and can in no way be taken to reflect the views of the European Union, the participating countries the Managing Authority and the Joint Secretariat.*



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# SOCIAL ENTERPRISES FUNDING SCHEME

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developed in the framework of a project  
"ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative  
Support Structures in the cross-border Territory"



2021  
„HALO FOUNDATION 2019"

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# Application guidelines under social enterprises funding scheme

developed in the framework of a project  
"ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative  
Support Structures in the cross-border Territory"



Municipality of Haskovo



HALO Foundation 2019

2021

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## Objectives of the social enterprise funding scheme

Social enterprises provide opportunities to address social problems of a different nature and find lasting solutions to overcome the social isolation of vulnerable groups in our society. Social entrepreneurship is a different way of economic activity (doing business, economic activity), which mixes the ingenuity of business with a social mission, the skillful combination and balance of social and economic goals. Social entrepreneurship is an activity aimed at solving important societal problems, and these activities also bring revenue to the entrepreneur. It is a balance between non-profit organizations and ordinary business ventures because it can support itself and make a profit and at the same time help to overcome social difficulties.

Social enterprises have all the hallmarks of traditional enterprises: they produce goods and services; use production factors that have a clear cost; autonomous; significant level of economic risk. Their activity also has a social aspect: they pursue a clear social purpose; they serve society or a certain group of people from disadvantaged social backgrounds; they do not seek to maximize profit to distribute it among participants in the company's capital.

The most important characteristic of social entrepreneurship is the pronounced social effect, which is to invest the revenue generated to support the target groups; participation of part of the target groups in the business activity /creation of employment/ and provision of services unattractive to business to disadvantaged people; creating opportunities for professional and social integration; creating social added value and saving social costs.

The social economy model leads to a number of social benefits: integration and employment of disadvantaged people; contribution to the process of social inclusion of disadvantaged people; contribution to a more balanced use of local resources; new jobs for disadvantaged people – minority groups, single women, people with disabilities and others who remain excluded from the possibility of generating income. The social economy model also has an economic effect, which consists in saving public money on social benefits and saving additional funds to offset the social cost of long-term unemployment.

**Taking into account all the benefits and the development of the social economy at local level, Haskovo Municipality has developed this Social enterprise funding scheme. Its main objective is to facilitate access to employment and to provide support for the social inclusion of vulnerable groups by creating the right conditions for their professional integration in the field of social economy.** The specific objectives of the scheme are:

- 1) To propose a new funding instrument aimed exclusively at start-ups in order to support their sustainability and support in the first steps of their functioning;
- 2) To provide persons wishing to develop their own social enterprise with the preparation for planning and starting an independent business;
- 3) To provide support for starting a real business, finding suitable sources of funding, access to services and mentoring for the development of social business.

- 4) To promote social entrepreneurship and to create conditions for the development of this sector on the territory of Haskovo municipality;
- 5) To improve the effectiveness of policies to support social entrepreneurs at local level;
- 6) To contribute to increasing the number and type of tools available in cross-border territory to promote social entrepreneurship models that meet the needs of the local community;
- 7) To contribute to the promotion and dissemination of social entrepreneurship in the cross-border region.

## Funding priority areas

This scheme will support as a matter of priority ideas for the creation of social enterprises or start-ups which:

- Provide employment to representatives of vulnerable groups, as defined in Article 7, para 4 of the Social and Solidarity Economics Enterprises Act;
- Plan to carry out activities related to the resolution of a social or environmental problem at local level;
- Offer a standard product/service, but with social influence;
- Offer innovative products that are themselves related to social assistance or revolutionary social products;
- Offer free products/services or financially support vulnerable groups;
- Operate an economic activity with a pronounced social effect on vulnerable groups – including improving their living standards, employment, services or other forms of support aimed at their active social inclusion.

## Target groups

The project proposal needs to identify a specific target group(s) to which the activities in the project proposal will be targeted. It is necessary to analyze their needs and problems, as well as to decide which of them the project is targeted at. The target group included in the project proposal must be described with its specific characteristics.

Eligible target groups under this procedure are:

- 1) Unemployed persons with persistent physical, mental, intellectual and sensory insufficiency which, when interacting with various obstacles, could hinder their full and effective participation in society on an equal footing with others;
- 2) Long-term unemployed persons who are entitled to monthly social assistance under the Social Assistance Act and its implementing rules;
- 3) Unemployed persons - single parents (adoptive parents) and/or mothers (adoptive mothers) with children up to 5 years of age;



- 4) Persons who raise children with permanent disabilities and receive benefits under Art. 8e of the Family Allowances act for children and/or who, due to the care of children with permanent disabilities, do not have the opportunity to realize themselves on the labor market;
- 5) Family members of persons with disabilities who are caring for them and therefore do not have the opportunity to be realized on the labor market;
- 6) Unemployed persons with primary or lower education and without professional qualifications;
- 7) Unemployed persons up to the age of 29 who have no previous professional experience;
- 8) Unemployed young people with permanent disabilities;
- 9) Unemployed young people from social institutions who have completed their education;
- 10) Persons accommodated outside the family under Art. 26 of the Child Protection Act, including after termination of their accommodation;
- 11) Unemployed or inactive persons over 50 years of age;
- 12) Unemployed persons who served a sentence of imprisonment;
- 13) Persons with dependence on alcohol or drugs who have successfully undergone a treatment or psychosocial rehabilitation program;
- 14) Homeless persons who do not own a home, are not able to rent a home with their own funds and are not accommodated in municipal housing under the Municipal Property Act and/or due to accidental circumstances (fire, natural disasters, building collapse, etc.) have been left without shelter;
- 15) Foreigners who have received protection in the Republic of Bulgaria under the Law on Asylum and Refugees;
- 16) Persons who have received special protection status under the Anti-Trafficking in Human Beings Act;
- 17) Victims of domestic violence within the meaning of the Domestic Violence Protection Act;
- 18) Representatives of different communities employed in social enterprises, cooperatives and specialized enterprises for people with disabilities;
- 19) Persons employed in institutions and organizations related to social entrepreneurship.

**Duplication of funding of the same target group from different sources for the same activity shall not be allowed.**

## Horizontal policies

In preparing and implementing the activities of each project proposal, all three horizontal principles must be observed and applied.

### **1. Equal opportunities and non-discrimination**

**Project "ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory".**

Project proposals must contain information on specific actions and measures to promote equal opportunities and prevent any discrimination on grounds of sex, race, color, ethnicity or social origin, genetic characteristics, language, religion or belief, political or other opinions, property, origin, disability, age or sexual orientation, taking into account the needs of the different target groups at risk of such discrimination.

**2. Gender equality**

Applicants should describe in the application form what measures they will take to ensure equality between the men and women involved in the project. The scheme will support actions promoting the reconciliation of work with private and family life, promoting flexible forms of employment and flexible working hours, providing opportunities for distance training and work, promoting women's economic activity and independence, supporting company practices to promote equality between men and women in the workplace and reconciling work and private life, eliminating gender stereotypes in society, etc.

**3. Sustainable development**

In the application form should be described the measures aimed at protecting the environment, resource efficiency, effective and efficient spending on the budget, climate change mitigation and adaptation, resilience to natural disasters, etc. in line with the activities planned in the project proposal.

**Indicators**

**Performance indicators**

No	Indicator	Unit of measure	Target value
1	Social enterprises created	Number	2
2	Newly established social enterprises supported	Number	3
3	Inactive or unemployed participants	Number	8

**Result indicators**

No	Indicator	Unit of measure	Target value
1	Supported enterprises of the social economy, which continued their activity 6 months after the end of the financing	Number	2
2	Inactive or unemployed participants in employment after the end of the funding	Number	5

## Indicative budget

The indicative budget of the funding scheme amounts to BGN 150 000 per year. The funds are provided in the form of grants by the budget of Haskovo municipality.

### Indicative budget of the social enterprise financing scheme

Priority area	Indicative budget
Project proposals for the establishment of new social enterprises on the territory of Haskovo municipality	BGN 100 000
Project proposals to support newly established social enterprises	BGN 50 000
<b>Total budget under the social enterprise financing scheme</b>	<b>BGN 150 000</b>

The distribution of funds may change depending on the quality of the incoming project proposals in the priority areas. All changes will be announced on the website of the Municipality of Haskovo [www.haskovo.bg](http://www.haskovo.bg). Haskovo Municipality reserves the right not to negotiate the full amount under the current funding scheme if not enough projects are approved.

### Minimum and maximum grant amount for a specific project:

Each applicant can apply for a grant and the project prepared by him must be within the following minimum and maximum limits:

**Minimum grant amount: BGN 10 000**

**Maximum grant amount: BGN 50 000**



**IMPORTANT: No co-financing is required by the applicants and/or partners of the project**

## Eligibility criteria for project proposals

Each applicant may submit only one project proposal under the current funding scheme. In case the applicant has submitted more than one project proposal, the last, during the submission, project proposal will be admitted for evaluation, unless it is withdrawn by the applicant.

A partner may participate in a maximum of two project proposals if it has sufficient capacity to carry out the project activities.

The maximum time limit for the implementation of projects may not exceed 12 months.

The minimum amount of the grant for one project proposal may not be less than BGN 10,000, and the maximum - more than BGN 50,000.

The project proposals should be submitted before the deadline for application under the current scheme – 17.00 on 02.05.2021.<sup>1</sup>

## Eligibility criteria for applicants

### Eligibility requirements for the applicant

"Applicants" for grants are all natural and legal persons who apply for grants by submitting a project proposal.

The applicant is a natural person or legal person with independent legal personality, registered and entitled to operate on the territory of the Republic of Bulgaria in accordance with the Bulgarian legislation in force, has its registered office and address of management on the territory of Haskovo Municipality and carries out the project activities on the territory of Haskovo Municipality.



**Each candidate can submit only one project proposal.**



**Persons who have outstanding debts to the Municipality of Haskovo cannot participate in the procedure and cannot be funded.** This circumstance shall be declared by the candidates by completing the Applicant's Declaration (Annex 4).

An applicant may be one of the following persons:

- A natural person who intends to open a social economy enterprise;
- Social enterprise;
- Employer<sup>2</sup>;
- Specialized enterprise of people with disabilities according to Art. 28, para 1 of the Integration of Persons with Disabilities Act;
- Cooperative of persons with disabilities with article 28(1) of the Integration of Persons with Disabilities Act;
- Provider of social services according to Article 3 of the Social Services Act;
- Non-governmental organization registered in Bulgaria as non-profit legal entities (NGOs) under the Law on Non-Profit Legal Entities designated for carrying out

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<sup>1</sup> The time and date are indicative and should be specified when adopting and implementing the Social Enterprise Funding Scheme

<sup>2</sup> "Employer" is any natural person, legal entity or its division, as well as any other organizationally and economically separate entity (enterprise, institution, organization, cooperative, farm, establishment, household, company and the like), which independently employs workers or employees under an employment contract, including for home and remote work and for sending work to a user enterprise

activities for public benefit (including community centers registered under the Non-Profit Legal Entities Act).



IMPORTANT: All applicants under this scheme should complete the Applicant's Declaration (Annex 4) of the application package, where they are to indicate whether they fall within that definition of social enterprise at the time of application. In case the applicant does not self-identify as a social enterprise at the time of application, it should note this circumstance and declare that it will create a new social enterprise, for which at the time of project implementation it will submit the relevant documents certifying that through this project a social enterprise has been created, which falls within the definition given below.



IMPORTANT: For the purposes of this scheme, the definition of "social enterprise" shall be used the scope of the definition referred to in Article 10 (2) of Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation (EaSI) and amending Decision No 283/2010/EU establishing a European Microfinance Facility for Employment and Social Inclusion Progress, namely:

'social enterprise' means an undertaking, regardless of its legal form, which:

(a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:

(i) provides services or goods which generate a social return and/or

(ii) employs a method of production of goods or services that embodies its social objective;

(b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and

(c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities;



IMPORTANT: If at the time of application, the applicant indicates in the Declaration of the applicant (Annex 4) that it falls within the specified definition of social enterprise, in case of approval of the project proposal and before concluding a grant agreement must submit the relevant documents certifying this circumstance.

In case the applicant indicates that he will create a new social enterprise, upon approval of the project proposal and conclusion of a grant agreement upon submission of the first

interim request for payment must submit to the Municipality of Haskovo the necessary documents to certify that the newly created social enterprise falls within the scope of the above definition.



At the stage of submitting a project proposal, applicants are required to enclose a declaration confirming that they meet the eligibility conditions (Declaration of the applicant). Whether a contract for funding of the approved project can be concluded with the applicant is determined by the Municipality of Haskovo before signing the contract, based on documents provided by the applicant, proving its eligibility, and for partner projects - documents certifying eligibility of the partner.

## Partnership conditions and eligible partners

Under the current Social enterprise funding scheme, the applicant can participate individually or in partnership, with no limit on the number of partners in a project proposal. The partner must have a clear and justified role in achieving the project objectives.

The partner is a person with independent legal personality, registered and entitled to operate on the territory of the Republic of Bulgaria in accordance with the Bulgarian legislation in force and carries out the project activities on the territory of Haskovo Municipality.

Eligible partners are:

1. Training institutions and organizations;
2. Centers for information and professional guidance, registered in the Register of centers for information and guidance to NAPOO;
3. Social service providers<sup>3</sup>;
4. NGOs.



**A partner cannot participate in more than two project proposals.**

At the stage of submitting a project proposal (application), the partnership must be declared by submitting by the applicant a Declaration of the partner (Annex 5), which must be completed and signed by the official representative of the respective partner. The declaration is filled in separately by each of the partners in the respective project.

Before signing a funding contract with Haskovo Municipality, the applicant must provide a Partnership Agreement with each individual partner.

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<sup>3</sup> For the purposes of this procedure, Social Service Providers are Bulgarian individuals registered under the Commercial Law and legal entities licensed by the Executive Director of the Agency for the Quality of Social Services.

## Project "ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory".

The applicant must be directly responsible for the management and implementation of the project activities and not act as an intermediary (as evidenced by the allocation of activities between the applicant and the partner and the funds to be spent by them) - if applicable.

The partner should carry out the project activities for which it is solely responsible and not perform the role of intermediary.

Please note that partnership under this procedure is permissible and not mandatory. In assessing the project proposal, the capacity of the partner(s) will be assessed separately from that of the applicant and the final assessment shall be the arithmetic average of the assessments of the applicant and the partner(s).

Partnerships established for the purposes of this grant scheme do not need to be registered in court. The applicant and the partners must sign a Partnership Agreement at the time of concluding the contract.

The partners participate in the implementation of the project and the costs incurred by them are eligible to the same extent as the costs incurred by the applicant. They are reported with primary accounting documents.

## Eligible activities

### General activities

Each project proposal should necessarily contain the following activities:

1. Activities for organization and management of the project;
2. Information and communication activities/costs.



**IMPORTANT: Activities that have been launched, physically completed or fully implemented prior to the conclusion of a contract under this procedure are not eligible for funding.**

### Specific eligible activities

Under this scheme, submitted project proposals may include one or a combination of some of the eligible activities. Activities aimed at providing support for the creation of new and expanding the activities of existing social enterprises, specialized enterprises and cooperatives of people with disabilities in connection with the provision of employment through:<sup>4</sup>

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<sup>4</sup> For the purposes of this scheme, the expansion of existing social enterprises means when the organization already has / functions as a social enterprise, regardless of whether it will expand the current activities of the social enterprise by hiring new persons and / or will focus on developing of a new activity in the social enterprise.

### **1. Psychological support and motivation of vulnerable groups for inclusion in employment**

Psychological support mainly includes techniques for dealing with stress and increasing the self-assessment of the representatives of the target group involved in the activity. Acquiring skills to successfully cope in the workplace and/or adapting to working conditions. This activity should be carried out by a graduate psychologist.

### **2. Social and professional integration of representatives of vulnerable groups in the social economy sector**

Measures aimed at encouraging the participation of persons in social and professional life should be included in this activity in accordance with the specificities of each individual case. This can be achieved through (but not limited to):

- Development of communication and grouping skills;
- Development of different habits and skills for life;
- Accompanying and supporting the training process and/or at work;
- Support for forming work habits, helping to find a suitable job;
- Activities that help the person realize their individual abilities and resources;
- Development of individual labor, therapeutic and integration programs for the people of the target groups and their implementation.

### **3. Provision of training to persons for whom employment is provided in social enterprises, specialized enterprises and cooperatives of persons with disabilities.**

- ❖ Vocational training directly related to the respective workplace, which is carried out in accordance with the requirements of the Vocational Education and Training Act (VETA).

The training shall be carried out in accordance with the identified needs of the employers and with a focus on the field of activity and occupation pursued, as well as the position to be taken by the person.

Where the applicant/partner will carry out self-study(s) of professional qualification, the description of the activity on the Application Form must provide the following information for each training envisaged:

1. Name of the training organization;

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Establishment of a new social enterprise means a newly formed and / or non-developing activity as a social enterprise until now, an organization that will create a social enterprise in the structure of the applicant organization through this procedure and it will start functioning as such through this project proposal. New social enterprises are also considered to be new legal entities established after the conclusion of a contract for targeted provision of grants.

The creation of a new social enterprise means a newly formed and/or non-developing activity as a social enterprise to date an organization that will create a social enterprise in the structure of the applicant organization through this procedure and will become operational as such through this project proposal. New social enterprises are also considered to be new legal entities established after the conclusion of a contract for the targeted provision of grants.



2. License number from NAPOO;
3. Name and code of the profession and specialty code;
4. Horarium of training;
5. Number of persons trained;
6. Document proving the completed training.

In case the training in professional qualification is assigned to a contractor, information from item 3 to item 6 shall be provided.

- ❖ Provision of training in key competences ("Communication in foreign languages", "Digital competence", „Public and civic competences", etc.).

The training shall be carried out in accordance with the identified needs of the employers and with a focus on the field of activity and occupation pursued, as well as the position to be taken by the person.

Where the applicant/partner will carry out training(s) on key competences, the description of the activity in the Application Form must provide the following information for each training envisaged:

1. Name of the training organization;
2. Horarium of training;
3. Number of persons trained;
4. Document proving the completed training.

In the event that the training of key competences is outsourced to a contractor, information from item 2 to item 4 shall be provided.

One person is entitled to receive only one training for acquiring a professional qualification and up to two trainings in acquiring key competence.

#### **4. Providing a mentor from the employer for new employees**

Each mentor is responsible for a minimum of 1 and a maximum of 3 people – representatives of the target group. The mentor will assist new recruits for up to 6 months. The mentor should be a person from the same enterprise (including a newly employed one).

The relationship between the employer and the mentor shall be governed by a new employment contract/order or an additional agreement to an existing one, which determines the allocation of working time and any other conditions for the performance of the mentoring.

