

Annex 3 to CSS Framework Agreement consultancy and support services (CSS)

Terms and Conditions for Payment

The Client will endeavor to settle payments under the agreement as quickly and conveniently. However, this is only possible if Contractors submit complete and accurate invoices that comply with the specific agreements made and general standards.

Being accountable to donors, financial authorities and the public, the Client has to meet high standards for the settlement of payments as for any other disbursement of funds.

1. Contractor invoices

1.1 Components of a Contractor's invoice

For proper processing by the Client, the Contractor's invoice must contain at least the following:

- Name, address and details of Contractor's bank account (cf. No. 4.3 Framework agreement)
- The bill must be addressed to:
 - Evangelisches Werk für Diakonie und Entwicklung e. V.
 - Brot für die Welt
 - Department/Unit
 - Mr/Mrs XXX
 - Caroline-Michaelis-Str.1
 - 10115 Berlin, Germany
- Sales tax identification number of Evangelisches Werk für Diakonie und Entwicklung e. V.:
DE 147801862
- Date of issue
- Invoice number
- Title of the agreement the invoice refers to (and where applicable the project, subproject and contract number).
- Verifiable evidence of performance and productive activity, date and subject area of the service, description of the service rendered and amounts invoiced in each case, for travel exceeding 10 km distance starting from the traveler's usual place of work, list of travel itinerary or by providing information in a separate report on carrying out the assigned task. The date of the journey, the name of the person travelling as well as the route, the means of transport or the number of overnight stays, the name and address of the hotel, a reference to the purpose of the journey and the amounts invoiced in each case must be listed. If a kilometre allowance is applied, the distances travelled are to be proven by means of a summary list, if necessary in the form of a list. Urban transport (exceeding 10 km) can be summarized under one item.
- Documents in accordance with No. 9, a translation into German or English must be enclosed. A voucher list shall also be kept.
- Total amount of invoice
- Any advance payments received
- Tax number of the contractor.

If the Contractor is subject to turnover tax and has its registered office within the European Union, the turnover tax identification number must be stated. In these cases, the invoice must show the rate and amount of VAT separately. If this is required due to legal regulations and the financing of the framework agreement from public and church funds and donations, the invoice must include additional details.

1.2 Document check by an auditor

The Client and the Contractor may agree on a preliminary audit of the invoice and vouchers according to the International Standard on Related Services (ISRS) 4400 by an independent recognised auditor; the Client must be provided with evidence of the licence or registration as an independent auditing company. The Consultancy agreement and the present terms of payment shall form the basis of the document review. All supporting documents must be checked, random

checks are not sufficient. The Client shall provide the Contractor with a non-binding sample contract (sample Agreed-upon procedures agreement). The contractor agrees with the auditor that a copy of the concluded agreement and a copy of the audit report will be made available to the client.

1.3 Payments made by the Client

Payments by the Client will be made to the bank account specified in the framework agreement.

Incoming payments to accounts outside the European Union or foreign currency accounts must be confirmed in writing by the Contractor, stating the amount received (in foreign currency if applicable) and the date of receipt of payment. The confirmation must be accompanied by a copy of the bank voucher.

2. General invoicing issues

2.1 Conversion from foreign currency to euro

The Client pays and refunds in Euro. If the Contractor incurs expenses in foreign currency, the amounts will be converted into Euros.

- The conversion from foreign currency to Euro is carried out as follows: If the Contractor has incurred expenses in foreign currency or has received an advance payment in foreign currency, the exchange rate applicable at the time of payment or advanced payment will apply.
- If such a rate is not available, the Contractor must provide evidence of the actual exchange relating to the invoiced costs.
- If no such evidence is available, the Client will apply exchange rates from reliable sources that are deemed reasonable. Using this method, the conversion takes place either periodically or on a daily basis for each individual issue.

3. Taxation

All declaration and payment obligations regarding taxes and duties are incumbent on the Contractor. These are not reimbursed by the Client.

Special provisions apply if the Contractor is domiciled outside Germany and conditions for a reverse charge procedure are met. To the extent that the provision of services by the Contractor is considered a taxable service under German tax law, the Client is legally required to submit the turnover tax payable in Germany on the invoiced amount to the German tax authorities.

If the Client is obliged by law to withhold and pay VAT on behalf of the Contractor (reverse charge procedure), the Contractor shall issue an invoice for the net amount only (without German VAT) in accordance with the applicable statutory provisions. Furthermore, the contractor is obliged to comply with the local regulations on income tax and VAT and to pay the taxes to the local tax authorities if the service is taxable abroad.

