**Essential Update October number 2-2019 - Materials update and managing Self-Declared Adjustments and Irregularities**

As part of our ongoing work to review and improve Building Better Opportunities materials, we have now released the following documents for use in your Q4 2019 claim. Thank you to those who provided support in the development of these materials.

In this update we also introduce the process that will be used for managing **Self-Declared Adjustments** and **Irregularities.**

**Annex B: Project Progress Form**

In a previous quarterly update, we advised that The National Lottery Community Fund has a renewed focus on learning, and that we would be keen for you to tell us what aspects of your project are working well and those that have been particularly challenging.

To facilitate this, a new Annex B (version 7) has been updated for use in the Q4 2019 claim. The changes will provide an opportunity for you to highlight some of your great success stories and share them with your peers.

Please note, that Annex C: Project Progress Form (Cor/2/1 only) is being retired. All grant holders will now use Annex B.

**Annex U: Staff List and Annex V: Partner List**

We are introducing two new annexes for use in the Q4 2019 claim - Annex U: Staff List and Annex V: Partner List.

The new annexes will standardise how we capture the required monitoring information on staff employed on the project and project partners. Historically we have allowed this information to be collated in a format of your choosing.

However, this approach has made it difficult for us to extract accurate management information.

The standardised forms will enable us to quickly create accurate reports and extract data to assist in our reporting processes. For example, accurately tracking

the number of full and part-time employees that work on Building Better Opportunities, or number of partners contributing to the programme.

We thank you for your support in switching to the standardised forms.

**Guide to Delivering European Funding Section Four: Payments, Claims and Monitoring**

Section Four of the Guide (version 8) has been updated in line with current practice, the latest branding guidelines and has been restructured to improve usability. More information has been included about Article 125 and 127 checks.

The most significant change is the introduction of more information on Self-Declared Adjustments and Irregularities, and how we will start to manage these using Annex A. The process for how we will introduce this is set out below.

**Self-Declared Adjustments (SDAs) and Irregularities on Annex A**

In March 2019 we released Annex A version 9.0, containing an additional worksheet called ‘SDAs and Irregularities’. At that time, we asked you not to use this worksheet. We are now beginning the background work that will enable data to be added. **We still ask that you do not add any SDAs or irregularities onto Annex A yourself**. As we process them internally either your funding officer or a member of the BBO Support Team will add information onto your most recent Annex A and send it to you.

It may take some time to get through all of the grants, so please bear with us. Those due to close in the coming months will be prioritised.

It is important to note, that if The National Lottery Community Fund has made, or agreed to make an **additional payment** to you in respect of an irregularity or SDA, the payment **will not** be reflected on Annex A.

**Process**



**Irregularities**

Where an irregularity has been identified in an Article 125 or 127 check, the BBO Support Team will reduce the value of your grant on our system by the amount of the irregularity. Once the grant has been reduced, we will input it onto the SDA and Irregularities table in your Annex A. This will be returned to you by your funding officer.

When the outcome of ‘**irregularity (grant reduced by MA)**’ is selected on Annex A it will automatically show the following:

* A reduced ‘award amount after irregularity reductions by the MA’ on the front sheet.
* For the affected delivery quarter on the ‘Quarterly Breakdown’ worksheet, it will detail the adjusted total cost after SDA/irregularity.

As you are **unable** to reuse these funds it will **not**:

* Increase the amount in the ‘unspent grant funds’ figure.

**SDAs**

Where you have self-identified an error in a claim, we will have asked you to submit an SDA form. We review this and then send it to the MA. The MA determines whether this is an irregularity or a clerical/technical error such as a typo, this process can take some time for the MA to complete.

If it is deemed an **irregularity** the process above will be followed, and the overall grant amount will be reduced.

If it is deemed to be a **clerical error**, the reported expenditure for the affected quarters will be reduced by the value of the error, but those funds will remain available to **re-use**. It will be logged on your Annex A by the BBO support team and returned to you by your funding officer.

When the outcome ‘**SDA/Irregularity (grant can be re-used)**’ is selected on Annex A it will show the following:

* For the affected delivery quarter on the ‘Quarterly Breakdown’ worksheet, it will detail the adjusted total cost after SDA/irregularity.
* An increased amount in the ‘unspent grant funds’ figure.

As you will be able to **reuse the funds**, it will **not**:

* Reduce the ‘award amount after irregularity reductions by the MA’ on the front sheet.

**How funds will be recovered**

In most cases we will recover the funds for the SDA/irregularity (whether the grant has been reduced or can be reused) by deducting it from a future payment.

Where the grant has ended, or an irregularity is a substantial amount we may instead request a refund.

More information can be found in the Guide to Delivering European Funding Section Four, parts 4.4 to 4.7.