#### **5. Equipment of newly created workplaces and, where appropriate, their adaptation for persons with disabilities and/or repair of the premises**

The need for the specific equipment to be purchased under the project should be justified in the Application Form.

In case the applicant has planned to carry out repair activities related to adaptation for disabled persons and / or repair of the premises, it is necessary for the applicant to have his own premises or to have a lease agreement for the premises in which it is planned to make

repairs. Under the scheme it is admissible to carry out ongoing<sup>5</sup> and overhaul repairs, according to §5, item 42 and item 43 of the Additional Provisions of the Spatial Planning Act (SPA). However, it should be borne in mind that the need for the relevant type of repair is justified in the project proposal and must be directly related to the objectives of the project proposal and the procedure. The argumentation for the repair is recorded in the description of the specific activity in the Application Form and should contain: type of repair, description and size of the room, etc. The lack of general argumentation for the type and the need for repair is a ground for its removal from the project proposal and deletion of the respective costs from the budget, in case of approval of the project proposal. The justification of the eligible repair costs for the specific activity will be monitored at the implementation stage.



**IMPORTANT: In the event that the project provides for the adaptation of work places for persons with disabilities and/or the repair of the room, the applicant should present: a relevant document on the right to use the room/building (property document, rental contract/grant or other document of equivalent value). The right of ownership/use should have a term for the time of project implementation.**

The relevant documents shall be submitted at the time of negotiation in case the Municipality of Haskovo approves the project proposal for financing.

#### **6. Provision of advisory services for the development of entrepreneurial, management and business knowledge and management skills of social enterprises, specialized enterprises and cooperatives of people with disabilities**

Applicants should describe in detail in the application form what specific advisory services they need, as well as whether they will be provided by the project partner(s) or an external contractor will be hired to carry out the activity. Advisory services may include the following non-exhaustive list:

- Consultations for the formation of entrepreneurial skills;
- Consultations for development of business ideas and business plans for management of independent business activity, tailored to the individual desires and skills of the persons in the target group;
- Consultations on forms of commercial activity, staff, legal responsibilities and insurance, financial planning, capital and types of sources, accounting and taxation;

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<sup>5</sup> According to the Spatial Planning Act: "Ongoing repairs" is the improvement and maintenance of buildings, structures, facilities and installations, as well as internal reconstructions, which do not:

- (a) affects the structure of the building;
- b) include activities such as removal, relocation of existing walls and making holes in them are not performed when they affect the structure of the building;
- c) changes the purpose of the premises and the loads in them.

"Overhaul" of a construction site is a partial restoration and/or partial replacement of structural elements, main parts, facilities or installations of the construction site, as well as the construction and installation works with which originally used but worn materials, structures and structural elements are replaced by other types or new types of works are performed, which restore their serviceability, improve or extend the term of their operation.

- Exploring the demand and market opportunities of the goods produced and the services provided (determining consumer needs and attitudes, exploring the existing market for the relevant goods and/or services that the applicant provides, analysing possible means of sale, examining price levels, forecasting market demand and market development for a given good/service, etc.);
- Consultations for developing a marketing plan;
- Assessment of the viability of business ideas and prospective entrepreneurs;
- Consultations and mentoring for preparation of business activity management, including to create business contacts; supporting access to networks promoting business development, etc. and preparation of business plans by individuals;
- Advice on acquiring skills to increase the efficiency of management of social enterprises, specialized enterprises and cooperatives of people with disabilities;
- Consultations and referral to apply for financing of the activity from available financial sources, including financial instruments of OP HR, OP IC; Programme for microcredit of social enterprises to the Fund of Funds; Cross-border cooperation programmes with Greece and Turkey; donations, equity investments, loans, etc.;
- Preparation of documents for registration of economic activity, including legal aid;
- Others according to the specifics and needs of the candidate.

#### **7. Support for employment - MANDATORY ACTIVITY**

The applicant should provide employment for a period of up to 12 months to persons in the eligible target group. The employment and social security relations of the employees within the framework of the project are governed by the conditions of the Bulgarian labor and social security legislation.

The activity may include new employees from the target group, as well as persons who are already in an employment relationship with the social enterprise.

#### **8. Social marketing and promotion of the social economy and social entrepreneurship.**

Within the framework of the activity, measures related to the organization and / or participation in events aimed at promoting social entrepreneurship and the social economy and promoting the social effect of the applicant's activities and the provided goods and / or services should be implemented. For the purposes of implementation, various communication channels can be used - Internet, electronic and printed publications, etc.



**IMPORTANT: Activities that have been launched, physically completed or fully implemented prior to the submission of the project proposal under this scheme are not eligible for funding.**

**Each activity must be described in detail in the application form.**

The implementation of the projects should provide an opportunity to create appropriate skills in the specified target groups in order to ensure greater competitiveness and successful integration in the labor market.

Investments under this scheme must aim at achieving long-term effects on the target group(s) included in the project proposal and real inclusion in the labor market. Applicants should indicate in the application form what sustainable employment of the targeted group is expected to be achieved with the implementation of the project activities.

## Procedure for applying for funding

The submission of project proposals is carried out entirely by electronic means – by sending an email to: [kmet@haskovo.bg](mailto:kmet@haskovo.bg).<sup>6</sup> All necessary documents submitted at the application stage should be attached to the communication. The subject of the email should be mentioned: "**Social enterprise funding scheme**"

Project proposals under the social enterprise funding scheme can be submitted from the date of the announcement of the competition – 19.06.2020.<sup>7</sup>

The deadline for submission of the projects is 02.05.2021, 17:00.<sup>8</sup>

Please note: The deadline refers to the moment of submission of the relevant project electronically. When a project is successfully submitted, the candidate receives an auto-generated message for a successful submitted project by email.<sup>9</sup>

Applicants must fill in all mandatory fields in the form correctly and in Bulgarian. Forms with incorrect text boxes will not be allowed.



**WARNING: Projects for which the applicant has not developed a publicity plan meeting the requirements of the Social enterprise funding scheme will not be agreed.**

The form is completed in Bulgarian and submitted together with the required annexes (attached to the email in the specified format). The application form and the corresponding annexes to it together represent the project proposal.



**WARNING: Paper proposals will not be accepted on paper, on electronic media, or in any other way, except by submitting the specified order by e-mail.**

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<sup>6</sup> This e-mail is indicative and should be specified when adopting and implementing the Social Enterprise Funding Scheme

<sup>7</sup> The date is an example

<sup>8</sup> Time and date are examples

<sup>9</sup> Sending an auto-generated message when a project proposal is successfully submitted is a proposal from the author of the report, which must be discussed and detailed before the adoption of the Social Enterprise Funding Scheme

All models of documents for the competition can be found as annexes to the Social Enterprise Funding Scheme published on [www.haskovo.bg](http://www.haskovo.bg).<sup>10</sup>

### List of documents to be submitted at the application stage

The application under the Social enterprises funding scheme is made by submitting a duly completed Application Form (Annex 1), in .doc, .docx or .pdf format, accompanied by the following documents:

1. **Project budget** – completed according to a template (Annex 2), in accordance with the instructions under this scheme and saved in one of the following formats: .xls, .xlsx or .pdf;
2. **Project timeline** – completed according to template (Annex 3) and saved in .xls, .xlsx or .pdf format;
3. **Declaration of the applicant** – completed according to a template (Annex 4). To be filled in by all persons who are authorized to represent the applicant, regardless of whether they represent it jointly and / or separately, and are entered in the commercial register and the register of non-profit legal entities, or are defined as such in a memorandum of association, when these circumstances not subject to entry. The declaration (s) shall be signed by each of the persons on paper, scanned and sent together with the other annexes to the application form.  
A declaration of the applicant cannot be signed by authorized persons, as it declares data that are declared in a personal capacity or data about the respective legal entity, and for their accuracy there is a criminal liability, which is also personal.
4. **Declaration of the partner** – completed in a template (Annex 5), scanned and attached together with the other documents. To be filled in by all persons who are authorized to represent the partner, whether they represent it jointly and / or separately, and are entered in the commercial register and in the register of non-profit legal entities, or are defined as such in a memorandum of association, when these circumstances are not subject to entry.
5. **5. CVs** completed in Bulgarian language and complying with the format of the Europass for the members of the management team of the project (not necessarily providing CV for an accountant) and all named in the application experts

In case the applicant has not submitted any of the documents indicated for the applicant/partner or submitted them but are not in the required form, they may be requested additionally by the Evaluation Committee and a time limit for their submission shall be fixed for this purpose, not less than one week.

During the stage "Evaluation of a project proposal" the communication with the applicant will be carried out only by email, via the e-mail from which the project proposal is submitted.

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<sup>10</sup> The website of Haskovo Municipality is referred to as an indicative option for publication of the documents under the Social Enterprise Funding Scheme

The evaluation committee may at any time verify the data declared by the candidates/partners and request clarifications on the documents submitted. The information and documents submitted shall under no circumstances alter the initial terms of the project proposals submitted and/or lead to an improvement in their quality.

## Time frame of the funding scheme

Indicative schedule of the competition:

Announcement of the competition	Date X
Deadline for submission of project proposals	Date X + 1 month
Verification of administrative compliance and evaluation of Projects	Date X + 3 months
Project selection and contracting	Date X + 4 months
Deadline for implementation of projects	Date X + 16 months <sup>11</sup>



**TIP:** Provide sufficient time before the deadline for submitting the project proposal. Please note that forms with blank fields may lead to a reduction in the evaluation of the project proposal or its rejection.

The use of advisory services by applicants is not recommended to apply for the Social enterprise funding scheme. In order to develop a successful project proposal, applicants need to familiarize themselves in detail with the current Funding Scheme and the instructions for completing the application form and its annexes.

The deadline for submission of project proposals is 01.07.2021, 17:00 <sup>12</sup>

Any project proposal submitted after the deadline will be rejected and will not be considered under the current Social enterprise funding scheme.

## Financial conditions and eligibility of expenditure

The amount of the grant applied for under the Social enterprises funding scheme may be between BGN 10 000 and 50 000. The requested funding may be up to 100 % of the total budget of the proposed project. The budget should cover the full amount of eligible costs for the implementation of the project, including the own contribution of the applicant and partners, as well as voluntary work as part of the own contribution, in case an own contribution is planned.

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<sup>11</sup> The dates should be specified when adopting and implementing the Social Enterprise Funding Scheme

<sup>12</sup> The date and time are indicative

**Project "ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory ".**

The budget of the project should cover all eligible costs for the implementation of the project and not only the grant. If the project provides for co-financing by the applicant, it should be included in the description of the budget.

The budget is presented in BGN. The values shall be rounded to two decimal places.

All expenses are filled in the respective lines with VAT for the budget items.

The Budget does not allow expenditure which is not justified and linked to a specific activity of the project proposal.

The costs of the activities covered in the project budget should correspond to the description of the activities in the application form and the stages for their implementation, and the resources for carrying out the activities should be planned in an appropriate quantity and quality and described in detail in the description of the activity concerned. Activities should identify targets that are specific, measurable, achievable, up-to-date and time-planned. The achievement of these objectives is tracked by performance and result indicators for each of the activities.

When planning expenditures in the budget, the optimal ratio between the resources used for the realization of the set specific goals and the achievement of the planned results should be observed.

**In the case of projects with partner(s):** The planned grant, for all project partners (for projects with more than one partner), may be up to 40% of the funding sought, and for one individual partner (including projects with only one partner) it may not exceed 25% of the amount applied for.

**Repair and reconstruction:** The amount of planned repair and reconstruction costs may not exceed 40% of the project costs.

### **Eligibility of expenditure**

In order to be eligible, the costs of implementing the project must simultaneously meet the following requirements:

1. To be carried out by the beneficiary or his partner during the implementation of the project within the time limits specified in the contract, after the start and before the expiry of the deadline for the implementation of the project;
2. Be directly related to the subject matter of the contract for targeted grant financing of a project;
3. Be made solely for the purpose of achieving the objectives and expected results of the implementation of the project;
4. Correspond to the agreed budget for the implementation of the project;
5. Be necessary and proportionate to the implementation of the eligible project activities in a manner compatible with the principles of economy, efficiency and effectiveness;

6. Be certified with the necessary supporting documents (invoices and/or other primary accounting documents), payment documents under national law, as well as documents proving receipt of goods and services;
7. The reporting of voluntary work costs is certified by a declaration of time worked;
8. Be recorded in the accounting documents and registers of the beneficiary or his partner in accordance with the applicable accounting standards and principles. The accounts of the beneficiary and its partners must allow direct identification and verification of the declared project revenue and expenditure;
9. Meet the requirements of the applicable tax and social security legislation;
10. The choice of supplier of goods and services shall be made in accordance with the applicable national legislation and the following requirements.

### **Assignment of supplies by the Beneficiary**

1. The beneficiary has the right to assign the implementation of project activities, in accordance with the approved budget for funding.
2. Activities that are not foreseen and approved for assign within the framework of the project proposal and the budget of the project may not be assigned without the explicit approval of the Municipality of Haskovo.
3. The choice of supplier of goods and services should be made in accordance with the following procedures:
  - 3.1. When choosing a supplier of goods, services or works, the beneficiary is obliged to comply with the requirements of the applicable national legislation in force. According to the legislation in force, a Beneficiary or his partner, who is not obliged to apply the Public Procurement Act, should apply Decree No 118 of 20.05.2014 on the terms and conditions for determining a contractor by beneficiaries of a grant
  - 3.2. The choice of a supplier of goods and services whose value with VAT is equal to or exceeds the BGN equivalent of EUR 5,000 (BGN 9,779.15 at the fixed exchange rate of the BNB EUR 1 = BGN 1.95583), but is below the values specified in the applicable national legislation, requiring a contractor selection procedure must be made on the basis of a selection of a tender offering an optimal quality / price ratio or the lowest price offered by at least three suppliers invited by the beneficiary or partner to submit a tender, in order to comply with of the best economic practices, accountability, fair competition between potential suppliers and ensuring optimal use of the funding.

### **Date of incurrence of expenditure:**

1. 1. Expenditure shall be deemed to have been incurred when the following conditions are simultaneously met: invoiced / issued primary accounting document; the costs have been paid and the item has been delivered;
2. Depreciation costs of equipment shall be deemed to have been incurred when the relevant operations have been recorded in the accounts of the beneficiary or his partner;
3. V 3. Expenses for voluntary work are considered incurred when the voluntary work is performed and reported with a declaration of time worked;



4. Exceptionally, payments of expenditure incurred during the last month of implementation of the project (which is also the last month of eligibility) shall be deemed to have been paid within the eligibility period only if the payments are made within 30 (thirty) calendar days after the date of expiry of the deadline for the implementation of the project.

#### **Administrative expenses**

1. Remuneration costs, social security contributions at the expense of an employer of the administrative staff: manager, accountant, technical assistant;
2. Costs of communications, postal and courier services;
3. Overhead maintenance costs;
4. Expenses for consumables of office equipment;
5. Bank fees;
6. Others directly relevant to the work of the administration in connection with the realization of the project.



Administrative costs shall not exceed 15 % of the total value of the project.

#### **Remuneration expenses of the team**

1. Labor costs under the Labor Code and remuneration arising from service contracts or procurement contracts under the CPA of persons directly involved in the implementation of direct activities - this should include gross wages and social security contributions accrued for account of the employer on the agreed remuneration and surcharges under the applicable national legislation.



There is no need to carry out an award procedure for: employment contracts and contracts concluded with experts who have been evaluated with the project proposal and have become part of the grant agreement.

2. The expenses for remuneration of the persons, employed under service contracts or procurement contracts by the order of the CPA shall not exceed 40% of the total expenses for remunerations in the budget.
3. In cases where the percentage limit has not been met, the evaluation committee will reduce the remuneration costs of persons employed under service contracts or procurement contracts under the CPA.

#### **Travel expenses**

1. Expenses for business trips / daily, travel and accommodation / of the persons receiving remunerations under the project or performing voluntary work within the project.
2. The costs of business trips are eligible if they are objectively justified and proven necessary in compliance with the requirement to choose the most economical route and vehicle, according to the Ordinance on business trips in the country.

#### **Cost of materials and consumables**

Eligible costs for materials and consumables are:

1. Costs of materials and consumables invested for the implementation of the activities described in the project;
2. Expenditure on the acquisition of technical equipment and software necessary for the implementation of the activities described in the project, which, according to the accounting policies of the beneficiary or partner, are not defined as a fixed asset;
3. Paid state, judicial and other fees necessary for the implementation of the activities provided for in the project.

By budget category Materials and consumables are not eligible costs related to the general functioning of the beneficiary, which cannot be incurred in direct project activities (such as stationery, equipment or software, which is not used exclusively for project activities, office maintenance, etc., which relate to administrative costs).

The costs of materials and consumables should be directly linked to the activities financed and necessary to achieve the objectives set, as described and justified in the activities of the project proposal.

With regard to the supply of materials, consumables and equipment, the above requirements for selecting a supplier shall be applied.

### **Service costs**

Eligible costs for services are:

1. Costs for renting halls, equipment and others directly related and necessary for the implementation of the project activities;
2. Costs arising from workmanship/service contracts or contracts under the CPA, not elsewhere qualified, for carrying out the project activities
3. Costs of services for the implementation of the activities described in the project, including services provided by natural persons exercising free professions;
4. Expenses related to travel of persons engaged in the provision of services shall be eligible under the relevant services.
5. The above requirements for selecting a supplier shall apply to the supply of services.

### **Purchase of equipment (fixed tangible asset)**

1. In case the Municipality of Haskovo considers that the equipment is an inseparable and necessary component to achieve the results of the Project, the entire purchase price of this equipment may be eligible. Eligible costs for the purchase of equipment (FIXED)' means the full value of the purchased equipment, having a key role in the implementation of the project, which is recognized in accordance with the accounting policy of the beneficiary or partner for a fixed asset;
2. In order for an eligible cost, the purchase of equipment representing a fixed asset, the beneficiary or partner should agree to fulfil, for a period of 5 years after the completion of the project, any or all of the following conditions:
  - a. To use the equipment for the general purposes of the project while retaining ownership of it;

- b. To insure equipment against theft, fire or other insurance events;
- c. Set aside the resources needed to maintain it.

### **Repair and reconstruction costs**

1. Eligible costs for repair and reconstruction are costs for repair and reconstruction of real estate, which are essential for the implementation of the activities and the achievement of the objectives of the project. The costs of repair and reconstruction are approved by the Municipality of Haskovo upon approval of the budget.
2. The cost of repair and reconstruction may not exceed 30 % of the costs of the project.
3. In order for the cost of repair and reconstruction to be eligible, the beneficiary or partner should:
  - a. To provide a copy of a notarial deed to the beneficiary or partner, a copy of a notarized contract for an established right of use or a copy of a rental contract for a period of at least 5 years after the completion of the project;
  6. To agree to use the property for the general purposes of the project, while retaining the ownership/right of use on it for a period of 5 years after the completion of the project, to insure the property against fire or other insurance events and to set aside resources necessary for its maintenance;
4. The supply of repair services shall be subject to the above requirements for selecting a supplier.



