

For the financial officer in the working group

The following section is intended specifically for the financial officer responsible for the project/operation.

Separate bank account

The local partner organisation must deposit the project funds on a bank account, and the Palme Center strongly recommends opening a separate account. This account must be signed by at least two people together. Not having a separate account for a project complicates matters during reporting and auditing, and when calculating any interest received in the project.

Interest

Interest on Sida funds must be specified and included in reports to the Palme Center. You do not need to repay any interest to the Palme Center while projects are under way as the interest can be used in the project instead. However, once the contractual period has expired, any interest received that was not used for the Sida-financed operation must be repaid to the Palme Center. For agreements signed under PAO, all interest must be repaid, regardless of the amount; for CSO agreements, however, you do not need to repay any sums of interest below SEK 500.

Procurement of goods and services

When making large purchases of goods or services for the project, you may need to carry out a procurement. This procurement must be carried out in accordance with the procurement regulations from the Palme Center. These regulations also state the prevailing sum limits. If you purchase goods and services for more than SEK 75,000, you need to perform a price comparison, and a regulated procurement must be carried out if the sum exceeds SEK 284,000.

You will find the Palme Center's procurement regulations [on our website](#).

If you do not use all the money

Project funds not used in a given year cannot always be carried forward automatically to the following financial year. You must first submit a written explanation and a new activity plan for the coming year and have it approved by your programme manager at the Palme Center.

Contact your programme manager as soon as possible if you notice that you will not be using your grant in full. If you send notification in good time, non-utilised funds can be redirected to other projects and we will not have to repay them to Sida.

If you need to make changes to your budget

As we set a budget in the cooperation agreement, all major changes to the agreed budget must also be approved by the Palme Center. In this context, "major changes" includes deviation in the project management and administration budget line, regardless of the amount or deviation. It also includes deviations in other budget lines of more than 10

percent. If this is the case, contact your programme manager and justify why you want to make the change.

Documents and receipts

Documents (i.e. invoices and receipts) that confirm the project costs must always be saved and presented. For cash payments where there is no invoice or receipt, you can write one yourself. Make it a habit to carry a receipt book with you at all times. It is important to have receipts signed by both buyer and seller. They must also state the date and purpose. All financial vouchers and other documents referring to the project must be kept for seven years from the date of the last payment. This is because the Palme Center and Sida are entitled to request and examine project documentation for seven years after the end of a project.

Promoting a formal economy

The informal sector is widespread in many countries where the Palme Center and our member organisations are active. There is comprehensive evidence that the informal sector is an obstacle to development. One example is tax funds. If a country does not collect sufficient tax, there are no political opportunities to distribute a society's resources fairly. It is therefore essential that Palme Center projects promote a formal economy, and that we try to help "formalise the informal". We can do so on both a large and a small scale. For example, remember that expert fees may not be paid to members of the Swedish member organisation or the partner organisation, and that all fees and remuneration must be paid in accordance with legislation regarding salaries and taxes in the country in question.