Building Better Opportunities

Guide to delivering European funding

Section fourteen: Project Closure

About the Guide

This is just one section in a series of guidance documents that make up the Guide to Delivering European Funding (the '**Guide**'). These documents are designed to support you to manage your Building Better Opportunities grant and should be used in conjunction with guidance produced by the Managing Authority and European Commission and does not replace it. This is guidance only and cannot cover all scenarios that grant holders will encounter.

This version of section fourteen replaces all those we have previously published. For the full contents of the Guide visit our website.

The Guide remains under review and is subject to change. It should be read alongside the **Essential Updates** published on our website and emailed to the lead partner. Essential Updates contain details of any guidance changes, updates, clarifications and reminders. Information will often appear within Essential Updates some time before being incorporated into the Guide.

Summary of changes

April 2022 – for version 3.0 the following updates have been made:

- ✓ **14.7 Archive project evidence for post closure audits** has had a reference to Section 11: Evidence and retention added; and additional items have been included in documents to retain.
- ✓ An additional section **14.11 Grant holder responsibilities beyond the end of the grant** has been added.
- ✓ Minor formatting updates throughout the section.

January 2021 - for version 2.0 the following updates have been made:

- ✓ **About this Guide** has been updated to align with recent changes elsewhere in the Guide and an additional paragraph has been added to remind readers to use it alongside our Essential Updates.
- ✓ The name of this section was changed from 'grant closure' to 'project closure' to ensure consistency between documents.
- ✓ Minor updates to wording throughout for clarity.
- ✓ Covid-19 adaptations have been included.
- ✓ Additional guidance on participant end dates and destinations has been added.
- ✓ A request for an updated Annex A after final payment or return has been included, with more details about how the final payment or return is calculated.

Document version 1.0 issued August 2019

Any changes to the Guide will be:

- ✓ communicated on our website and on the inside page of each section.
- ✓ emailed to current grant holders and highlighted in our programme e-bulletin.

Contents

14.1 Introduction

This guidance is for BBO grant holders and covers the closure process, it is generic and will not cover all scenarios. Please discuss any specific points with your Funding Officer. We advise planning for project closure begins at the start of your final year.

We'd like to remind you that while examples of evidence that need to be retained are noted in this document, the list is not exhaustive. The full ESF programme guidance on document and data retention must be followed. The full guidance is available here.

https://www.gov.uk/government/publications/european-structural-and-investment-funds-document-retention

14.2 Closure process outline

1. Agree delivery end date with Funding Officer
2. Complete project closure form
3. Delivery ends
4. Submit final operational claim
5. Resolve compliance issues
6. Site visit
7. Archive all project evidence for audit
8. Submit administrative claim
9. Refund any unspent grant or final payment

14.3 Agree delivery end date

You will already have established which quarter your project is going to end in based on participant and financial profiles. Around nine months prior to delivery ending you must talk to your Funding Officer to agree a definitive delivery end date and start planning closure activities. The delivery end date is the point at which you no longer have participants on the programme and delivery staff are no longer operational. You may have a small number of admin staff involved in compliance and office functions for a short period after this time to collate and submit the final operational claim.

14.4 Complete project closure form

Your Funding Officer will provide you with a copy of the project closure form. This provides the Fund with information relating to document and data retention as well as post closure contact details. Once you have completed the form, please transfer it via OneDrive to your Funding Officer for review, if there are any questions, they will be raised at the site visit or prior to this by correspondence.

14.5 Submit final operational claim

Once delivery has ended you should submit the final operational claim, this will be for all project delivery costs in the last quarter of operations. We will carry out a compliance review which may be carried out on site or remotely.

It is important you gather all the relevant claim items from your delivery partners, this will be the last opportunity to claim operational costs. To help with this your Funding Officer has discretion to extend the deadline for the claim by up to four weeks.

Beyond submission of the final operational claim, you will need to be able to respond to any queries raised when we carry out the compliance check. We will aim to complete the compliance checks as quickly as possible to minimise the amount of time you need to retain admin staff to respond to queries. (You will be able to claim the cost of this time, please see **14.8 Submit administrative claim**.)

You must ensure that when the final **Annex L: Participant monitoring spreadsheet** is submitted, all participants must have been given a **leaving date**. This must be the date of their final activity on the project, which can be no later than the final project delivery date. You will need to confirm that all participants have either completed their intervention or have been referred to other suitable provision.

14.6 Site visit

Your Funding Officer will visit to discuss the responses in your project closure checklist, the final administrative claim and get more details if they are needed, as well as confirm your archiving plans and processes. This may or may not be as part of reviewing the final operational claim but will be an opportunity to resolve any outstanding issues that arose with the compliance review.

Covid-19 adaptions

During the Covid-19 pandemic the site visit will be replaced by a video call. As far as possible, this will cover the same points as would be expected at the visit.