The value added tax due on the costs incurred is considered a non-refundable tax and is included in the costs of the activity concerned when the applicant at the date of submission of the project proposal is not registered under the Value Added Tax Act (VATA) or is not in the registration procedure.

### **Ineligible costs**

1. Expenditure financed under another operation, programme or any other financial scheme arising from the national budget, municipal budget or other donor programme;
2. Fines, financial penalties and dispute resolution costs;
3. Refundable value added tax;
4. The cost of guarantees provided by a bank or other financial institution, excluding expenditure on financial instruments.
5. Interest on debts, other than those relating to grants, provided in the form of interest rate subsidies or guarantee fee subsidies;
6. Expenditure on advisory services related to the preparation and/or completion of financial support application documents.



Expenditure on projects or activities physically completed or fully implemented prior to the submission of the application form by the beneficiary, whether or not all related payments have been made by the beneficiary, shall not be eligible.

## Scheme for making payments to beneficiaries and reporting obligations

When planning the budget and the timetable for the implementation of the project, the applicant should take into account the conditions of granting, the payment scheme to beneficiaries and the reporting obligations.

### Payment scheme

1. Advance payment shall be ordered within 10 (ten) working days from the date of start of the project, according to the contract for its implementation. The advance payment amounts to 40% of the total value of the grant.

2. Interim payments shall be ordered within 15 (fifteen) working days after the approval by the Municipality of Haskovo of the interim technical and financial reports submitted by the beneficiary. The total amount of interim payments shall be 50 % of the total grant.

The amount of the interim payment may be reduced depending on the amount of unspent funds identified in the acceptance of the interim financial reports, or in case of a reduction in the amount of the grant due to identified irregularities. In case the beneficiary has reported less than the percentage of the allocated funds set in the Plan for reporting to the beneficiary and transfer of funds, or if the amount of the grant is adjusted due to irregularities, the amount of interim payment is reduced by the amount of unspent funds, or of the imposed correction.

3. Final (balancing) payment shall be ordered within 15 (fifteen) working days after approval by the Municipality of Haskovo of the final technical and financial report. The final (balancing) payment is calculated as the difference between the final amount of the grant approved by the Municipality of Haskovo and the amount paid to the beneficiary (through advance and interim payments).

The amount of the grant may be reduced on the basis of a reasoned decision of the Municipality of Haskovo on financial corrections related to the beneficiary's failure to fulfil obligations under the contract, including on the basis of irregularities found.

### Reporting obligations

The beneficiary and the partners have the obligations to provide reports (interim and final technical and financial reports) according to set templates and deadlines.

1. In compliance with the requirements of transparency, accountability and good governance, as well as the general eligibility requirements for project costs, the beneficiary is obliged to use an accounting system to allow the generation of accounts for the revenue and expenditure of the project separate from the rest of the activity.

2. It is necessary to ensure the functioning of an adequate system of internal control, enabling to monitor the approval of the assignment, acceptance and payment of the activities related to the implementation of the project;
3. The beneficiary should oblige its partners to apply the same, or similar to the above-mentioned project accounting requirements.

#### **Interim and final technical reports on the implementation of the project**

1. The beneficiary is obliged to provide the Municipality of Haskovo with comprehensive reporting on the implementation of the project, which includes the preparation and presentation, in accordance with the requirements of Haskovo Municipality, of interim technical reports on the implementation of the project and a final technical report on the implementation of the project;
2. The beneficiary is obliged to prepare the specified reports within the deadlines specified in the funding contract according to the samples provided by Haskovo Municipality.
3. The period covered by the reports shall be set out in the beneficiary reporting and transfer plan annexed to the contract;
4. The deadline for the transmission of interim technical reports shall be until the last working day of the month following the end of the reporting period;
5. The deadline for the transmission of the final technical report is up to 30 (thirty) calendar days after the expiry of the project term;
6. The following shall be attached to the reports: copies of publications, materials (written and / or audiovisual, etc.) proving the implementation of each specific activity described in the report;
7. The final technical report must contain complete information on all aspects of the implementation of the project;
8. The technical reports and the annexes thereto shall be submitted by e-mail within the deadlines specified by Haskovo Municipality;
9. The failure to submit technical reports constitutes a reason for the Municipality of Haskovo to decide to unilaterally terminate the implementation of the project due to a faulty failure by the beneficiary and a claim for reimbursement of the paid financing of the project.

#### **Interim financial reports and final financial report**

1. The beneficiary is obliged to prepare interim financial reports and final financial report according to the sample of Haskovo Municipality;
2. The data in the financial reports of the expenditure incurred in the project should reflect the data from the beneficiary's accounts;
3. The financial reports must be accompanied by the required documentation. The partner(s) shall provide the beneficiary with their documentation in order for it to be included in the beneficiary's accounts to Municipality of Haskovo;
4. The reporting period shall be specified in the beneficiary's reporting and transfer plan attached to the contract;
5. The maximum period for the submission of interim accounts shall be the last working day of the month following the end of the reporting period;

6. The deadline for submission of the final financial report is up to 30 (thirty) calendar days after the expiry of the project term;
7. The financial reports and the annexes thereto shall be submitted by e-mail in the manner specified in the contract.
8. The failure to present financial reports constitutes a reason for the Municipality of Haskovo to take a unilateral decision for termination of the project due to the fault of the beneficiary and claim for reimbursement project funding

#### **Documentation proving the costs incurred**

In order to meet the documentary cost justification requirements, the beneficiary must provide documentation applicable to the budgetary categories for which project costs are taken into account:

1. Evidence of payments made, such as bank statements, payment orders, etc., including reimbursement by the beneficiary or partner of the costs incurred by project travelers;
2. Evidence of expenditure incurred such as invoices, receipts, tickets, etc.;
3. Evidence of remuneration costs: declarations of time worked under the Project (model); employment contract/annex, payroll (fiche), civil contract and fee list, information about declared and paid social security contributions and taxes;
4. Evidence of receipt of goods and services such as contracts, reception protocols, etc., in accordance with the nature of the service;
5. Evidence relating to transport costs: road data sheet for road travel, documents on the use of another type of transport;
6. Evidence for organizing conferences, trainings, consultations and implementation of other project activities (attendance lists, photos, information materials, feedback forms, protocols, etc.);
7. Evidence of compliance with the applicable national legislation when selecting a supplier of goods and services: a complete set of documents confirming the preparation and conduct of the selection procedures, in accordance with the requirements of the legislation and the current funding scheme;
8. Documents demonstrating compliance with requirements related to the purchase of fixed assets and carrying out repair and reconstruction costs;
9. Purchase journal for the respective tax periods for beneficiaries or partners registered under the Value Added Tax Act who have not used a tax credit for the deliveries of goods and services in the framework of the implementation of the project.

#### **Notification to the beneficiary of the acceptance of reports**

1. Haskovo Municipality shall inform the beneficiary of the need to provide additional documentation, clarifications or corrections;
2. The Municipality of Haskovo shall notify the beneficiary of its decision to accept reports within two months of receipt by the beneficiary of the information necessary for the adoption of the relevant report;
3. Upon request of clarifications, corrections or additional information, the above period shall start to run again from the date on which the beneficiary has provided the required information;

4. The Municipality of Haskovo shall notify the beneficiary of the total amount of the approved expenditure at the time of acceptance of the financial report; reasons for and amount of expenditure identified as ineligible; the imposition of financial penalties/adjustments or other measures; recommendations.

## Making budgetary changes

1. Changes to the project budget affecting the main objective of the project or leading to an increase in the amount of the contract grant initially agreed and/or to exceed the funds by budget categories for which there is a fixed percentage are inadmissible;
2. Ineligible are changes introducing unforeseen in the repair and reconstruction costs approved to the project proposed budget;
3. With regard to budgetary changes between budget categories or between the budget of activities within up to 10 % of the budget (relative to the approved budget of the categories or activities that are increasing and decreasing), a beneficiary is obliged to provide written information to Municipality of Haskovo on budgetary change, including a draft updated budget
4. Budgetary changes made should comply with the principles of economy, efficiency and effectiveness.

## Instructions for completing an application form and for preparing the project budget

### Application form

The instructions for filling in the application form are described in detail in each of the sections of the form. The beneficiary should fill in the form in Bulgarian language by entering information in the relevant fields without making changes to the text formatting. The total length of the completed application form may not exceed 30 pages.

### Project budget

The completed budget is an integral part of the project proposal applying for a grant under the competition. The budget should contain specific and clear information on the planned expenditure on activities, in line with the activities planned in the project proposal.

The template for completing a budget must be downloaded from the website of Haskovo Municipality [www.haskovo.bg](http://www.haskovo.bg)<sup>13</sup> the Social Enterprise Funding Scheme section and be completed in Bulgarian according to these guidelines. The completed budget should be attached to the application e-mail as an Excel file.

The budget is used throughout the project cycle (evaluation, project selection, risk assessment, contracting, implementation, reporting, monitoring and audit). The budget

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<sup>13</sup> An example page is listed on the website of Haskovo municipality, where information about the Social Enterprise Funding Scheme can be found

approved by Haskovo Municipality, attached to the contract for funding of the project, is part of the matrix for financial statements. The applicant shall be solely responsible for the accuracy of the financial information completed in the budget. The amounts completed in the budget for the total budget of the project, the own contribution and the grant sought must correspond to the amounts indicated in the application form with a project proposal. If the amounts completed in the application form differ from those in the attached budget, the amounts set out in the attached budget will be valid.

An applicant who has not attached to the project proposal a budget for the project for which he / she is applying shall be removed at the stage of checking the administrative eligibility of a project proposal as non-compliant with the administrative requirements.

#### **Selection of budget template:**

In case the applicant does not have partners, the relevant budget template Annex 2.1 must be withdrawn and completed.

When preparing a project proposal with a partner(s), the applicant must download and complete a budget template Annex 2.2.

**Planning a budget with partners:** When the project is intended to provide part of the budget to partner organizations, the applicant must fill in the budget allocation by partner.

#### **Planning a budget by activity**

The budget is introduced under the activities included in the project proposal (Project Management and Reporting, Communication Plan, etc.), introducing for each activity the required number of budget lines describing consistently the costs of all sub-activities related to the specific activity (e.g., for organizing an event, products, etc.). A specific description for each specific cost should be entered in the column 'cost description'.

Budgetary data are entered only in the white cells of the budget matrix (cost description, measure unit, number of units, unit price, etc.). In fields marked in blue, the data is calculated automatically based on the information filled in in the other cells.



**WARNING:** The budget must comply with budgetary constraints and conditions for eligibility of activities and related expenditure under the Social enterprise funding scheme.

Unjustified or incorrect budget or expenditure, or non-compliance with the requirements for eligibility of expenditures, as specified in the current social enterprise funding scheme, will affect the overall evaluation of the project proposal and subsequently in its implementation and reporting.



## Procedure for evaluation of project proposals

All project proposals shall be evaluated in accordance with the criteria described in the social enterprise funding scheme. The criteria shall not be amended during the procedure. The evaluation is carried out by evaluation committees appointed by order of the Mayor of Haskovo Municipality and is documented by filling in evaluation tables. The evaluation of the project proposals includes:

1. Assessment of administrative compliance and eligibility;
2. Technical and financial assessment.

### Criteria for administrative compliance of project proposals

Project proposals shall be considered admissible when they meet the criteria of administrative compliance for the competition.

#### List for verification of administrative compliance criteria:

No	Criteria	Yes/ No
1	The project proposal was successfully submitted on time and by email; all sections of the form, as well as the applicable templates of annexes submitted, are completed in accordance with the instructions and in Bulgarian	
2	Attached to the application form is a completed Project Budget, which meets the conditions of the competition (amount of the grant from BGN 10,000 to 50,000)	
3	The duration of the project is in accordance with the conditions of the competition – up to 12 months	
4	The attached Project Budget has been completed in accordance with the applicable templates	
5	The application form is accompanied by a timeline for the implementation of the project	
6	Attached to the Application Form is fully and correctly filled in with the required information, signed and scanned Declaration of the applicant filled in the provided template	
7	The candidate's declaration is signed by the candidate's representative by law or by a person authorized to represent the candidate on the basis of a notarized power of attorney or other document certifying the legal basis for signing the document - as an order, decision, etc.	
8	In the presence of a partnership, the applicant has completed in the project proposal information for each of the partners and applied correctly completed, signed and scanned Partnership Declaration according to a template for each of the partners	
9	The declaration under item 8 is signed by the representative of the partner by law or by a person who is authorized to represent the partner on the basis of a notarized power of attorney or other document	

	certifying the legal basis for signing the document – such as an order, a decision, etc. (if applicable)	
10	The applicant has attached CVs in Bulgarian that meet the requirements of the Europass form to the members of the project management team (not necessarily the provision of a CV for an accountant), as well as all experts named in the application form	

A commission appointed by order of the Mayor of Haskovo Municipality will assess the administrative compliance and admissibility of the project proposals in compliance with the following requirements:

- Where the assessment of administrative compliance and admissibility finds a lack of documents and/or other irregularities, the Commission shall send the applicant a notification of the irregularities identified and shall set a reasonable time limit for their rectification, which may not be less than one week. The notification shall also contain information that non-reassification of irregularities within the time limit may lead to the termination of proceedings in respect of the applicant.
- Correspondence with the applicant will be done electronically by sending messages via email from which the project proposal was submitted.
- Non-reassification of irregularities in time may lead to the termination of proceedings in respect of the applicant! The applicant shall not be entitled to submit to the committee documents other than those missing and those to remedy the irregularities. The elimination of irregularities cannot lead to an improvement in the quality of the project proposal.



**ATTENTION:** The timely submission of the project proposal and the complete and correct completion of the required documents is the responsibility of the applicant. After filling in all the data for the project, the applicant must check whether all the fields are filled in correctly and all the required documents are attached.



**WARNING:** At the stage of submission of a project proposal, no additional documents are provided, except for those explicitly specified in the current social enterprises funding scheme.

All applicants will be notified of the outcome of the administrative check by email no later than 20 working days after the expiry of the deadline for submitting project proposals under the scheme. Applicants who have submitted projects with administrative deficiencies that are subject to correction (certain deficiencies under points 6 to 10 in the table above are subject to correction) are given the opportunity to rectify them within five working days. In case of removal of admitted deficiencies, no change in the content of the budget by the applicant is allowed. All applicants with unapproved projects at the administrative verification stage may, within 5 days of receiving the notification of the result of the administrative

inspection, request re-examination of the project proposal for administrative compliance by sending an email to kmet@haskovo.bg<sup>14</sup> with the title of message (Subject): "Objection".

Requests for reconsideration of the project proposals for administrative compliance shall be considered by the Municipality of Haskovo and information about the final decision shall be sent to the respective applicant within 10 working days after receipt of the request for reconsideration of the project of administrative compliance.



**PLEASE NOTE:** The responsibility for regular checking of the e-mail from which the project proposal was submitted lies with the applicant. The Municipality of Haskovo is not responsible for missing a deadline for eliminating administrative discrepancies on the part of the applicant or for not receiving an email due to its registration as spam or problems with the applicant's Internet access.

### **Technical and financial evaluation of the project proposals**

Any project proposal for which Haskovo Municipality finds to meet the criteria for administrative compliance will be allowed to a qualitative assessment.

'Technical and financial assessment' means a substantive assessment of project proposals carried out in accordance with the evaluation criteria.

In order for a project proposal to be proposed for financing, the overall final assessment at the technical and financial assessment stage must be equal to or greater than 30 points.

The project proposals are evaluated by a committee appointed by order of the Mayor of Haskovo Municipality. The proposals approved for financing by the committee are reflected in a protocol, which is proposed for approval by the Mayor of Haskovo Municipality.

#### **Quality assessment criteria**

Rating scale:

- 0 points – according to the relevant specific indicator, the participant has made a formal proposal without the required completeness and justification, there are serious risks and doubts about its feasibility.;
- 1 point – according to the relevant specific indicator, the applicant has made a formal proposal without the required completeness and justification, which are accompanied by serious deficiencies and uncertainties proving its difficult fulfil ability;
- 2 points – according to the relevant specific indicator, the applicant has not complied with all the necessary requirements, there are gaps and uncertainties that would hinder its feasibility;

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<sup>14</sup> This email is an example

**Project "ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory".**

- 3 points – according to the relevant specific indicator, the applicant has complied with all the necessary requirements, there is evidence of its feasibility, accompanied by visible gaps and incompleteness;
- 4 points – according to the relevant specific indicator, the applicant has complied with all the necessary requirements, there is the necessary evidence of completeness, justification, accuracy, clarity and applicability in the process of its feasibility.

No	Criteria	Maximum rating	Evaluation of the project proposal
1	The project contributes to the achievement of the objectives of the social enterprise funding scheme	4	
2	The project contributes to the achievement of the performance indicators	4	
3	The project corresponds to the needs of the target groups <i>(the points under this criterion are multiplied by two)</i>	8	
4	The form is completed according to the instructions, the information in it is clear and substantiated, between the individual points and subpoints there is a commitment, consistency and logic. There are no internal contradictions, unjustified repetitions and technical errors distorting the content of the proposal <i>(the points under this criterion are multiplied by two)</i>	8	
5	The project gives a clear picture of the applicant's objectives and intentions in relation to the creation/sustainable development of a social enterprise, based on a set of objective data characterizing the specific situation in which it will be implemented <i>(the points under this criterion are multiplied by three)</i>	12	
6	There is a clear logical link between the proposed activities, the expected results, the timetable for implementation and the specific objective of the project <i>(the points under this criterion are multiplied by three)</i>	12	
7	The expected results of the activities are precisely formulated, unambiguously defined, quantifiable, tied to specific deadlines and are achievable within the framework of project implementation; are planned so as to achieve the objective of the project <i>(the points under this criterion are multiplied by three)</i>	12	
8	The applicant shall provide additional personal support services to persons from the target groups working in the social enterprise	4	
9	The risks have been taken into account, adequately assessed and appropriate preventive measures taken to avoid them	4	

**Project "ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory ".**

10	There is an understanding of the prerequisites for sustainability of the activities – the proposal contains reasons and evidence that the applicant will be able to ensure the functioning of the social enterprise after the completion of the project, resulting from a realistic assessment of the market prospects, the capacity built and the possibilities for subsequent financing.	4	
11	Experience of the applicant and the partner(s) (if applicable) in the implementation of activities similar to those provided for in the project	4	
12	Administrative and expert capacity of the applicant (his/her team) and the partner(s) (if applicable) to implement the activities to achieve the objectives of the project <i>(the points under this criterion are multiplied by two)</i>	8	
13	Budget economy and realism of the expenditure envisaged <i>(the points under this criterion are multiplied by two)</i>	8	
14	The volume of budgeted activities is proportional to the objectives and expected results of the project <i>(the points under this criterion are multiplied by two)</i>	8	
	<b>Total points</b>	<b>100</b>	

The projects shall be evaluated according to the declared criteria by two impartial and independent evaluators. The final assessment of the project is the average of the estimates of the two evaluators. In the case of a difference in their estimates of more than 30 % of the higher rating and provided that the higher score exceeds the minimum number of points for participation in a project selection ranking, the project shall also be evaluated by a third evaluator-arbitrator. The final evaluation for the project is the average of the two closest evaluations.