It is strongly recommended for the Contractor to seek the advice of a tax adviser to ensure correct handling of tax issues.

4. Invoicing and settlement of invoices

4.1 Contractor remuneration (fee)

The Contractor will receive the agreed remuneration for actual services rendered. Remuneration is made per day in euros on a time and material basis. One day includes 8 full hours of work. If less than 8 hours are worked on any day, a pro-rata payment will be made. Per day a maximum of up to 8 hours are remunerated.

Travel time is remunerated with half of the agreed fee.

4.2 Advance payments

At the Contractor's written request and upon submission of a detailed action plan, the Client will make an advance payment for a period of up to three months up to a maximum of 40% of the contract sum, if appropriate. Further advance payments will only be made insofar as previous advance payments have been invoiced and insofar as no more than 40 % of the contract sum is thereby advanced. The granting of advance payments does not imply any acceptance of the services. Advance payments shall be set off against the next due payments, if services for which the advance payments have been granted are to be settled thereby.

4.3 Interim and final invoices

The Contractor will submit an interim invoice at the latest at the end of six months of the term of the annual contract. After completion of the annual contract, the Contractor will submit a final invoice. Both the interim invoice and the final invoice will be submitted within 30 days of the end of the respective invoice period. The interim invoice and the final invoice are prepared in accordance with item 1 of this Annex. The Client will pay the invoice within four weeks of its acceptance. If the advance payments made exceed the services stated in the final invoice, the Contractor will repay the excess amount paid within four weeks of the Client's request. Advance payments shall be set off against the next due payments that are settling services for which the advance payments have been granted.

4.4 Retention

Notwithstanding the above provisions, advance payments and the settlement of interim invoices by the Client will only be made up to 80% of the contractual amount. Payments in excess of this will only be made in exchange to the presentation of the final invoice if the prerequisites for this are met.

5. Travel expenses incurred by Contractor

5.1 Transport expenses

Transport expenses for journeys of 10 km or more from the usual place of work of the traveler in the respective country/region will be reimbursed in accordance with the agreement. If no such regulation has been agreed on, reimbursements will be made in accordance with the rules of the Federal Travel Expenses Act (Bundesreisekostengesetz - BRKG). Reimbursable are costs for the least expensive but most adequate mode of transport and transport class (i.e. Economy Class for flights; for rail 2nd class or foreign equivalents to 2nd class tickets with Deutsche Bahn). The Client is requested to take environmental aspects into account when choosing the means of transport.

Transport costs are always documented by tickets used, supplemented by invoices and/or receipts.

Flight costs are documented by presenting the used flight ticket and boarding pass and the invoice or receipt of the travel agency.

Reimbursement for the use of a motor vehicle will be made in accordance with the rules of the German Federal Travel Expenses Act (Bundesreisekostengesetz – BRKG), unless otherwise agreed.

If evidence of a valid reason for the use of a taxi or rental car is provided, the necessary costs incurred will be reimbursed.

5.2 Contractor overnight stays

If an overnight stay was necessary to provide a service, the costs incurred will be reimbursed in accordance with the prior regulation. If no such regulation has been reached, reimbursement will be made in accordance with the rules of the Federal Travel Expenses Act (Bundesreisekostengesetz - BRKG) in conjunction with the General Administrative Regulation on the Reassessment of Overseas Daily Allowances and Overnight Allowances (Allgemeine Verwaltungsvorschrift über die Neufestsetzung der Auslandstage- und Auslandsübernachtungsgelder - ARVVwV) as amended from time to time.

It must be ensured that the invoices, in particular the data specified therein, are congruent with the travel itinerary and other receipts (e.g. for transport).

5.3 No reimbursement of subsistence costs, no payment of daily allowances or per diem

6. Non-reimbursable costs

6.1 Within the scope of travel expenses, no costs for meals or additional expenses for meals away from home will be reimbursed. Daily allowances or per diems are not paid.

6.2 Additional costs (e.g. for communication, writing materials, photocopies, printing, bank charges etc.) incurred by the Contractor during the implementation of the contract, as well as the time spent on administrative tasks will be covered by the agreed remuneration (fee).