14.7 Archive all project evidence for post closure audits

The current European Social Fund (ESF) document and data retention policy requires all project records and documentation to be kept for audit purposes, we currently anticipate this to be until **31 March 2034. Failure to retain these records may result in clawback through the Department for Work and Pensions and European Commission audits**. Please check with The National Lottery Community Fund (the Fund) **before** destroying any of the project records by contacting: esf@tnlcommunityfund.org.uk

The full ESF requirements can be found at the following link:

https://www.gov.uk/government/publications/european-structural-and-investment-funds-document-retention

You should always refer to the full ESF requirements, however, information can also be found in **Section eleven: Evidence and retention** can be found on the Guide to Delivering European Funding pages of our website.

Documentation that needs to be kept by you and retained by your organisation as the grant holder includes **but is not limited to:**

- ✓ Funding agreement
- ✓ Partnership agreements and Service Level Agreements (SLAs)/contracts/variations
- ✓ Participant records
- ✓ **Complete audit trail of all financial records** to support all claims made to the Fund including full defrayal to bank statements, receipts
- ✓ Staff appointment letters and complete evidence to support 1720 hourly rate calculations and timesheets
- ✓ Legal advice documents relating to the project including state aid advice and procurement
- ✓ Evidence of publicity including photos of posters at delivery sites (please include the dates)
- ✓ Screenshots of websites with logo on it (please include the date each screenshot was taken)
- ✓ Project plans and any evidence of agreed changes to the project
- ✓ Reports sent to the Fund
- ✓ Cross cutting themes action plans, policies, minutes of meetings monitoring documents
- ✓ Relevant policy documents for the project
- ✓ Staff lists
- ✓ Attendance sheets for delivery sessions
- ✓ Procurement evidence
- ✓ Evaluation reports
- ✓ Trustee minutes and records related to this project
- ✓ Completed changes to your project forms (Annex D)
- ✓ Bank statements for your BBO bank account to show payments received from the Fund

This list is not exhaustive, it is likely each project will have additional documentation that needs to be retained to prove eligible expenditure. Bearing in mind that staff will be leaving the project we recommend you obtain all the relevant records well in advance.

Where records are being stored electronically, they should be in a format that is accessible and will remain so for the retention period. You will need to ensure you have **all documentation** from each partner organisation to support the expenditure for which they have submitted claims. This reduces the risk of clawback due to not being able to access this evidence in the future.

14.8 Submit administrative claim

The sole purpose of the administrative claim is to allow projects to recoup the staff time associated with the compliance review of the final operational claim. We expect this to be a very small claim that does not include any operational costs. Your funding officer will discuss what costs you expect to submit in the claim. We will ask to see the supporting evidence for this claim if we feel it is necessary. There must be funds remaining if these costs are to be claimed.

You will need to submit an Annex B, O and A for this claim by default, if you have unreported participant data you can also submit an Annex L and Annex E to update the project records.

14.9 Return unspent grant or final payment

Once the Funding Officer receives the administrative claim, they will be able to reconcile the total amount of your claims against the total amount of grant received. This will be done using the information provided in **payment schedule (Annex A)**. This will account for any irregularities or self-declared adjustments (SDAs) as detailed in **Section 4: Payments, claims and monitoring.** Please note, any SDAs that have not been processed by the Managing Authority when the project closes, will be deducted from the total award amount, as there will be no opportunity to 're-use' these funds if they are deemed a 'clerical error'.

If you have received more funding than you have spent, we will need you to return the unspent money back to the Fund. Should you have spent more than we have paid you and there is grant budget remaining for your project we will make a payment to cover the additional cost. Your Funding Officer will write to you with the details of any refund or payment requirements.

Following the return or final grant payment, an updated **Annex A** will be required to document the funding received and expenditure balancing. If further irregularities are identified after the project has closed you will need to refund this to us, **Annex A** will need to be further updated**.**

14.10 Removal of branding

Once the project closure process is complete you will no longer be in receipt of joint money from the European Social Fund and The National Lottery Community Fund. All branding should be removed from your website and project premises, including partners. Branded documentation should no longer be used even if your project continues with alternative funding. However, evidence of branding, including photographs in situ, must be retained as noted in **14.7**.

14.11 Grant holder responsibilities beyond the end of the project

Although delivery has now ended and your final claims have been made, the grant remains subject to verification and audit from a number of different bodies. As described in **section 14.7**, information must remain accessible up until the end of the retention period.

We must also be able to contact your organisation to access this information. Therefore, if at any point either of your key contacts set out in your Project Closure Form change you must inform us at esf@tnlcommunityfund.org.uk. You must also tell us if there are any changes to your organisation such as mergers, takeovers or going into administration.