Each project that crosses the minimum assessment threshold under these criteria shall participate in a ranking with all other projects that have also passed the minimum assessment threshold.

The rankings, together with the recommendations for a change in the proposed budgets of the ranked projects (if any), are submitted by the Municipality of Haskovo for consideration by the Commission for the selection of projects under the social enterprises funding scheme (commission).

The Project Selection Commission shall draw up a list of the projects it has proposed for approval, taking into account their ranking by points and the available budget for the social enterprise funding scheme. The Commission may, by reasoned decision, propose a change in the ranking of projects in justified cases, including in relation to the requirements of the scheme and the achievement of the objectives and indicators.

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In case two or more project proposals have the same overall final estimates, projects will be ranked in descending order of the following criteria:

- Higher performance and result indicators;
- They are intended for implementation with a more economical budget;
- Projects involving innovation;
- Higher score by criterion 6.

### Circumstances excluding grant provision

The following circumstances may be grounds for not awarding a grant:

- The candidate does not adhere to the principles of respect for human rights and democratic society;
- Identical content of a project proposal or parts of it with another project proposal (s) is established;
- • There are doubts about double funding of the project or certain activities from it.

### **Informing candidates of the results of the competition**

All candidates will be informed of the decision of Haskovo municipality whether the respective project proposal should be supported or not. The decision is final and not subject to appeal. Approved applicants will be invited to provide documents for the conclusion of a contract by email. Municipality of Haskovo will publish a list and information on the contracted projects after the completion of the contracting process for the respective session of the social enterprise funding scheme.

The candidates are encouraged to regularly check the information about the results of the competition on the website of Haskovo Municipality.

The responsibility for regular checking of the e-mail through which the project proposal was submitted lies with the applicant. Haskovo municipality is not responsible for missing the deadline by the applicant or for not receiving messages due to their registration as spam or problems with the applicant's Internet access.

## Conclusion of a contract

Haskovo Municipality shall notify the candidates whose project proposals have not been approved or approved and are included in the list of reserve project proposals or the list of project proposals approved for funding by email within 5 working days of approval of the evaluation report by the Mayor of Haskovo Municipality, stating the reasons for their ranking. Within 10 working days of receiving the notification, applicants may request further clarification on the grounds for ranking their project proposals. The date of receipt of the notification is considered to be the date on which the message was sent.

### **Procedure for objections to the evaluation**

Every candidate who has received a notification letter from Haskovo Municipality that his/her project proposal has not been approved has the right to object to the Municipality of Haskovo within 3 working days from the date of receipt of the notification.

The objection shall be submitted to the Municipality of Haskovo in paper or electronic form, signed by at least one of the persons representing the applicant or an authorized person. In the case of authorization, a notarized power of attorney shall also be submitted to the opposition.

An objection may be lodged only against the proposal of the evaluation committee to reject the respective project proposal.

Upon submission of the objection, new documents may not be submitted that were not part of the initially submitted project proposal and / or additional documentation required by the evaluation committee at the respective stage.

Objections submitted outside the regulated period or by persons other than those representing the applicant or authorized persons shall not be considered. The date of submission of the opposition shall be the date of dispatch/entry of the objection.

The Mayor of Haskovo Municipality shall rule on the merits of the objection within 10 working days of its receipt, returning the draft proposal for re-implementation of the evaluation procedure or confirming the preliminary decision of the evaluation committee. The candidates will be notified in writing about the decision of the Mayor of Haskovo Municipality in connection with their project proposal.

The candidates included in the list of project proposals approved for funding are invited by Haskovo Municipality to provide evidence that they meet the requirements for beneficiary by providing the following documents:

1. Declaration of the applicant – completed according to a template signed by the person(s) representing the applicant, scanned and sent by email.
2. A copy of the Bulstat registration (if applicable to the partner) certified with the text "true to the original", a signature of the applicant/partner. *The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.*
3. Certificate of current status of the applicant, issued not earlier than 6 months before the final application date, scanned and emailed.

*The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.*

4. Profit and loss account for the current and previous financial years and balance sheet for the current and previous financial years (individual) - scanned and sent by email.  
For newly registered/newly created organizations – Balance Sheet and ODA for the months the organization existed – scanned and emailed.

*The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.*



5. A copy of the applicant's statutes, certified with the text "true to the original", with the signature of the applicant and a stamp.  
*The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.*
6. For partner projects – Partnership Agreement (template). If there is more than one partner, a separate Partnership Agreement with each of them shall be signed.
7. Financial identification form – Annex X<sup>15</sup> of the documents to the target grant contract;
8. Declaration on the origin of the financial contribution of the project (if there is co-financing of the project) (Annex Y <sup>16</sup> of the documents to the target grant contract)
9. Declaration of absence of public liabilities (tax liabilities and compulsory social security contributions) (template- Annex Z);<sup>17</sup>
10. . At least three current offers or other carriers of objective technical information for each of the acquired assets and each of the received services, included in the budget of the proposal. Tenders or other media of objective technical information must be issued not earlier than 1 month before the date of application and be valid for at least 3 months after the date of application;
11. 11. List of the persons from the target group with three names and PIN, where applicable;
12. In case of planned repair and reconstruction of own property – a copy of a notarial deed, a donation contract or an established right of use, certified with the text "true to the original", a signature of the applicant (or partner) and a stamp.
13. In case of planned repair and reconstruction of a rented property – a copy of the contract, providing the applicant or partner with the right to use it for a minimum of 5 years after the completion of the project, certified with the text "true to the original", signature of the applicant (or partner) and stamp.
14. Job descriptions for persons with permanent disabilities, where applicable.



All documents are signed by the person(s) representing the applicant or partner, scanned and sent by email. The deadline for submission of documents is 10 days.

Within two weeks of the examination of the presented evidence, the Mayor of Haskovo Municipality decides to grant any project proposal included in the list of approved candidates by concluding a contract for targeted funding.

Grant contracts shall be concluded with all applicants who submit the required documents within the prescribed time limit. Applicants who do not submit documents or do not comply shall not be concluded contracts and a reasoned decision refusing to grant shall be issued. In their place, the relevant number of candidates on the reserve list (if applicable) will be invited to negotiate, in the order of their ranking, until the total available budget under the procedure is exhausted.

If a candidate for a project approved for financing refuses to conclude a grant agreement, a contract shall be concluded with the candidates on the reserve list (if applicable)

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<sup>15</sup> Example name of the Annex

<sup>16</sup> Example name of the Annex

<sup>17</sup> Example name of the Annex



in the order of their ranking until the available budget under the procedure has been exhausted.

A reasoned decision refusing to grant shall be issued within 10 days of the approval of the evaluation report or by the submission of the evidence. The decision shall not be subject to appeal.

The Mayor of Haskovo Municipality terminates by order the procedures for selection of projects, in cases where no project proposals have been submitted in time or all project proposals have been withdrawn; in cases where substantial infringements have been committed during the procedure. In case of termination of the procedure, the applicants are notified electronically (by e-mail).

## Opportunities to ask questions and get answers on the funding scheme

Applicants can ask questions and request further clarifications on the social enterprise funding scheme within 10 days before the expiry of the application period of the following e-mail: [kmet@haskovo.bg](mailto:kmet@haskovo.bg)<sup>18</sup>, clearly indicating the call for proposals.

Written explanations will be given within 5 days of receipt of the request for clarification, but no later than 5 days before the expiry of the application period. – date X. <sup>19</sup>

In order to ensure equal treatment of applicants, Haskovo Municipality will not provide clarifications containing an opinion on the quality of a specific project proposal. The Haskovo Municipality does not provide direct advice to the candidates regarding the development of the project proposals. Explanations are given regarding the conditions for application and are mandatory for all applicants.

The questions and explanations will be published on the website of Haskovo Municipality, section Social Enterprise Funding Scheme<sup>20</sup>. No answers to repeated/similar questions will be published.

## Information on the processed personal data of applicants with project proposals

Haskovo Municipality stores and processes the personal data of the applicants with project proposals under the scheme for funding social enterprises, in accordance with the requirements of the Personal Data Protection Act and its internal rules.<sup>21</sup>

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<sup>18</sup> E-mail, for example,

<sup>19</sup> The date should be set when adopting and implementing the Social Enterprise Funding Scheme

<sup>20</sup> The section is an example

<sup>21</sup> Clarification should be made for the current rules for the processing of personal data in Haskovo municipality

The personal data to be collected shall serve to verify compliance with the criteria of the funding scheme and preparation for the conclusion of a target grant contract (contained in forms, declarations, CVs), as well as for reporting purposes to auditors and authorized national authorities.

The processing of the provided personal data is carried out by non-automatic and automatic means and includes collection, recording, organization, storage, adaptation or amendment, restoration, consultation, use, provision of other authorized persons, updating, destruction. Upon request by the person whose data are processed and stored - blocking, erasure or modification. The retention period of personal data is 10 years.<sup>22</sup>

Personal data shall be provided voluntarily by applicants. The representing candidate/ organization, which provides through the required documents and forms personal data to third parties included in the project proposal, should have obtained the consent of these persons to provide their data to the Municipality of Haskovo. The refusal to provide personal data is grounds for the project proposal not to be considered at the "qualitative evaluation" stage due to failure to meet the criteria for administrative compliance of the project proposals.

Persons whose data are provided shall have the right to access, correct or delete the data collected with the relevant consequences of such actions.

Persons whose data are provided have the right to be notified when providing their data to third parties (for accountability and verification purposes), the right to object to the processing of their data and their right to protection before the Commission for Personal Data Protection: [www.cdpd.bg](http://www.cdpd.bg);

In connection with the exercise of their rights in respect of the personal data provided by them, applicants can familiarize themselves with the rules on personal data protection of the Municipality of Haskovo, available at the following internet address: .....<sup>23</sup>



**WARNING:** When submitting the project proposal, the applicant/ organization should declare that it is aware and agrees with the specified information on the personal data processed contained in the project proposal and that it has the consent of the persons whose data are included in the draft proposal through the relevant texts included in the Applicant's Declaration.

## Annexes

1. Annex 1 Application form
2. Annex 2 - Project budget
  - 2.1 Annex 2.1 Budget of the project without a partner
  - 2.2 Annex 2.2 Budget of the project with partner(s)
3. Annex 3 - Project timeline;

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<sup>22</sup> The period is indicative

<sup>23</sup> The location of the document should be indicated

**Project "ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory".**

- 4.** Annex 4 – Declaration of the applicant;
  - 4.1 Annex 4.1 Declaration of the applicant – legal entity;
  - 4.2 Annex 4.2 Declaration of the applicant – natural person.
- 5.** Annex 5 – Declaration of the partner;
- 6.** Sample of Contract for targeted grant funding;
- 7.** General terms and conditions of the targeted grant contract;
- 8.** General requirements for project partners

# Application Form

Project registration number:	
Date and time of receipt:	

\* The information shall be completed of its own motion by an official

## 1. Basic information

Name of the project proposal:	
Duration of the project in months	
Main and specific objectives of the project	
Funding sought	

Name of the applicant	
Legal status	<input type="checkbox"/> Natural person; <input type="checkbox"/> Social Enterprise; <input type="checkbox"/> employer; <input type="checkbox"/> Specialized enterprise of persons with disabilities pursuant to Art. 28(1) of the Integration of Persons with Disabilities Act; <input type="checkbox"/> cooperative of persons with disabilities pursuant to Article 28(1) of the Integration of Persons with Disabilities Act; <input type="checkbox"/> Social service provider pursuant to Art. 3 of the Social Services Act; <input type="checkbox"/> Non-governmental organization registered in Bulgaria as a non-profit legal entity under the Law on Non-Profit Legal Entities designated for carrying out activities for public benefit (including community centers registered under the Non-Profit Legal Entities Act).
BULSTAT/ UIC/ PIN	
Permanent address/ address of judicial registration	
Correspondence Address	
Three names, telephone number and email of the applicant's official representative(s) <i>(to be completed only by legal persons)</i>	
Applicant's website <i>(if it is a legal person and has one)</i>	
Contact person	
E-mail	
Phone number	

Name of the partner	
Legal status	<input type="checkbox"/> Training institution/ organization; <input type="checkbox"/> Centers for information and professional guidance, registered in the register of centers for information and guidance to NAPOO; <input type="checkbox"/> Social service provider pursuant to Art. 3 of the Social Services Act; <input type="checkbox"/> Non-governmental organization registered in Bulgaria as a non-profit legal entity Under the Law on Non-Profit Legal Entities designated for carrying out activities for public benefit (including community centers registered under the Non-Profit Legal Entities Act).
BULSTAT/ UIC	
Court registration dress	
Correspondence Address	
Three names, telephone number and email of the applicant's official representative(s)	
Applicant's website <i>(if available)</i>	
Contact person	
e-mail:	
Phone number	
<b>Partner contribution</b> What is the contribution of the partner - technical and professional? Why is the partnership necessary?	

\* *If there is more than one project partner, copy and fill in the above table for each of the partners individually.*

## 2. Description of the project

2.1. Summary	
<p><i>Briefly present the project, indicating what the specific problem is, what are the expected results and basic products and justifying why the project is needed.</i></p> <p><i>Make sure you indicate in the most specific way possible what you will achieve through the project, referring to clear goals and guidelines for success.</i></p> <p><i>The text must be fully understandable and include specific information.</i></p> <p><i>Prepare a summary by answering each of the questions below in a total of up to 1 page.</i></p>	
1) Why is there a need for the proposed project? 2) What are the specific objectives of the project (short-term and long-term)? 3) How will the	

<p>project solve / contribute to solving this problem? (indicate main activities and expected results / products) 4) Who is expected to benefit from the project? (indicate target groups and stakeholders) 5) How the project will contribute to the achievement of the indicators under the social enterprises funding scheme</p>	
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2.2. Justification	<i>maximum 1 page</i>
<p><b>2.2.1. Compliance</b> Describe how the proposed initiative contributes to the achievement of the objectives of the social enterprise funding scheme?</p>	
<p><b>2.2.2. Description of target groups</b> Describe the target groups and their specific characteristics – including the planned number of persons/ groups on which the project will have a direct and indirect impact (indirect beneficiaries of the project). How will you include them in the project activities?</p>	
<p><b>2.2.3. Grounds for the choice of target groups and activities</b> Describe the basic needs of the target groups. How does the project address their needs? Why is it</p>	

important to them?

**2.3. Method of implementation**

**2.3.1. Detailed description of activities**

*Name and detailed description of each activity to be carried out with a view to achieving the results.*

**1. Project management and reporting**  
*Describe briefly and clearly what this activity provides and what resources you need to complete it successfully (for example: expertise, material base, external support), products of the activity (by type and quantity). Provide brief and clear guidelines / indicators for the success of the implementation of the activity*

**2. Publicity of the project**  
*How will you ensure publicity and dissemination of project results? What audience do you want to reach and how do you plan to do it? Describe the products of the activity (by type and quantity). Provide short and clear guidelines / indicators of success from the implementation of the action*

**3. Activity:**  
*Describe briefly and clearly what this activity provides, what resources you need to perform it successfully (for example: expertise, material base, external support), what is its connection to the main objective of the project. Specify who the activity applies to and how you'll select and include its participants. Specify the implementation period. What are the products/ results of the implementation of the activity? When are they expected to be achieved? What are the result/product indicators with a unit of measurement (e.g. number of products, scale)? What is the target value for the indicator and how will it be measured? (e.g. how many of the product expected to change) What are the sources for verification (where will information on the result be found)?*

**4. Activity**  
*Describe briefly and clearly what this activity provides, what resources you need to perform it successfully (for example: expertise, material base, external support), what is its connection to the main objective of the project. Specify who the activity applies to and how you'll select and include its participants. Specify the implementation period. What are the products/ results of the implementation of the activity? When are they expected to be achieved? What are the result/product indicators with a unit of measurement (e.g., number of products, scale)? What is the target value for the indicator and how will it be measured? (e.g., how many of the product expected to change) What are the sources for verification (where will information on the result be found)?*

**5. Activity**  
*Describe briefly and clearly what this activity provides, what resources you need to perform it successfully (for example: expertise, material base, external support), what is its connection to the main objective of the project. Specify who the activity applies to and how you'll select and include its participants. Specify the implementation period. What are the products/ results of the implementation of the activity? When are they expected to be achieved? What are the result/product indicators with a unit of measurement (e.g. number of*

products, scale)? What is the target value for the indicator and how will it be measured? (e.g. how many of the product expected to change) What are the sources for verification (where will information on the result be found)?

### **6. Activity**

*Describe briefly and clearly what this activity provides, what resources you need to perform it successfully (for example: expertise, material base, external support), what is its connection to the main objective of the project. Specify who the activity applies to and how you'll select and include its participants. Specify the implementation period. What are the products/ results of the implementation of the activity? When are they expected to be achieved? What is the result/product indicators with a unit of measurement (e.g., number of products, scale)? What is the target value for the indicator and how will it be measured? (e.g., how many of the product expected to change) What are the sources for verification (where will information on the result be found)?*

### **7. Activity**

*Describe briefly and clearly what this activity provides, what resources you need to perform it successfully (for example: expertise, material base, external support), what is its connection to the main objective of the project. Specify who the activity applies to and how you'll select and include its participants. Specify the implementation period. What are the products/ results of the implementation of the activity? When are they expected to be achieved? What is the result/product indicators with a unit of measurement (e.g., number of products, scale)? What is the target value for the indicator and how will it be measured? (e.g., how many of the product expected to change) What are the sources for verification (where will information on the result be found)?*

### **8. Activity**

*Describe briefly and clearly what this activity provides, what resources you need to perform it successfully (for example: expertise, material base, external support), what is its connection to the main objective of the project. Specify who the activity applies to and how you'll select and include its participants. Specify the implementation period. What are the products/ results of the implementation of the activity? When are they expected to be achieved? What is the result/product indicators with a unit of measurement (e.g., number of products, scale)? What is the target value for the indicator and how will it be measured? (e.g., how many of the product expected to change) What are the sources for verification (where will information on the result be found)?*

### **2.3.2. Feedback and evaluation procedures**

*Describe feedback mechanisms with target groups and procedures for internal or external evaluation of results and impacts.*



\* If there are more activities, copy and fill in the table for each of them.