6.3 The following are not eligible for reimbursement:

- Tips (a service fee as part of the invoice can be reimbursed)

- Pocket money, gifts
- Expenditure for supporting programmes (e.g. entrance fees for events not related to work)
- Consumption from a mini-bar in hotel rooms
- Private cleaning costs
- Telephone costs on the hotel bill/private telephone costs
- Alcoholic beverages
- Reminder fees and fines

7. Costs for events with several participants

If the contract covers the organisation of events with several participants/partner organisations (conferences, workshops, consultations, etc.), the external costs for the event will be reimbursed. External costs are costs for deliveries and services which are not part of the Contractor's own services (e.g. costs for event rooms and technology, costs for catering, costs for speakers, handouts, interpreters, costs to be reimbursed to participants). Prior to events, the Contractor will consult with the Client on the event budget. An upper budget limit will be agreed which may only be exceeded with the express written consent of the Client.

A prerequisite for the reimbursement of costs to participants or for travel and accommodation costs of participants is a daily participant list containing signatures of all participants and their organisational affiliation.

The following details apply to the reimbursement of the costs of such events:

7.1 Travel expenses incurred by participants

As a rule, these costs are to be borne by the participants or their employer. Reimbursement by the Client will only be considered in exceptional cases and only if this has been expressly agreed in writing by contract. This requires full documentary evidence for each individual participant. In the event of reimbursement by the Client, Clause 5.1 shall apply analogously.

7.2 Overnight stays and catering costs for participants

Clause 5.2 shall apply analogously. In addition to generally required information, documentation on event costs must also be included: number of individuals, number of days/nights, rates for accommodation and meals and indication as to whether costs include full board, half board, or breakfast only.

No additional costs for food and beverages beyond full board or the usual refreshment services will be covered. In particular, no reimbursement will be made for "mini-bar" consumption in hotel rooms, alcoholic beverages or use of the hotel's telecommunications system.

7.3 Other costs incurred by participants

Additional costs incurred by participants will not be reimbursed.

7.4 Costs for conference rooms, technical equipment and catering during breaks

Documentation on costs must include details (number of participants, type and/or size of rooms, if applicable), supplemented by information from the Contractor, as needed.

8. Tenders

8.1 The awarding of contracts for supplies and services (e.g. for venues, flights, etc.) by the contractor, the costs of which are reimbursed by the client in accordance with sections 5, 6 and 7 of the terms of payment, must regularly be awarded in compliance with the principle of economic efficiency and cost containment and must be subject to competition. Where possible, environmentally friendly procurement criteria must also be taken into account when deciding on the award of contracts.

8.2 For all contracts with an expected contract value of more than 1.000 euros (excluding value-added tax), offers from at least three different potential subcontractors must be obtained and compared before the contract is awarded or concluded.

8.3 The procurement procedure must be documented in writing.

8.4 The division of a contract into several awards is inadmissible if the purpose is to fall below a maximum value.

8.5 If the Contractor is subject to stricter national procurement law requirements, these must also be taken into account and complied with.

9 Settlement against documented expenses and documentation requirements

9.1 Reimbursements of costs will only be made, if relevant supporting documents have been presented and up to the amount of the relevant receipts. In particular, invoices, receipts or sales slips may be used as supporting documents. See Clause 5.1 for documentation on transport costs incurred.

Cost estimates or non-binding price information are not acceptable forms of documentation. Documentation should include:

- Name and address of invoicing party (payee)
- Name and, if applicable, address of the service recipient
- Service rendered
- Total amount, if necessary in the required breakdown

Evidence must comply with applicable (tax) law. This may include, among other things, the separate disclosure of turnover tax or the provision of tax identification numbers (No. 1.1 applies analogously).

The main parts of receipts in foreign languages must be translated into English or German. This can be done by hand on the voucher. In principle, a voucher list must be prepared. Collective vouchers are not accepted.

As a rule, only documents issued by third parties regarding delivered goods or services are accepted ("external documents"). In exceptional cases, substitute documents ("internal documents"), issued by the contractor, may also be accepted if there is a valid reason to do so.

9.2 The documents will be safeguarded by the Contractor for 10 years after the end of the contract period. The client may stipulate longer preservation obligations.

Should the Client be or become obliged to provide and submit evidence under the law, the Contractor undertakes to submit the relevant evidence, e.g. for the commissioning of third parties, and to prove the cost-effectiveness of contract implementation and the commissioning of third parties.

If a lump-sum reimbursement of costs has been agreed on, this shall be made without documentary proof if the contractor invoices it.