

Example of an
Agreement of Allocation

between the

Horst&Karin Gellert-Stiftung , Welscher Heide 30, 51429 Bergisch Gladbach

- as Donor Organisation-

represented by the Chairman of the Supervisory Board Mr. Horst Gellert

and the XXXXXXXXXXXXXXXXXXXX

- as Recipient of the Allocation -

represented by NNNNNNNNNNNNNNNNNNNNNNNNN

concerning the granting of financial assistance for the project:

XXXXXXXXXXXXXXXXXXXXXXXXXX

Project number: XXXXXXXXXXXX

Amount: 00000000000

In Words: XXXXXXXXXXXXX

Period (from/to)

- 1 The budget (Annex 1) of this agreement is based on the project proposal (Annex 2) submitted by XXXXXXXXXXXX. The project proposal and the explanations are considered a binding basis for the implementation of the project.
- 2 The Recipient of the Allocation declares
 - that all information of the project proposal is in accordance with the actual facts and has been given to the best of his knowledge and belief
 - that he has not applied to any other organisation or institution regarding the granting of financial aid for the same project
 - that all preliminary conditions for the realisation and a speedy start of the project are given and that no legal or other reasons preclude the implementation of the project.
- 3 The Donor of the Allocation expresses his willingness to disburse the funds in 1 instalment on request of the Recipient of the allocation in the year 0000. The transfer of the funds (see Budget, Annex 1) will be done to the bank account to be announced by the Recipient of the Allocation. Precondition for the payment is that this Agreement has been provided with the legally binding signature of both parties concerned. The Recipient of the Allocation undertakes to spend the funds only for the envisaged purpose (according to budget, Annex 1).
- 4 The Recipient of the Allocation confirms to the Horst&Karin Gellert-Stiftung the receipt of the payment immediately after the credit entry on the bank account, in the form of a copy of the corresponding bank statement of account. This statement of account should specify the official exchange rate also.
- 5 The Recipient of the Allocation will keep records of all income and expenditures within the framework of the project - according to the local regulations.
- 6 The Recipient of the Allocation may increase individual expenditure items of the budget (Annex 1) to the debit of other expenditure items by up to 10% if this proves necessary in order to achieve the project target and if the overall expenditure framework of the project is not changed thereby. All expenditures exceeding this limit and all changes of the quantity skeleton are subject to the preliminary agreement of the Donor of the Allocation.
- 7 3 months after the completion of the project the Recipient of the Allocation will submit a written report which consists of a narrative report and a financial statement.
- 7.1 Narrative Report

The narrative report – which has to be compiled in German or English – compares the actual progress of the project with the envisaged progress of the project as specified in the project proposal, describing success and failure, as well as impediments and measures to overcome them.
- 7.2 Financial Statement

The financial statement includes a comparison of all planned income and expenditures (shown in Annex 1) and the actual income and expenditures.

All income and expenditures must be proved by numbered original single documents (invoices, receipts, etc) to the auditor foreseen for this project. The documents must include date, recipient/payer, reason of payment, and total amount of payment of each transaction. The documents have to be recorded according to the sample form (Annex 3).
- 8 Auditor
- 8.1 It is planned for this project to get the financial statement signed by an independent auditor. The Final Audited Statement has to correspond to the included sample form (Annex 3) and is part of the final financial report. All documents necessary to compile the financial report will have to be made available to the Auditor. These documents have to be preserved for six years, from the date of submission of the report.

- 8.2 The Recipient of the Allocation will appoint an independent and registered Auditor to compile the final financial statement.
- 8.3 The certified financial report has to correspond to the sample report forms (Annex 3). They must not restrict themselves to a purely numerical presentation, but must provide an account of how the funds were utilised both in total and in detail.
- 9 Representatives of the Horst&Karin Gellert-Stiftung may at all times visit the project, request information and inspect the books and vouchers. The Recipient of the Allocation prepares the necessary papers in such a way that they can be examined and sees to it that all required information could be obtained.
- 10 The Recipient of the Allocation will immediately advise the Donor of The Allocation the case arising, by fax or email etc. if:
- he intends to change the concept of the project (see Annex 2),
 - the target of the project cannot be achieved within the project life or if any other obstacles prevent the project implementation,
 - he obtains additional funds for the same project from third parties,
 - the planned total expenditures are reduced or increased.
- 11 The Donor of the Allocation can block the payment of funds or request the reimbursement of paid out funds if
- the project implementation has not been started within three months after the date, at which the Recipient of the Allocation had the project funds at his disposal,
 - overpayments have been effected,
 - the information on which the financial aid is based (see Annex 2) has been incomplete or incorrect,
 - the funds have not been used according to this agreement,
 - the obligations concerning bookkeeping, settlement of accounts and the provision of information have not been fulfilled.
- 12 Furthermore the Donor of the Allocation may request the payment of interest in the amount of the local bank interest as from the date when the repayment claim has arisen.
- 13 The aforesaid offer to grant financial aid for the project "xxxxxxxxx" expires if the acceptance of the offer as declared by the legally binding signature on the part of the "Recipient of the Allocation" under this agreement has not been submitted to the Donor of the Allocation by Datum.
- 14 All changes or supplements to this agreement must be made in writing.
- 15 If individual terms and conditions of this agreement become ineffective, for example due to legal regulations, this will not affect the effectiveness of the other terms and conditions.
- 16 In case of doubt the German version of this agreement is binding, not however its translation into another language.
- 17 Jurisdiction of subject matter for all parties concerned is Köln (Germany). Effective is German law.

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Date

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Date

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Horst Gellert, Chairman of the Supervisory Board

Enclosures:

Annexes

- 1 Budget-plan
- 2 Project proposal
- 3 Sample Forms