### 3. Risk analysis

Describe the circumstances and factors beyond your direct control (risks) on which the successful implementation of the proposed activities will depend. Are there any that could seriously hamper your work and, if so, how you plan to deal with them? For each identified risk, indicate and justify the degree of significance (low, medium, high) and the probability of risk occurring (small, medium, high), as well as risk overcoming/management measures.

Risk	Degree of significance	Probability	Risk overcoming/ management measures

### 4. Expected results

5.1.Expected impact on target groups			
Describe the expected results and how the project will affect the target groups. Provide objective indicators (quantitative and qualitative) to take account of success and sources for their confirmation.			
Description of the expected Results	Objectively verifiable indicators of success (quantitative and qualitative)	Sources and methods of proof	Pre-project status/Introductory indicators

### 5. Monitoring and evaluation

How will the monitoring activities be carried out?
Who and when will evaluate the project?

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## 6. Sustainability of the project

<p><i>Describe how the project results will be measured and tracked, what measurement and evaluation method will be used and how you will ensure the inclusion in the monitoring and evaluation of project participants.</i></p>
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## 7. Capacity to manage and implement the proposed project

<b>10.1. Experience in similar initiatives</b>
<p><i>What experience do you have in implementing projects/initiatives similar to the one you are applying for? If you have not implemented projects so far, briefly justify your capacity to complete the proposed project.</i></p>

<b>10.2. Specific competences for the implementation of the activities</b>
<p><i>Describe the management team with which you plan to implement the project (manager, coordinator, accountant). Describe the expert team you plan to run the project with.</i></p>
<p><i>* It is mandatory to provide a CV in Europes format for each of the named persons in the Application Form.</i></p>

<b>10.3. Resources</b>
<p><i>Maximum 1/2 page. A description of the different resources available to your organisation and a description of a partner organisation (if any) – staff, offices and technical equipment or other resources that may be involved in the implementation of the activities (e.g. affiliated organisations, partner networks, volunteers, etc.)</i></p>

## Budget of the project

Applicant name:	
Project name:	
Project duration in months:	

№	Description of costs by activities	Measure unit	Number of units	Unit price	Total amount	Cost description/ explanatory notes
<b>1 Project management and reporting</b>						
1.1					0,00 лв.	
1.2					0,00 лв.	
1.3					0,00 лв.	
1.4					0,00 лв.	
1.5					0,00 лв.	
<b>Total for activity 1:</b>					<b>0,00 лв.</b>	
<b>2 Publicity of the project</b>						
2.1					0,00 лв.	
2.2					0,00 лв.	
2.3					0,00 лв.	
2.4					0,00 лв.	
2.5					0,00 лв.	
<b>Total for activity 2:</b>					<b>0,00 лв.</b>	
<b>3 Activity:</b>						
3.1					0,00 лв.	
3.2					0,00 лв.	
3.3					0,00 лв.	
3.4					0,00 лв.	
3.5					0,00 лв.	
<b>Total for activity 3:</b>					<b>0,00 лв.</b>	
<b>4 Activity:</b>						
4.1					0,00 лв.	
4.2					0,00 лв.	
4.3					0,00 лв.	
4.4					0,00 лв.	
4.5					0,00 лв.	

	<b>Total for activity 4:</b>				<b>0,00 лв.</b>
<b>5 Activity:</b>					
5.1					0,00 лв.
5.2					0,00 лв.
5.3					0,00 лв.
5.4					0,00 лв.
5.5					0,00 лв.
	<b>Total for activity 5:</b>				<b>0,00 лв.</b>
<b>6 Activity:</b>					
6.1					0,00 лв.
6.2					0,00 лв.
6.3					0,00 лв.
6.4					0,00 лв.
6.5					0,00 лв.
	<b>Total for activity 6:</b>				<b>0,00 лв.</b>
<b>7 Activity:</b>					
7.1					0,00 лв.
7.2					0,00 лв.
7.3					0,00 лв.
7.4					0,00 лв.
7.5					0,00 лв.
	<b>Total for activity 7:</b>				<b>0,00 лв.</b>
<b>8 Activity:</b>					
8.1					0,00 лв.
8.2					0,00 лв.
8.3					0,00 лв.
8.4					0,00 лв.
8.5					0,00 лв.
	<b>Total for activity 8:</b>				<b>0,00 лв.</b>
<b>Total for the project:</b>					<b>0,00 лв.</b>
<b>Of which:</b>		<b>Own contribution</b>			
		<b>Grant funding</b>		<b>0,00 лв.</b>	

## БЮДЖЕТ НА ПРОЕКТА

Приложение 2.2

Annex 2.2

Applicant name:	
Partner name 1:	
Partner name 2:	
Partner name 3:	
Project name:	
Project duration in months:	

						Distribution by partners				Check <small>(with the correct distribution, the value in this column is 0)</small>
						Applicant	Partner 1	Partner 2	Partner 3	
№	Description of costs by activities	Measure unit	Number of units	Unit price	Total amount	Cost description/ explanatory notes	0	0	0	0
<b>1 Project management and reporting</b>										
1.1					0,00 лв.					0,00 лв.
1.2					0,00 лв.					0,00 лв.
1.3					0,00 лв.					0,00 лв.
1.4					0,00 лв.					0,00 лв.
1.5					0,00 лв.					0,00 лв.
<b>Total for activity 1:</b>					<b>0,00 лв.</b>					<b>0,00 лв.</b>
<b>2 Publicity of the project</b>										
2.1					0,00 лв.					0,00 лв.
2.2					0,00 лв.					0,00 лв.
2.3					0,00 лв.					0,00 лв.
2.4					0,00 лв.					0,00 лв.
2.5					0,00 лв.					0,00 лв.
<b>Total for activity 2:</b>					<b>0,00 лв.</b>					<b>0,00 лв.</b>
<b>3 Activity:</b>										
3.1					0,00 лв.					0,00 лв.
3.2					0,00 лв.					0,00 лв.
3.3					0,00 лв.					0,00 лв.
3.4					0,00 лв.					0,00 лв.
3.5					0,00 лв.					0,00 лв.
<b>Total for activity 3:</b>					<b>0,00 лв.</b>					<b>0,00 лв.</b>
<b>4 Activity:</b>										
4.1					0,00 лв.					0,00 лв.
4.2					0,00 лв.					0,00 лв.
4.3					0,00 лв.					0,00 лв.
4.4					0,00 лв.					0,00 лв.
4.5					0,00 лв.					0,00 лв.
<b>Total for activity 4:</b>					<b>0,00 лв.</b>					<b>0,00 лв.</b>
<b>5 Activity:</b>										
5.1					0,00 лв.					0,00 лв.
5.2					0,00 лв.					0,00 лв.
5.3					0,00 лв.					0,00 лв.
5.4					0,00 лв.					0,00 лв.
5.5					0,00 лв.					0,00 лв.
<b>Total for activity 5:</b>					<b>0,00 лв.</b>					<b>0,00 лв.</b>
<b>6 Activity:</b>										
6.1					0,00 лв.					0,00 лв.
6.2					0,00 лв.					0,00 лв.
6.3					0,00 лв.					0,00 лв.
6.4					0,00 лв.					0,00 лв.
6.5					0,00 лв.					0,00 лв.
<b>Total for activity 6:</b>					<b>0,00 лв.</b>					<b>0,00 лв.</b>
<b>7 Activity:</b>										
7.1					0,00 лв.					0,00 лв.

7.2				0,00 лв.						0,00 лв.
7.3				0,00 лв.						0,00 лв.
7.4				0,00 лв.						0,00 лв.
7.5				0,00 лв.						0,00 лв.
<b>Total for activity 7:</b>				<b>0,00 лв.</b>						<b>0,00 лв.</b>
<b>8 Activity:</b>										
8.1				0,00 лв.						0,00 лв.
8.2				0,00 лв.						0,00 лв.
8.3				0,00 лв.						0,00 лв.
8.4				0,00 лв.						0,00 лв.
8.5				0,00 лв.						0,00 лв.
<b>Total for activity 8:</b>				<b>0,00 лв.</b>						<b>0,00 лв.</b>
<b>Total for the project:</b>				<b>0,00 лв.</b>	<b>0,00 лв.</b>	<b>0,00 лв.</b>	<b>0,00 лв.</b>	<b>0,00 лв.</b>	<b>0,00 лв.</b>	<b>0,00 лв.</b>
<b>Of which:</b>		<b>Own contribution</b>								0,00 лв.
		<b>Grant funding</b>		<b>0,00 лв.</b>						0,00 лв.







**DECLARATION  
ON THE ADMISSIBILITY OF THE APPLICANT, THE CONTENT OF THE  
PROJECT PROPOSAL AND THE LACK OF DOUBLE FUNDING**

**I, the undersigned:**

.....  
(first name, father name, surname)

PIN..... ID card №..... , issued on..... From the Ministry of Interior -..... , with a permanent address:..... ,  
**in my capacity as a person representing by law**.....

(name of the applicant organisation)

registered in The Commercial Register and the Register of Non-Profit Organizations with the UIC:.....(in case the applicant organisation is not registered in The Commercial Register and the Register of Non-Profit Organizations, please indicate: ..... from ..... (d). on ..... vessel, with BULSTAT..... ), with its registered office and address of the management .....

**in connection with a project proposal submitted under the name** “.....”  
under the social enterprise funding scheme, by signing this declaration:

**1. I declare** that the organization I represent is:

- Social enterprise;
- Employer;<sup>1</sup>
- Specialized enterprise of persons with disabilities pursuant to Art. 28, para 1 of the Integration of Persons with Disabilities Act;
- Cooperative of persons with disabilities pursuant to Art. 28, para 1 of the Integration of Persons with Disabilities Act;
- Provider of social services pursuant to Art. 3 of the Social Services Act;
- Non-governmental organizations registered in Bulgaria as non-profit legal entities (NGOs) under the Law on Non-Profit Legal Entities designated for carrying out activities for public benefit (including community centers registered under the Non-Profit Legal Entities Act).

**2. I declare** that the organization I represent:

- IS A SOCIAL ENTERPRISE** meeting the definition set out in Article 2 of Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Inclusion ('EaSI') and amending Decision No 283/2010/EU establishing a European Microfinance Facility for Employment and Social Inclusion Progress, namely:

'social enterprise' means an undertaking, regardless of its legal form, which:

(a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:

(i) provides services or goods which generate a social return and/or

(ii) employs a method of production of goods or services that embodies its social objective;

---

<sup>1</sup> "Employer" means any natural person, legal person or subsidiary thereof, as well as any other organisational and economically distinct entity (undertaking, establishment, organisation, cooperative, holding, establishment, household, company and the like) which independently employs employees under an employment relationship, including for carrying out home work and remote work and for sending for the performance of work in a user undertaking.

(b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and

(c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities;

**IS NOT A SOCIAL ENTERPRISE** at the time of application, but will create a new social enterprise during the implementation of the proposed project.

**3. I declare** that I am familiar with the content of the project proposal and all annexes to it and I confirm that it is an official proposal of the organization I represent.

**4. I declare** that I am familiar with the Guidelines for applying for the social enterprise funding scheme. I accept the requirements and procedures described in the Application Guidelines, including the way in which the project proposal submitted and the procedure for notifying the results of the competition are assessed.

**5. I declare** that I am aware of and agree to the Municipality of Haskovo to store and process my personal data and personal data of third parties that I provide, in accordance with the requirements of the Personal Data Protection Act in connection with applying for a grant with a project proposal under the social enterprises funding scheme.

**6. I declare** that I have the consent of the persons whose personal data are included in the submitted project proposal to provide their data to the Municipality of Haskovo for the purposes of applying for grant funding.

**7. I confirm** the reliability of the data and information set out in the project proposal and the commitment to ensure co-financing.

**8. I confirm that** the organisation represented by me has the capacity to carry out the project activities referred to in the proposal.

**9. I confirm that** the e-mail address for business correspondence indicated in the application form coincides with the e-mail through which the project proposal was submitted and will serve as official correspondence between the organization I represent and the Municipality of Haskovo.

**10. I declare that the activities for which I apply:**

**10.1. DO NOT** include products and results that have already been created/achieved;

**10.2. ARE NOT** those for which funding has already been provided for another project, program or any other financial scheme arising from the national budget, the EU budget or another donor program;

**10.3. ARE NOT INCLUDED/ARE INCLUDED** (*falsely crossed out*) in a project proposal submitted to another body or organisation for funding with funds from the European Structural and Investment Funds, through European Union instruments or other donor programme: (*name of the donor programme*).....

**11. Reimbursable value added tax IS INCLUDED/ IS NOT INCLUDED** (*incorrectly crossed out*) in the budget of the project proposal.

I undertake to notify the Municipality of Haskovo in writing within 7 days of the change in case of a change in any of the circumstances specified in this declaration.

I am aware that for entering incorrect data in this declaration is subject to criminal liability under Art. 313 of the Criminal Code.

Date: .....

Declarant:

\_\_\_\_\_  
(name, surname and signature)

*Note: The declaration shall be signed personally by a person representing the applicant by law, or by a person authorized to represent the applicant with a notarized power of attorney, a copy of which shall be attached to the declaration.*

**DECLARATION  
ON THE ELIGIBILITY OF THE APPLICANT, THE CONTENT OF THE PROJECT PROPOSAL AND  
THE LACK OF DOUBLE FUNDING**

**I, the undersigned:**

.....,  
(*name, father name, surname*)  
PIC....., ID card №....., issued on..... from  
the Ministry of Interior....., with a permanent address:.....,  
**in connection with a submitted project proposal entitled**  
"....." under the social enterprise funding scheme,  
by signing this declaration:

1. I declare **that with the implementation of the proposed project proposal I WILL CREATE A SOCIAL ENTERPRISE that meets the definition**, set out in Article 2 of Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Inclusion ('EaSI') and amending Decision No 283/2010/EU establishing a European Microfinance Facility for Employment and Social Inclusion Progress, namely:

'social enterprise' means an undertaking, regardless of its legal form, which:

- (a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:
  - (i) provides services or goods which generate a social return and/or
  - (ii) employs a method of production of goods or services that embodies its social objective;
- (b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and
- (c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities;

**2. I declare** that I am familiar with the content of the project proposal and all annexes to it and I confirm that it is an official proposal of the organization I represent.

**3. I declare** that I am familiar with the Guidelines for applying for the social enterprise funding scheme. I accept the requirements and procedures described in the Application Guidelines, including the way in which the project proposal submitted and the procedure for notifying the results of the competition are assessed.

**4. I declare** that I am aware of and agree to the Municipality of Haskovo to store and process my personal data and personal data of third parties that I provide, in accordance with the requirements of the Personal Data Protection Act in connection with applying for a grant with a project proposal under the social enterprises funding scheme.

5. **I declare** that I have the consent of the persons whose personal data are included in the submitted project proposal to provide their data to the Municipality of Haskovo for the purposes of applying for grant funding
6. **I confirm** the reliability of the data and information set out in the project proposal and the commitment to ensure co-financing.
7. **I confirm** that I have the capacity to carry out the project activities indicated in the proposal.
8. **I confirm** that the e-mail address for business correspondence indicated in the application form coincides with the e-mail through which the project proposal was submitted and will serve as official correspondence between me and the Municipality of Haskovo.
9. **I declare that the activities for which I apply:**
  - 9.1. **DO NOT** include products and results that have already been created/achieved;
  - 9.2. **ARE NOT** those for which funding has already been provided for another project, program or any other financial scheme arising from the national budget, the EU budget or another donor program;
  - 9.3. **ARE NOT INCLUDED/ARE INCLUDED** (*falsely crossed out*) in a project proposal submitted to another body or organisation for funding with funds from the European Structural and Investment Funds, through European Union instruments or other donor programme: (name of the donor programme) .....
10. Reimbursable value added tax **IS INCLUDED/ IS NOT INCLUDED** (*incorrectly crossed out*) in the budget of the project proposal.

I undertake to notify the Municipality of Haskovo in writing within 7 days of the change in case of a change in any of the circumstances specified in this declaration.

I am aware that for entering incorrect data in this declaration is subject to criminal liability under Art. 313 of the Criminal Code.

Date: .....

Declarant: \_\_\_\_\_  
(name, surname and signature)

**Note:** The declaration is signed personally by the person - candidate or by a person authorized to represent the candidate with a notarized power of attorney, a copy of which is attached to the declaration.

## DECLARATION OF PARTNERSHIP on a project

"....."  
(project name)

### I, the undersigned:

.....  
(first name, surname, surname)  
with a PIN ..... in my capacity as a person representing by law  
.....  
(organization name)  
with UIC/BULSTAT....., participating as a partner of the candidate  
.....  
(name of the organization submitting a project proposal as a candidate)  
under the social enterprise funding scheme

### I declare that:

1. the organisation I represent meets the eligibility requirements of project partners;
2. I am fully aware of the content of the project proposal and understand the obligations and responsibilities of the organisation I represent in the implementation of the project;
3. I am fully aware of the General Requirements for project partners under the social enterprise funding scheme and agree to comply with them when implementing the project;
4. the information provided by the applicant about the partner organisation I represent is correct;
5. I am familiar with and agree to the Municipality of Haskovo to store and process my personal data and personal data of third parties that I provide, in accordance with the requirements of the Personal Data Protection Act in connection with applying for a grant with a project proposal to the Municipality of Haskovo;
6. I have the consent of the persons whose personal data on behalf of the organization represented by me are included in the submitted project proposal, their data to be provided to Municipality of Haskovo for the purposes of applying for grant funding.
7. the organisation I represent has the necessary capacity to fulfil the obligations laid down in the project proposal;
8. I authorize the applicant to represent the partner organization, in communication with Municipality of Haskovo on all issues related to the project proposal and possible implementation of the project, including in case of approved project to sign the Contract for targeted grant financing of a project;
9. the organization I represent will carry out all the activities and obligations provided for in the project proposal and will provide any information related to them when requested by the applicant.

Date:.....

Signature: .....  
(first name, surname)

City: .....

**Note:** The declaration is completed separately by each of the partners of the respective project.

## Contract under a social enterprises funding scheme

Today..... in Haskovo, in implementation of the social enterprises funding scheme, and on the basis of an order approved by Order No...../..... 2021 of the Mayor of Haskovo Municipality, the current contract is concluded between:

**1. Haskovo Municipality**, with its registered office and address in Haskovo, “Municipal” Square №1, UIC under BULSTAT:000903946, represented by **Stanislav Dechev** – Mayor of Haskovo Municipality and **Todorika Stoyanova** – chief accountant on the one hand

And

**2**.....

..... on the other hand called the "BENEFICIARY"

### SUBJECT OF THE CONTRACT

Art.1 The subject of this Contract is the implementation by the Beneficiary of the Project “[Name of the project]”, hereinafter referred to as the “Project”, in the form approved by the Municipality of Haskovo (Annex № 1).

Art.2. The Beneficiary undertakes to implement the Project on its own responsibility, in compliance with the requirements of this Contract and the General Conditions for the provision of targeted grants under the social enterprises funding scheme, hereinafter referred to as "General Conditions" (Annex № 2).

Art.3. The Beneficiary undertakes to implement the Project independently [or in partnership with the following organization (s): [full name of the partner (s) according to their registration], with registered office: ..... and address of management: ....., UIC / BULSTAT: ....., In accordance with the attached Agreement / s / for partnership] (Annex № 8).

### II. FINANCING THE IMPLEMENTATION OF THE PROJECT

Art. 4. The maximum amount of targeted grant funding is [in figures and words] BGN, representing [.....]% of the eligible total value of the Project in the amount of [figures and words] BGN, according to the approved by the Municipality of Haskovo Budget (Annex № 3).

**Art. 5.** The final amount of the total value of the Project is equal to the final amount of the eligible costs approved by Haskovo Municipality when the final technical and financial report of the project is adopted, in accordance with the terms of this Agreement and the General Terms and Conditions.

**Art. 6.** The final amount of the target grant may not exceed the maximum amount referred to in paragraph (1).

### III. BENEFICIARY REPORTING

**Art. 7.** The beneficiary is obliged to provide the Municipality of Haskovo with comprehensive accountability for the implementation of the Project, which includes:

1. Interim and final technical reports on the implementation of the Project, prepared according to the provided templates and in accordance with the General Terms and Conditions and the

requirements of Haskovo Municipality, accompanied by the necessary documentation in accordance with the requirements of the General Terms and Conditions.

2. Interim and final financial statements, prepared in the provided templates in accordance with the General Terms and Conditions and the requirements of Municipality of Haskovo, accompanied by the necessary documentation in accordance with the requirements of the General Terms and Conditions.

3. Information requested by the Beneficiary in the conduct of monitoring, financial audit or other type of checks, in accordance with the instructions received from the persons performing the inspection

**Art. 8.** The templates of reports and surveys are published on the website of Haskovo Municipality on the Internet at [www.haskovo.bg](http://www.haskovo.bg) In case of change of template, Haskovo Municipality shall notify the beneficiaries within a minimum of two weeks before the date of entry into force of the envisaged changes.

**Art. 9.** The reporting periods and deadlines for submission of interim and final technical and financial reports are described in the Beneficiary Reporting and Transfer Plan.

**Art. 10.** The beneficiary's obligations in relation to the reporting of the performance of the Agreement are laid down in the General Terms and Conditions.

#### **IV. DURATION AND TERMINATION OF THE CONTRACT**

**Art. 11.** This Agreement shall enter into force on the date of its signature by both parties.

**Art. 12.** The implementation of the Project starts from [dd/mm/yyyy].

**Art. 13.** The duration of the Project, as provided in Annex № 1 to the Contract, is [in figures and words] months. The implementation of the Project must be completed no later than [dd / mm / yyyy].

**Art. 14.** The grounds for suspension or early termination of the implementation of the Project are regulated in the General Terms and Conditions.

#### **V. OTHER CONDITIONS**

**Art. 15.** The provisions of the current Bulgarian legislation shall apply to the issues not settled in this Agreement.

**Article 16.** An integral part of this Agreement are the following documents:

-a project proposal of the BENEFICIARY.

FOR HASKOVO MUNICIPALITY:

FOR THE BENEFICIARY:

**STANISLAV DECHEV**

/Mayor of Haskovo Municipality/

**TODORKA STOYANOVA**

/Chief Accountant/

**GENERAL TERMS AND CONDITIONS TO THE CONTRACT FOR TARGETED  
GRANT FINANCING UNDER SOCIAL ENTERPRISES FUNDING SCHEME**

*The General Terms and Conditions are an integral part - Annex No 2 to the Contract for targeted grant implementation of a project concluded between the Municipality of Haskovo and the organization implementing the project (Beneficiary), receiving targeted grant funding under the Social Enterprise Funding Scheme.*

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## I. GENERAL OBLIGATIONS OF THE BENEFICIARY

**Art. 1.** The beneficiary is obliged to implement the Project as approved for funding under the concluded Target Grant Agreement the implementation of a project (the Treaty) and its annexes, with a view to achieving the objectives, activities and results set out therein.

**Art. 2.** The project should be implemented in accordance with the principles of the Social Enterprise Funding Scheme for:

1. respect for the common values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities;
2. good governance - through participation and involvement of all stakeholders in the various phases of the Project implementation process and ensuring accountability, transparency, accountability, efficiency and effectiveness, as well as zero tolerance for corruption;
3. achieving the set results and risk management.

**Art. 3.** The Beneficiary undertakes to mobilize all its financial, human and material resources, as well as its accumulated expertise and capacity necessary for the overall and accurate implementation of the Project.

**Art. 4.** The Beneficiary is obliged to promptly notify the Municipality of Haskovo in the event of circumstances that impede the implementation of the activities under the Project and / or would impede the achievement of the expected results.

**Art. 5.**

(1) The existence of an Agreement for partnership or for assignment of activities does not give rise to contractual relations between the Municipality of Haskovo and a partner or with service providers to the Beneficiary. Only the Beneficiary is responsible to the Municipality of Haskovo for the implementation of the Project.

(2) The Beneficiary may not transfer the rights and obligations under the Contract to a third party.

**Art. 6.**

(1) In the presence of a partner the relations between the Beneficiary and the partner shall be regulated by a Partnership Agreement, attached to the Contract and meeting the requirements of the Municipality of Haskovo of the Social enterprises funding scheme

(2) In the Partnership Agreement the Beneficiary must include the following clauses:

1. Distribution of the activities and responsibilities in connection with the implementation of the Project between the Beneficiary and the partner;

2. Budget, including the costs envisaged to be incurred by and reimbursed to the partner by the Beneficiary in connection with the implementation of the Project in accordance with the approved by the Municipality of Haskovo budget of the Project;

3. Financing of the partner;

4. Applicable legislation and methods for resolving disputes between the Beneficiary and the partner;

5. Duration of the Partnership Agreement.

(3) The general requirements to the project partners within the Social Enterprise Funding Scheme are an integral part of the Partnership Agreement and should be signed by each Project partner. They regulate the observance by the partner in the implementation of the Project of obligations and responsibilities, corresponding to the requirements of the Social enterprises funding scheme

**Art. 7. Assignment of supplies by the Beneficiary**

(1) The Beneficiary has the right to assign the implementation of activities under the Project, in accordance with the approved for financing budget.

(2) Activities which are not envisaged and approved for assignment within the framework of the project proposal and the project budget may not be assigned without the explicit approval of the Municipality of Haskovo.

(3) The selection of a supplier of goods and services should be carried out in accordance with the procedures applicable to the Social Enterprise Funding Scheme and the requirements of the applicable national legislation.

(4) The Beneficiary shall control the fulfillment by the partner of the obligations related to the assignment of supplies, described in General requirements to the partners.

**Art. 8.** The Agreement and its annexes do not give rise to responsibilities for the Municipality of Haskovo related to the management, implementation and operation of the Project.

**Art. 9.** The Beneficiary assumes all responsibility towards third parties, including the responsibility for damages of any nature, inflicted on these persons, in connection with the implementation of the Project.

**Art. 10.**

(1) The Beneficiary grants to the Municipality of Haskovo the right to use freely and as it deems necessary all the results of the Project and the related documents, regardless of the form in which they exist.

(2) The right of ownership, including the rights of intellectual and industrial property over the results of the Project, the reports and other documents related to it, shall arise for the Beneficiary.

(3) The Beneficiary shall provide to the Municipality of Haskovo, if necessary, documents of the partners, related to the Project.

**Art. 11.**

(1) The Beneficiary undertakes to take all necessary measures to avoid conflicts of interest, including those related to a partner, as well as to immediately notify the Municipality of Haskovo of the existence of circumstances that cause or may cause such a conflict.

(2) A conflict of interest within the meaning of these General Terms and Conditions occurs when the impartial and objective exercise of the rights and obligations under the Contract by any person related to the Beneficiary or partner is called into question due to family reasons, emotional ties, political or national affiliation, economic interest or any other relationship or common interest

(3) The requirements of art. 11 para. 1 and 2 shall also refer to the persons participating in the management of the budget of the financed Project and in the exercise of control over the implementation of the Project.

(4) The representative of the Beneficiary or the partner shall not have the right to negotiate with himself and with the spouses, as well as with the relatives in direct line, in assignment, acceptance of performance and approval of the payment of activities, without explicitly authorized for that or without there is a subsequent approval by a person authorized for this purpose by the organization.

**Art. 12.** The Beneficiary should comply with the applicable national and European legislation in the implementation of the Project, as well as require compliance with the applicable national and European legislation by the partner (s).

## II. PROVISION OF TARGETED GRANTING

**Art. 13. Grant funding**

(1) The share of the grant may reach up to 100% of the total budget of the project

(2) In case its own contribution is envisaged, the Beneficiary shall be obliged to provide its own contribution for financing the Project from own or partner funds in accordance with the percentage set in the Contract.

#### **Art. 14. Payments**

(1) The Municipality of Haskovo shall administer the payments in BGN to the bank account of the Beneficiary, until the amount of the grant is approved in accordance with the terms of the Contract, as follows:

1. Advance payment is ordered within 10 (ten) working days from the date of start of the Project, according to the Contract
2. Interim payments shall be ordered within 15 (fifteen) working days after the approval by the Municipality of Haskovo of the interim technical and financial reports submitted by the Beneficiary.
3. Final (balancing) payment is ordered within 15 (fifteen) working days after approval by the Municipality of Haskovo of the final technical and financial report

(2) The specific terms of reporting and amounts of payments to the beneficiaries shall be indicated in the Plan for reporting of the Beneficiary and transfer of funds (Appendix № 5 to the Contract).

**Art. 15.** The total amount of advance and interim payments can reach up to 90%, the remaining funds (minimum 10%) are reserved for the final payment.

#### **Art. 16. Calculation of the interim payment**

The amount of the interim payment may be reduced depending on the amount of unspent funds identified in the acceptance of the interim financial reports, or in the event of a reduction in the amount of the grant due to identified irregularities. In case the Beneficiary has reported less than the percentage of the allocated funds set in the Plan for reporting to the beneficiary and transfer of funds, or if the amount of the grant is adjusted due to irregularities, the amount of interim payment is reduced by the amount of unspent funds, or of the imposed correction.

#### **Art. 17. Calculation of the final (balancing) payment**

(1) The final (balancing) payment is calculated as the difference between the final amount of the grant, approved by the Municipality of Haskovo under the Social Enterprise Funding Scheme, and the amount paid so far to the Beneficiary (by advance and interim payments).

(2) The amount of the grant may be reduced on the basis of a motivated decision of the Municipality of Haskovo for financial corrections related to non-fulfillment by the Beneficiary of obligations under the Contract, including on the basis of established irregularities.

#### **Art. 18. Non - compliance measures**

(1) In case of non-fulfillment of the contractual obligations by the Beneficiary, the Municipality of Haskovo has the right to take measures, which are expressed in:

1. Suspension of payments without notice;
2. Temporary suspension of the implementation of the Project by a decision of the Municipality of Haskovo;
3. Financial sanctions;
4. Early termination of the Project with a decision of the Municipality of Haskovo.

(2) The Municipality of Haskovo shall notify the Beneficiary in writing of the imposed measures.

#### **Art. 19. Financial sanctions**

(1) In case the Project is implemented inaccurately, incompletely or with a delay, the Municipality of Haskovo may with a motivated decision reduce the initially provided amount of the gratuitous target financing in proportion to the actually implemented part of the Project under the terms of the Contract and the General Terms

(2) The Beneficiary has the right to submit a written objection to the Municipality of Haskovo against the above decision within 15 (fifteen) working days from its knowledge, to which it should attach all evidence it deems necessary. The Municipality of Haskovo considers the written objection and makes a final decision.

(3) In case of irregularities, including inadmissible expenses, the Municipality of Haskovo may impose a financial sanction, proportional to the financial effect of the irregularity.

**Art. 20.** In case of early termination of the Project due to non-fulfillment of the contractual conditions by the Beneficiary, the Municipality of Haskovo may request full or partial reimbursement of the amounts paid as gratuitous targeted funding. The Municipality of Haskovo notifies the Beneficiary about the established non-fulfillment and gives him the opportunity to express his opinion on it.

**Art. 21.**

(1) In case of early termination of the implementation of the Project by mutual consent, the Beneficiary shall prepare a final technical and financial report.

(2) The Beneficiary has the right to receive only such part of the target grant financing, which corresponds to the actually implemented part of the Project, which has been approved as such by the Municipality of Haskovo.

(3) Costs related to contracts to be performed after the termination of the implementation of the Project shall not be covered.

**Art. 22.**

(1) The Beneficiary is obliged to use the received financing only to cover the costs for the implementation of the Project in accordance with the approved budget and the terms of the Contract and the General Terms and Conditions.

(2) The Beneficiary undertakes to report to the Municipality of Haskovo the realization of revenues within the implementation of the Project and to declare the objectives and activities for which they will be used.

(3) The beneficiary is obliged to control the observance by the partner/s of the requirements regarding the use of the part of the gratuitous financing provided to them.

**Art. 23. Reimbursement from the Beneficiary**

The Beneficiary undertakes to reimburse to a bank account specified by the Municipality of Haskovo:

- I. The unspent part of the received financing for the implementation of the Project, as well as the funds, which are not accepted as duly reported under the Project, or are reduced from the budget (the amount by which the advance and interim payments exceed the final amount approved by Haskovo Municipality gratuitous financing) within 15 (fifteen) working days after receiving a notification from the Municipality of Haskovo.
- II. Funds for expenses that have been determined as ineligible as a result of a subsequent inspection (after the adoption of final technical and financial reports) by persons authorized by the Municipality of Haskovo, as well as authorized national authorities, should be reimbursed within 30 (thirty) working days after receiving the notification.
- III. The amounts to be reimbursed by the Beneficiary may be deducted from any amounts due by the Municipality of Haskovo to the Beneficiary.
- IV. The bank fees related to the return of amounts due are entirely at the expense of the Beneficiary.

### III. BENEFICIARY REPORTING

**Art. 24. Accountability**

(1) In compliance with the requirements for transparency, accountability and good governance, as well as the general requirements for eligibility of project costs, the Beneficiary is obliged to use an accounting system that allows the generation of accounting reports on project revenues and expenditures, separate from the rest of the activity.

1. Accountancy reports of the project expenditures shall cover the full amount of the expenditure incurred, excluding the reported own contribution in the form of voluntary work;

2. For the generated revenues from the implementation of project activities, separate accounting of these revenues should be kept;

3. . It is necessary to systematically account the revenues and expenditures of the Project in accordance with the accounting standards, accounting policy of the Beneficiary and these

General Terms and Conditions, including accounting for adjustments in revenues and expenditures based on the financial reports adopted by Haskovo Municipality.

(2) It is necessary to ensure the functioning of an adequate system for internal control, enabling to monitor the approval of the assignment, acceptance and payment of the activities related to the implementation of the Project.

(3) The Beneficiary shall oblige its partners to apply the same, or similar to the above, requirements for keeping the accounting records of the Project.

**Art. 25. Interim technical reports and final technical report on the implementation of the Project**

(1) The Beneficiary is obliged to provide the Municipality of Haskovo with comprehensive reporting on the implementation of the Project, which includes the preparation and submission according to the requirements of the Municipality of Haskovo of interim technical reports on the implementation of the Project and a final technical report on the implementation of the Project;

(2) The period covered in the reports is defined in the Plan for reporting of the Beneficiary and transfer of funds attached to the Contract;

(3) The deadline for the submission of interim technical reports to the Municipality of Haskovo shall be the last working day of the month following the end of the reporting period;

(4) The deadline for the submission of the final technical report to the Municipality of Haskovo is up to 30 (thirty) calendar days after the expiration of the term of implementation of the Project;

(5) The following shall be attached to the reports: copies of publications, materials (written and / or audiovisual and others), which prove the implementation of each specific activity described in the report;

(6) The final technical report must contain complete information on all aspects of the Project implementation;

(7) The technical reports and the appendices to them are sent by e-mail to the Municipality of Haskovo;

(8) The non-submission of the reports described in this Article, including correctly completed questionnaires in connection with the indicators of the Social Enterprise Funding Scheme, is grounds for Haskovo Municipality to decide on unilateral termination of the Project due to culpable non-implementation by the Beneficiary for reimbursement of the paid financing under the Project

**Art. 26. Interim financial reports and final financial report**

(1) The Beneficiary shall be obliged to prepare interim financial reports and a final financial report according to a template of the Municipality of Haskovo.

(2) The data in the financial reports for the expenses incurred under the Project should reflect the data from the accounting reports of the Beneficiary (for the eligible expenses in total and by separate budget categories);

(3) The financial reports must be accompanied by the required documentation. The partner (s) provide the Beneficiary with their documentation to be included in the Beneficiary's reports to the Municipality of Haskovo;

(4) The reporting period to the Municipality of Haskovo shall be determined in the Plan for reporting to the Beneficiary and transfer of funds attached to the Contract;

(5) The maximum term for the submission of interim reports shall be the last working day of the month following the end of the reporting period;

(6) The deadline for submission of final financial report is up to 30 (thirty) calendar days after the expiration of the Project implementation period;

(7) The financial reports and the appendices to them shall be submitted by e-mail to the Municipality of Haskovo.

(8) The non-submission of the reports described in this Article constitutes grounds for the Municipality of Haskovo to take a unilateral decision to terminate the implementation of the

Project due to culpable non-implementation by the Beneficiary and to claim reimbursement of the paid financing under the Project.

**Art. 27. Notification of the Beneficiary for the acceptance of reports**

(1) The Municipality of Haskovo shall notify the Beneficiary of the need to submit additional documentation, clarifications or corrections;

(2) The Municipality of Haskovo shall notify the Beneficiary of its decision for acceptance of reports within two months after the receipt by the Beneficiary of the information necessary for the acceptance of the respective report;

(3) Upon request for clarifications, corrections or additional information, the above term shall start running again from the date on which the Beneficiary has provided the required information;

(4) The Municipality of Haskovo notifies the Beneficiary regarding: the total amount of the approved expenses upon the acceptance of the financial statement, incl. direct, indirect costs and grants; reasons for and amount of the defined as ineligible costs; imposition of financial sanctions / corrections or other measures; recommendations.

**Art. 28. Documentation**

(1) In order to meet the requirements for documentary justification of the costs, the Beneficiary must provide documentation for the reported costs of the Project:

1. Evidence of payments made, such as bank statements, payment orders, etc., including reimbursement by the Beneficiary or the partner of the expenses incurred by persons traveling under the Project;

2. Evidence of expenses incurred such as invoices, receipts, tickets and others;

3. Evidence of remuneration: declarations of hours worked; employment contract / annex, payroll, civil contract and fee list, information on declared and paid insurances and taxes;

4. Evidence of receipt of goods and services such as contracts, acceptance protocols and others, in accordance with the nature of the service;

5. Evidence related to transport costs: travel document, documents for the use of other modes of transport;

6. Evidence for organizing conferences, trainings, consultations and implementation of other activities under the Project (attendance lists, photos, information materials, feedback forms, protocols, etc.);

7. Evidence of compliance with applicable national law when selecting a supplier of goods and services: a full set of documents confirming the preparation and conduct of selection procedures, in accordance with the requirements of the legislation;

8. Documents proving the observance of requirements related to the purchase of fixed assets and execution of expenses for repair and reconstruction: declarations according to a sample and appendices;

9. Purchase diary for the respective tax periods for Beneficiaries or Bulgarian partners, registered under the Value Added Tax Act, who have not used a tax credit for the supplies of goods and services within the framework of the Project implementation;

10. Accounting documentation proving depreciation expenses for a fixed asset used under the Project.

(2) The documentation of the Beneficiary and the partners shall be filled in in Bulgarian, in accordance with the requirements of the Accounting Act, other applicable legislation and the good practices.

(3) The documentation must indicate the name of the Project or the incoming number of the project proposal.

**Art. 29. Storage of documentation**

(1) The Beneficiary is obliged to keep the documentation for the implementation of the project activities and the related financial and accounting documentation under the Project within at least 3 years after the acceptance of the final report by the Municipality of Haskovo;

(2) Upon filing of administrative, pre-trial or court proceedings related to the implementation of the Project, the term for storage of the documentation shall be at least 1 (one) year after the date of completion of the filed proceedings;

(3) The beneficiary and the partners shall be obliged to observe the longest of the terms for storage of the documentation, according to the applicable national legislation and the terms described in paragraph (1) and (2).

(4) The documentation must be stored and organized in a way that facilitates inspection;

(5) The Beneficiary shall control the partners regarding the observance of the requirements for the storage of the documentation in accordance with the requirements described in this Article.

#### **Art. 30. Protection of personal data contained in the documentation**

(1) The Beneficiary shall comply with the requirements of the applicable national and European legislation regarding the protection of personal data contained in the complete documentation related to the Project;

(2) The presence of personal data, including sensitive ones, is not a reason for the Beneficiary to refuse to provide reporting documentation. Its obligation is to provide the data subject with information about the Municipality of Haskovo as a possible recipient of personal data and to ensure the required by law consent of the personal data subjects for their provision to the Municipality of Haskovo;

(3) The Municipality of Haskovo shall also process personal data provided by the Beneficiary in connection with the fulfillment of a contractual obligation, observing the rules for protection of the personal data contained in the reporting documentation.

(4) With regard to the availability of sensitive data contained in the documentation related to the reporting of the implementation of project activities, the Beneficiary shall coordinate with the Municipality of Haskovo and obtain his consent for their presentation in a pseudonymous form.

## **IV. ELIGIBILITY OF EXPENDITURE**

### **General requirements**

**Art. 31.** To be eligible, the costs of implementing the Project must simultaneously meet the following requirements:

1. To be carried out by the Beneficiary or its partner during the implementation of the Project within the terms specified in the Contract, after the beginning and before the expiration of the term for implementation of the Project;

2. To be directly related to the subject of the Contract for targeted grant financing of a Project;

3. To be made solely for the purpose of achieving the goals and the expected results from the implementation of the Project;

4. To comply with the agreed budget for the implementation of the Project;

5. To be necessary and proportional to the implementation of the activities eligible under the Project in a manner compatible with the principles of economy, efficiency and effectiveness;

6. To be certified with the necessary supporting documents (invoices and / or other primary accounting documents), documents for payments made in accordance with national legislation, as well as documents proving receipt of goods and services;

7. To be reflected in the accounting documents and registers of the Beneficiary or its partner in accordance with the applicable accounting standards and principles. The accounting of the Beneficiary and its partners must allow direct identification and verification of the declared revenues and expenditures under the Project;

8. To meet the requirements of the applicable tax and social security legislation;

9. The selection of a supplier of goods and services shall be made in accordance with the procedures applicable to the Social Enterprise Funding Scheme set out in Art. 7.

### **Art. 32. Cost incurred date:**

(1) The expenses shall be considered incurred when the following conditions are simultaneously met: invoiced / issued primary accounting document; the costs have been paid and the item has been delivered;

(2) Depreciation costs for equipment and indirect costs shall be considered incurred when the respective operations are recorded in the accounting accounts of the Beneficiary or its partner;

(3) Exceptionally, payments of expenses incurred during the last month of the Project implementation (which is also the last month of eligibility) shall be considered paid within the eligibility period, only if the payments are made within 30 (thirty) calendar days after the expiration date of the Project.

### **Art. 33. Remuneration costs of the Project team**

(1) The eligible costs for remuneration of the project team, under labor and civil contracts, include:

- a. Gross remuneration (the part of remuneration allocated for the implementation of direct activities under the Project, according to an employment contract or specified in an annex to it or according to a civil contract);
- b. Social and health or other insurance at the expense of the employer, in accordance with national law;
- c. Other costs, according to the employment or civil contract, the rules of the Beneficiary or the partner, the applicable national legislation

(2) The payment of bonuses and compensations related to travel of employees are not included in the eligible costs for remuneration (this type of costs refers to the budget category Travel costs of the project team).

(3) Gross remuneration costs must not exceed the levels normally paid by the Beneficiary or its partner;

(4) The reporting of remunerations shall be in accordance with the application of Art. 12 on avoiding conflicts of interest and negotiating with oneself.

### **Art. 34. Travel expenses**

(1) Eligible travel expenses are expenses related to travel in connection with the implementation of project activities in the country (including related to participation in events and meetings organized by the Municipality of Haskovo) and abroad: transport, daily, hotel accommodation and other related costs (participation fee, health insurance, etc.) for the members of the team engaged by the Beneficiary or by the partner on the basis of an employment or civil contract, as well as volunteers;

(2) Eligible costs in the budget category "Travel costs of persons outside the project team" are the costs related to travel in connection with the implementation of project activities in the country or abroad of persons outside the project team (eg costs borne by a beneficiary or partner) for participants in conferences, trainings and other events);

(3) The expenses for hotel accommodation and for rented transport, assigned by a Beneficiary or a partner to a service provider in connection with the organization of events, shall be an inadmissible expense for the ones indicated in para. 1 and 2 budget categories;

(4) Travel expenses should meet the following requirements:

1. To comply with the policy of the Beneficiary and the partner to cover the costs - amount of per diems, reporting requirements, etc .;

2. The expenses for trips of Bulgarian citizens in the country, covered by a Beneficiary or a Bulgarian partner, to correspond to the limits specified in the current Ordinance on business trips in the country: daily up to BGN 20 per day; for trips without overnight stays, 50% of the above rates apply;

3. The principles of sound financial management are applied in the choice of transport and hotel accommodation.

(5) The documentary reporting of the trip should include evidence for its holding, as well as of the related events: attendance list for travel for participants in an event organized by the Beneficiary or partner, etc .;



(6) Upon reimbursement of expenses to the traveler, the Beneficiary or the partner shall submit a payment order to the bank account of the traveler or an expense cash order for their payment.

#### **Art. 35. Materials and consumables for project activities**

(1) Eligible costs for materials and consumables for project activities are:

1. Costs for materials and consumables invested in the implementation of the activities described in the Project;
2. Expenses for acquisition of technical equipment and software products, necessary for the implementation of the activities described in the Project, which according to the accounting policy of the Beneficiary or the partner are not defined as a fixed asset;
3. Paid state, court and other fees necessary for the implementation of activities envisaged under the Project.

(2) Not eligible costs related to the general operation of the Beneficiary, which cannot be related to direct project activities (such as stationery, equipment or software product, which is not used exclusively for Project activities, office maintenance etc., which relate to indirect costs);

(3) With regard to the supply of materials, consumables and equipment shall be applied the ones indicated in Art. 7 requirements for choosing a supplier.

#### **Art. 36. Services**

(1) Eligible costs for services are costs for services for the implementation of the activities described in the Project, including services provided by natural persons exercising free professions;

(2) The expenses related to trips of persons, engaged in the performance of services, shall be eligible within the respective services.

(3) Eligible costs for services are also costs for keeping accounting records under the Project, maintaining a bank account, audit, etc. ;

(4) Expenditures for services related to the general functioning of the Beneficiary are not eligible (eg communication services, overheads, accounting services, outside the reporting of the Project, audit of annual reports, etc., which relate to indirect costs);

(5) With regard to the supply of services, the provisions of Art. 7 requirements for choosing a supplier.

#### **Art. 37. Depreciation of fixed assets**

(1) Eligible costs for depreciation of fixed assets are part of the costs of the Beneficiary or the partner for depreciation of fixed assets used for carrying out direct activities under the Project, in proportion to the period for which they are used under the Project;

(2) The depreciation rates should be in accordance with the accounting policy of the Beneficiary or the partner for depreciation of fixed assets.

#### **Art. 38. Purchase of equipment (fixed assets)**

(1) In case the Municipality of Haskovo considers at the stage of application under the social enterprises funding scheme that the equipment is an integral and necessary component for achieving the results of the Project, the whole purchase price of this equipment may be eligible. Eligible costs are the full value of the purchased equipment, having a key role in the implementation of the Project, which is recognized according to the accounting policy of the Beneficiary or the fixed asset partner;

(2) In order to be eligible costs, the purchase of equipment constituting a fixed asset, the Beneficiary or the partner should agree to fulfill for a period of 5 years after the completion of the Project any or all of the following conditions described in a declaration to the Grant Agreement:

1. To use the equipment for the general purposes of the Project, retaining the ownership over it;
2. To insure the equipment against theft, fire or other insurance events;
3. To allocate resources necessary for its maintenance.

#### **Art. 39. Repair and reconstruction costs**

(1) Eligible costs for repair and reconstruction are costs for repair and reconstruction of real estate, which are essential for the implementation of the activities and the achievement of the objectives of the Project. The costs for repairs and reconstruction are approved by the Municipality of Haskovo upon approval of the budget.

(2) The costs for repairs and reconstruction may not exceed 50% of the total eligible direct costs of the Project. When reporting them, a detailed description of the incurred expenses is attached;

(3) In order to be eligible for the cost of repairs and reconstruction, the Beneficiary or the partner shall:

1. To present a copy of a notary deed to the Beneficiary or the partner, a copy of a notarized contract for established right of use or a copy of a lease contract for a period of at least 5 years after the completion of the Project;

2. To agree to fulfill for a period of 5 years after the completion of the Project any or all of the following conditions, described in a declaration to the Contract for funding the project:

2.1 To use the property for the general purposes of the Project, retaining the ownership / right of use over it;

2.2 To insure the property against fire or other insurance events;

2.3 To set aside resources necessary for its maintenance;

(4) With regard to the supply of repair services, the provisions of Art. 7 requirements for choosing a supplier.

#### **Art. 40. Ineligible costs**

(1) The following costs will not be accepted as eligible:

1. Interest on liabilities, debt service fees and penalties for late payment;
2. Fees for financial transactions and other purely financial costs, with the exception of costs related to accounts and financial services arising from the requirements of the grant agreement;
3. Expenses for purchase of land or real estate;
4. Provisions for losses or contingent liabilities;
5. Foreign exchange losses;
6. Reimbursable value added tax expense;
7. Costs covered by other sources;
8. Fines, penalties and court costs, except for court costs for filed cases within the approved activities under the Project;
9. Extraordinary, inappropriate and reckless expenses;
10. Expenditure that does not meet the general eligibility criteria, the specific eligibility criteria in the relevant budget category of direct costs and the general eligibility conditions for indirect costs.

(2) With regard to the non-refundable value added tax costs for a Beneficiary or a Bulgarian partner registered under the Value Added Tax Act, they shall be determined on the basis of the submitted Purchase Diary for the respective tax period, in which deliveries for the implementation of the Project without used tax

## **V. TERM OF THE CONTRACT. TERMINATION.**

**Art. 41.** The deadline for the implementation of the Project is specified in the Contract for targeted grant financing for the implementation of the project.

#### **Art. 42.**

(1) The beneficiary is required to perform activities on projects within the expected contractual deadline.

(2) The term of implementation of the Project may not exceed the maximum term for implementation of projects under the social enterprises funding scheme, which is 12 months.

(3) The Beneficiary shall be obliged to notify immediately the Municipality of Haskovo about the occurrence of circumstances, which may hinder or delay the implementation of the Project and the achievement of the set goals and planned results.

**Art. 43.**

(1) The Beneficiary may request an extension of the term for implementation of the Project, provided that the new term after the extension does not go beyond the time frame for implementation of projects under the social enterprises funding scheme;

(2) The written request for extension of the term should be accompanied by all evidences, substantiating its validity;

(3) The Municipality of Haskovo shall consider the request under para. 2 and decides on its approval or rejection. The Municipality of Haskovo reserves the right not to consider requests for extension of the Project implementation deadline, received later than one month before its expiration.

**Art. 44.**

(1) In case circumstances arise (mostly extraordinary) that make the implementation of the Project or its individual activities too difficult or risky, the Beneficiary may submit to the Municipality of Haskovo a written request for temporary suspension of the implementation of the Project, enclosing all evidence substantiating the justification of the suspension of execution;

(2) The Municipality of Haskovo may request from the Beneficiary to suspend the implementation of the Project in whole or in part, if circumstances arise (mostly extraordinary), which make its continuation too difficult or risky.

**Art. 45.**

(1) В случай че изпълнението на Проекта е спряно от Община Хасково по искане на Бенефициента, същият е длъжен да направи необходимото, за да съкрати до минимум срока на спиране на изпълнението и да възобнови изпълнението веднага щом обстоятелствата позволят това и след получаване на разрешение от Община Хасково; In case the implementation of the Project is suspended by the Municipality of Haskovo at the request of the Beneficiary, the latter is obliged to do what is necessary to shorten to a minimum the term of suspension of the implementation and to resume the implementation as soon as the circumstances allow it and after obtaining permission from the Municipality of Haskovo;

(2) In case the implementation of the Project is suspended at the request of the Municipality of Haskovo, the Beneficiary must receive prior written approval from the Municipality of Haskovo for continuation of the implementation;

(3) The term of the Project shall be extended by a time equal to the period during which its implementation has been suspended or suspended by an additional agreement.

**Art. 46.**

(1) An extraordinary circumstance is any unforeseeable event, which is beyond the control of the parties, which does not allow any of them to fulfill its obligations under the Contract, the occurrence of which is not due to intent or negligence of any of them (or their subcontractors, representatives or employees) and which cannot be overcome with due care;

(2) The parties shall not be liable for non-fulfillment of their obligations under the Contract, if it is due to the occurrence of an extraordinary circumstance. The party affected by the exceptional circumstance shall immediately notify the other party of the occurrence of the extraordinary circumstance, indicating the nature, probable duration and foreseeable consequences thereof, as well as take all necessary measures to minimize the possible harmful consequences;

(3) Defects in the equipment or materials, delays in their provision, labor disputes, strikes or financial difficulties shall not constitute extraordinary circumstances to which the parties may refer

**Art. 47.**

(1) If one of the parties claims that the Contract can no longer be performed effectively, it should apply for coordination to the other party;

(2) Upon reaching an agreement for early termination of the Project, the Beneficiary shall prepare a final technical and final financial report, where applicable.

**Art. 48.** The Municipality of Haskovo has the right to unilaterally terminate the implementation of the Project, in each of the following cases, in which the Beneficiary:

1. unreasonably fails to perform any of its obligations and does not take action for change or fails to submit a satisfactory explanation within 15 (fifteen) working days after the sending of a written notification;
2. admits an irregularity within the meaning of these General Terms and Conditions;
3. has been declared bankrupt or insolvency proceedings have been opened against him;
4. is in the process of termination or liquidation;
5. has been accused of fraud, corruption, participation in criminal organizations or any other illegal actions.

## VI. AMENDMENT OF THE CONTRACT

**Art. 49.** Amendments to the Agreement, including the Annexes thereto, may only be made by mutual agreement between the Parties, expressed in writing, unless otherwise provided in the Agreement / Annex.

**Art. 50.** If the amendment or supplement to the Contract is requested by the Beneficiary, the latter must submit a written request to the Municipality of Haskovo at least two weeks before the date of entry into force of the proposed change, unless there are special circumstances for non-compliance with this period, duly justified by the Beneficiary and accepted by the Municipality of Haskovo. The Municipality of Haskovo considers the received request and decides on its approval or rejection, and has the right not to consider requests for amendments to the Contract, which were received later than one month before the expiration of the Project.

### **Art. 51. Budget changes**

(1) Changes in the project budget that affect the main objective of the Project or lead to an increase in the initially agreed amount of the grant under the Contract and / or to an excess of funds by budget categories for which there is a fixed percentage are inadmissible;

(2) Changes introducing unforeseen in the approved to the project proposed budget expenses under budget category "Repairs and reconstructions" are inadmissible;

(3) Regarding budget changes between budget categories or between the budget of activities within 10% of the budget (compared to the approved budget of the categories or activities that increase and decrease), the Beneficiary is obliged to submit written information to the Municipality of Haskovo for budget change, including a draft updated budget. In case it does not receive an objection from the Municipality of Haskovo within 30 (thirty) calendar days, the Beneficiary has the right to modify the budget without requiring signing by the Municipality of Haskovo;

(4) With regard to budgetary changes: between budget categories or between activities exceeding 10% (both in relation to the category or activity which is increasing and in relation to the category or activity which is decreasing); changes in the distribution of the budget between the partners or introducing a new budget position, the Beneficiary submits to the Municipality of Haskovo a request for budget modification, including a draft updated budget. The Municipality of Haskovo considers the request and within 30 (thirty) calendar days informs the Beneficiary whether it rejects or accepts in full or in part the proposed budget modifications. The updated budget is signed by the Beneficiary and the Municipality of Haskovo.

(5) The budgetary changes made must comply with the principles of economy, efficiency and effectiveness.

**Art. 52.** In case the Beneficiary plans to change an expert for whom a CV is submitted in the project proposal, the change should be agreed with the Municipality of Haskovo. The Municipality of Haskovo notifies the Beneficiary of its decision by e-mail. No additional agreement is required.

**Art. 53.** The parties owe notifications for changes in the addresses. No additional agreement is required.

**Art. 54.** In case of a change in the bank account of the Project, the Beneficiary sends to the Municipality of Haskovo a notification, accompanied by a new form for financial identification according to a sample.

**Art. 55. Change of deadlines**

(1) A change in the schedule of the Project implementation shall be agreed with the Municipality of Haskovo. The Municipality of Haskovo notifies the Beneficiary of its decision by e-mail. No additional agreement is required;

(2) Change in the reporting periods, described in the Plan for reporting of the Beneficiary and transfer of funds, shall be coordinated with the Municipality of Haskovo. The Municipality of Haskovo notifies the Beneficiary of its decision by e-mail and, if necessary, prepares an updated Plan for reporting to the Beneficiary and transfer of funds. No additional agreement is required;

(3) A change in the deadline for implementation of the Project shall be agreed with the Municipality of Haskovo. The agreed term for implementation of the Project is formed by concluding an additional agreement to the Contract.

## VII. OTHER TERMS

**Art. 56. Communication**

(1) The communication between the Municipality of Haskovo and the Beneficiary shall be carried out by e-mail or in writing on paper;

(2) As part of the official correspondence between the Municipality of Haskovo and the Beneficiary the correspondence from electronic addresses of the Municipality of Haskovo and the electronic address of the Beneficiary, indicated by him in the application form, shall be accepted.

**Art. 57.**

(1) The provisions of the Annexes to the Contract shall be interpreted in accordance with the provisions of the Treaty (Special Conditions). In the event of a conflict between the Agreement and its Annexes, including the General Conditions, the provisions of the Agreement shall prevail;

(2) In the event of a conflict between the Annexes to the Treaty, the following Annexes shall apply with priority, in that order: General Conditions (Annex № 2), Budget (Annex № 3), Beneficiary Reporting Plan and Transfer of Funds (Annex №5).

**Art.58.**

(1) The parties shall be obliged to make all efforts in order to achieve settlement of disputes arising between them by mutual consent. Each of them is obliged to respond to a written request from the other party to settle a dispute by mutual agreement within 5 (five) working days of its receipt. After the expiration of this term or if the attempts to settle the dispute have not led to its resolution, within 5 (five) working days from the date of the last exchanged written request between the parties, each of them may notify the other that it considers the procedure voluntary settlement of the dispute as unsuccessful.

(2) All disputes arising out of or relating to the Contract, including disputes arising out of or relating to its interpretation, invalidity, performance or termination, as well as disputes for filling in gaps in the Contract or adapting it to new circumstances, shall be permitted by the Commercial Arbitration Court.

## VIII. DEFINITIONS

For the purposes of these General Terms and Conditions, the following terms will have the following meanings / definitions:

**Project:** The project proposal with the accompanying annexes in the form approved by the Municipality of Haskovo.

**Beneficiary:** A legal or natural person approved as a project executor, receiving targeted grant funding from the Social Enterprise Funding Scheme for its implementation.

**Contract for targeted grant financing of the project implementation:** Agreement between the Municipality of Haskovo and the Beneficiary, regulating the implementation, reporting and financing of the Project.

**Partner:** Organization or informal group, actively participating or actively contributing to the implementation of the Project, on the basis of a concluded Partnership Agreement, approved by the Municipality of Haskovo.

Informal groups do not receive part of the grant and do not have a share in the project budget. The beneficiary plans, implements and reports all costs, respectively all activities for which costs are planned, including voluntary work.

**Partnership Agreement:** An agreement between the Beneficiary and the partner, regulating the participation, reporting and financing of the partner in the implementation of the Project.

**Budget:** The budget approved by the Municipality of Haskovo, ensuring the implementation of the Project.

**Irregularity:** any breach of the Contract, a provision of European and / or national law which has or would have the effect of hindering the implementation of the Social Enterprise Funding Scheme, for example by taking into account an unjustified or disproportionate cost. All forms of corruption are also an irregularity.

I, the undersigned:

.....

*(Name surname family)*

in my capacity as legal representative:

.....

*(Full official name of the Beneficiary)*

Beneficiary in connection with the implementation of a Project № .....

„.....“

I declare that I am familiar with the General Terms and Conditions for providing targeted grants under the Social Enterprise Funding Scheme and I agree to abide by them.

Signature: .....

**GENERAL REQUIREMENTS FOR PROJECT PARTNERS WITHIN THE SOCIAL ENTERPRISES FUNDING SCHEME**

**I. GENERAL PROVISIONS**

**Art. 1.** These requirements are accepted by the Municipality of Haskovo and are applicable to partnership projects funded by the Municipality of Haskovo.

**Art. 2.** These requirements regulate part of the obligations of the Partner and do not exhaust his obligations, which are described in detail in the Partnership Agreement.

**Art. 3.** These requirements are an integral part of the Partnership Agreement (hereinafter referred to as the Agreement).

**II. ELIGIBLE COSTS OF PARTNER**

**Art. 4. General eligibility requirements.**

To be eligible, the costs of the Partner must simultaneously meet the following requirements:

- 1 To be carried out by the Partner during the implementation of the Project within the terms specified in the Contract, after the beginning and before the expiration of the term for implementation of the Project;
- 2 To be directly related to the subject of the Contract for targeted grant financing of a Project;
- 3 To be made solely for the purpose of achieving the goals and the expected results from the implementation of the Project;
- 4 To comply with the agreed budget for the implementation of the Project;
- 5 To be necessary and proportional to the implementation of the activities eligible under the Project in a manner compatible with the principles of economy, efficiency and effectiveness;
- 6 To be certified with the necessary supporting documents (invoices and / or other primary accounting documents), documents for payments made in accordance with national legislation, as well as documents proving receipt of goods and services;
- 7 To be reflected in the accounting documents and registers of the Partner in accordance with the applicable accounting standards and principles. The accounting of the Partners must allow direct identification and verification of the declared revenues and expenditures under the Project;
- 8 To meet the requirements of the applicable tax and social security legislation;
- 9 The choice of supplier of goods and services must be made in accordance with the applicable national legislation;
- 10 The accounting and internal control system of the Partner must allow direct identification and verification of the declared revenues and expenses for the implementation of the Agreement. In the event that the Partner carries out business activities, the revenues and expenses for the implementation of the Agreement must be separated from the revenues and expenses for business activities.

**Art. 5. Cost incurred date**

- (1) The expenses shall be considered incurred when the following conditions are simultaneously met: invoiced / issued primary accounting document; the costs have been paid and the item has been delivered;
- (2) Depreciation costs for equipment and indirect costs shall be considered incurred when the respective operations are recorded in the accounting accounts of the Partner;
- (3) Exceptionally, payments of expenses incurred during the last month of the Project implementation (which is also the last month of eligibility) shall be considered paid within the eligibility period, only if the payments are made within 30 (thirty) calendar days after the expiration date of the Project.

**Art. 6. Eligible direct costs**

- (1) Eligible direct costs are those costs which, based on the accounting policy and the usual practice of the Partner, are defined as specific costs, which are directly related to the implementation of the Project activities by the Partner, according to the Agreement and which can be accounted directly as costs for their

implementation. In particular, the following direct costs are eligible, provided that they meet the general eligibility criteria described in Article 4:

(2) Expenses for remuneration of the Project team:

1. The eligible costs for remuneration of the Project team, under employment and civil contracts, include:

- Gross remuneration (the part of the remuneration allocated for the implementation of direct activities under the Project, according to an employment contract, or specified in an annex to it or according to a civil contract);
- Social security and taxes related to staff costs must be declared and paid in accordance with the requirements of national tax and social security legislation;
- Other costs, according to the employment or civil contract, the rules of the Partner, the applicable national legislation;
- The payment of bonuses and compensation related to staff travel is not included in the eligible remuneration costs (this type of costs refers to the budget category Travel expenses of the project team).

2. Gross remuneration costs shall not exceed the levels normally paid by the Partner. In case higher daily or hourly expenses for salaries are planned in the budget, at their reporting the values are reduced to the ones determined on the basis of the employment contract.

3. The accounting of remuneration shall be in accordance with the application of Art. 12 of the Contract, on avoiding conflicts of interest and negotiating with oneself.

(3) Travel expenses:

1. Eligible travel expenses are expenses related to travel in connection with the implementation of project activities in the country (including related to participation in events and meetings organized by the Municipality of Haskovo) and abroad: transport, daily, hotel accommodation and other related costs (participation fee, health insurance, etc.) for the members of the team engaged by the Partner on the basis of an employment or civil contract, as well as volunteers;

2. Eligible costs are related to travel in connection with the implementation of project activities of persons outside the Project team (for example, the costs incurred by the Partner for participants in conferences, trainings and other events).

3. The costs for hotel accommodation and rented transport, assigned by the Partner to a service provider in connection with the organization of events, shall be an ineligible cost for the budget categories specified in items 1 and 2.

4. Travel expenses shall meet the following requirements:

4.1. To comply with the Partner's policy for covering costs - amount of per diems, reporting requirements, etc.;

4.2. The expenses for trips of Bulgarian citizens in the country, covered by a Partner, to correspond to the limits specified in the current Ordinance on business trips in the country: daily up to BGN 20 per day; for trips without overnight stays, 50% of the above rates apply;

4.3. Documentary reporting of the trip should include evidence of its conduct, as well as related events: attendance list for travel for participants in the event, etc.;

4.4. Upon reimbursement of the traveler's expenses, the Partner should present a payment order to the traveler's bank account or an expense cash order for their payment.

(4) Materials and consumables for project activities:

1. Eligible costs are: costs for materials and consumables invested in the implementation of the activities described in the Project; costs for acquisition of technical equipment and software products, necessary for the implementation of the activities described in the Project, which according to the accounting policy of the Partner are not defined as a fixed asset; Paid state, court and other fees necessary for the implementation of activities envisaged under the Project.

2. Expenditures related to the general operation of the Partner that cannot be related to direct project activities (such as stationery, equipment or software product that is not used exclusively for Project activities, office maintenance and etc.) are not eligible;

3. With regard to the supply of materials, consumables and equipment, the requirements for selection of a supplier specified in Art.4 items 9 and 10 shall apply.



(5) Services:

1. Eligible costs are costs for services for implementation of the activities described in the Project, including services provided by natural persons exercising free professions;
2. Eligible costs for services are those costs for services arising from the requirements of the Contract, such as: keeping accounting records for the Project, maintaining a bank account, audit, etc.;
3. Expenses related to the travel of persons engaged in the performance of services shall be eligible under the relevant services;
4. Expenses for services related to the general functioning of the Partner are not eligible (for example, communication services, overhead, accounting services, outside the reporting of the Project, audit of annual reports, etc.);

(6) Depreciation of fixed assets:

Eligible costs are part of the costs of the Partner for the depreciation of fixed assets used for direct activities under the Project, in proportion to the period for which they are used under the Project; the depreciation rates should be in accordance with the accounting policy of the Partner for depreciation of fixed assets.

(7) Purchase of equipment (fixed assets):

1. Eligible costs of a Partner for the purchase of equipment representing a fixed asset, having a key role in the implementation of the Project, approved by the Municipality of Haskovo within the project proposal, subject to compliance by the Partner with any or all of the following conditions, described in the Agreement:

- To use the equipment for the general purposes of the Project, retaining the ownership over it;
- To insure the equipment against theft, fire or other insurance events;
- To allocate resources necessary for its maintenance.

2. The recognition of equipment as a fixed asset is determined in accordance with the accounting policy of the Partner.

(8) Repair and reconstruction costs:

1. Repair and reconstruction costs are eligible only if they are essential for the implementation of eligible activities and the achievement of the Project objectives, are approved by the Municipality of Haskovo within the project proposal and do not exceed 50% of the total eligible direct costs of the Project.

2. In order to be eligible for repair and reconstruction costs, the Partner shall:

2.1. To submit a copy of a notary deed, a copy of a notarized contract for established right of use or a copy of a lease agreement for a period of at least 5 years after the completion of the Project;

2.2. To accept to fulfill for a period of 5 years after the completion of the Project any or all of the following conditions, described in a declaration to the Contract for targeted grant financing:

- To use the property for the general purposes of the Project, retaining the ownership / right of use over it;
- To insure the property against fire or other insurance events;
- To set aside resources necessary for its maintenance.

3. With regard to the supply of repair services, the provisions of Art. 4 items 9 and 10 requirements for selection of a supplier.

**Art. 7. Ineligible costs**

(1) The following costs will not be accepted as eligible:

1. Interest on liabilities, debt service fees and penalties for late payment;
2. Fees for financial transactions and other purely financial costs, with the exception of costs related to accounts and financial services arising from the requirements of the grant agreement;
3. Expenses for purchase of land or real estate;
4. Provisions for losses or contingent liabilities;

5. Foreign exchange losses;
6. Reimbursable value added tax expense;
7. Costs covered by other sources;
8. Fines, penalties and court costs, except for court costs for filed cases within the approved activities under the Project;
9. Extraordinary, inappropriate and reckless expenses;
10. Expenditure that does not meet the general eligibility criteria, the specific eligibility criteria in the relevant budget category of direct costs and the general eligibility conditions for indirect costs.

(2) With regard to the non-refundable value added tax costs for a Partner registered under the Value Added Tax Act, they shall be determined on the basis of the submitted Purchase Diary for the respective tax period, in which deliveries for the implementation of the Project without used tax

#### **IV. PARTNER REPORTING**

**Art. 8.** The partner is obliged to comply with the requirements for transparency, accountability and good governance and to meet the following reporting requirements:

1. to use an appropriate electronic system for keeping documentation and double-sided accounting, which will allow the generation of accounting reports for the revenues and expenses for the specific project, separately from its other revenues and expenses;
2. to ensure the functioning of an adequate system of internal control, enabling to monitor the approval by the respective bodies of the Partner of the assignment, acceptance and payment of the activities related to the implementation of the Project;
3. да води точна и редовна документация и да осигури на база на системата си за водене на to keep accurate and regular documentation and to provide on the basis of its system for keeping documentation and accounting the necessary accounting reports, such as extracts from the general accounting book, additional accounting books and payrolls, registers of tangible fixed assets and other accounting information.

**Art. 9.** In order to meet the requirements for documentary justification of costs, the Partner must provide the following documentation:

- 1 Evidence of payments made, such as bank statements, payment orders, etc., including reimbursement by the Partner of the expenses incurred by persons traveling under the Project;
- 2 Evidence of expenses incurred such as invoices, receipts, tickets and others;
- 3 Evidence of remuneration: declarations of hours worked; employment contract / annex, payroll, civil contract and fee list, information on declared and paid insurances and taxes;
- 4 Evidence of receipt of goods and services such as contracts, acceptance protocols and others, in accordance with the nature of the service;
- 5 Evidence related to transport costs: travel document, documents for the use of other modes of transport;
- 6 Evidence for organizing conferences, trainings, consultations and implementation of other activities under the Project (attendance lists, photos, information materials, feedback forms, protocols, etc.);
- 7 Evidence of compliance with applicable national law when selecting a supplier of goods and services: a full set of documents confirming the preparation and conduct of selection procedures, in accordance with the requirements of the legislation;
- 8 Documents proving the observance of requirements related to the purchase of fixed assets and execution of expenses for repair and reconstruction: declarations according to a sample and appendices;
- 9 Purchase diary for the respective tax periods for Partners, registered under the Value Added Tax Act, who have not used a tax credit for the supplies of goods and services within the framework of the Project implementation;
- 10 Accounting documentation proving depreciation expenses for a fixed asset used under the Project.

**Art. 10.** The Partner is obliged to allow the Beneficiary, the Municipality of Haskovo, as well as the authorized national authorities to carry out inspections by examining its documentation or on site related to the implementation of the Project, and to conduct a full audit if necessary.

**Art. 11.** (1) Бенефициентът е задължен да съхранява документацията за изпълнението на проектните дейности и свързаната с тях финансова и счетоводна документация по Проекта в срок най-малко 3 години след приемането от Община Хасково на финалния отчет на за изпълнение на проекта;

(2) Upon filing of administrative, pre-trial or court proceedings related to the implementation of the Project, the term for storage of the documentation shall be at least 1 (one) year after the date of completion of the filed proceedings;

(3) The partner shall be obliged to observe the longest of the terms for storage of the documentation, according to the applicable national legislation and the terms described in paragraph (1) and (2).

(4) The documentation must be stored and organized in a way that facilitates inspection;

**Art. 12.** The Partner is obliged to notify the Beneficiary when realizing revenues related to the received financing.

## **V. OTHER REQUIREMENTS FOR THE PARTNER**

**Art. 13.** (1) The Partner should comply with the requirements of the applicable national and European legislation regarding the protection of personal data contained in the complete documentation related to the Project;

(2) The presence of personal data, including sensitive ones, is not a reason for the Partner to refuse to provide reporting documentation. Its obligation is to provide the personal data subject with information about the Beneficiary and the Municipality of Haskovo as data controllers and to ensure the required by law consent of the personal data subjects for their provision to the Beneficiary and the Municipality of Haskovo;

(3) The Municipality of Haskovo shall also process personal data provided by the Partner in connection with the fulfillment of a contractual obligation, observing rules for protection of the personal data contained in the reporting documentation;

(4) With regard to the availability of sensitive data contained in documentation related to reporting on the implementation of project activities, the Partner should coordinate with the Beneficiary and the Municipality of Haskovo their presentation in a pseudonymous form.

**Art. 14.** (1) The partner is obliged to take all necessary measures to avoid conflicts of interest and to immediately notify beneficiaries about the circumstances that cause or may cause such a conflict.

(2) A conflict of interest within the meaning of these General Requirements shall exist when the impartial and objective exercise of the rights and obligations under the Agreement by any person related to the parties to it is called into question due to the existence of reasons related to family, emotional life, political or national affiliation, economic interest or any other direct or indirect personal interest

(3) The requirements of Art. 15 para. 1 and 2 shall also refer to the persons, participating in the management of the budget of the financed project, in conducting the audit and control over the implementation of the project.

(4) The representative of the organization shall not have the right to negotiate with himself and with the spouses and relatives in direct line assignment, acceptance of performance and approval of the payment of activities, without being explicitly authorized for this or having subsequent approval by authorized for this purpose from the organization person.

**Art. 15.** The Municipality of Haskovo shall not be liable arising from claims or complaints due to non-compliance with regulatory requirements by the Partner, its employees or claims or complaints as a result of infringement of the rights of third parties, including damages and damages of any nature inflicted on these persons in connection with the implementation of the Project.

**I, the undersigned:**

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*(Name surname family)*

**in my capacity as legal representative:**

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*(Full official name of the Partner)*

**I declare that I am familiar with the General Requirements to the Project Partners within the Social Enterprise Funding Scheme and I agree to comply with them.**

**Signature:** .....

**Date:** .....