

Extract from the City of Chemnitz General Guidelines on the Approval of Grants to Clubs and Associations (General Approval Conditions – Ancillary Provisions)

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1 General conditions of approval/agreement

(1) Grants to associations, clubs and third parties will only be approved within the limits of the funds allocated in the budget and only for such purposes as are in the public interest.

Fulfilment of the General Conditions of Approval/Agreement does not confer any legal right to a grant.

Decisions on grants will be reviewed annually.

Third parties within the meaning of these provisions are legal entities under public law and non-profit legal entities under private law within the meaning of the German Tax Code.

(2) Grants will only be approved subject to a guarantee that resources will be allocated appropriately.

Financing for the entire project or of the institution must be secure, and subsequent costs must be sustainable in the long term.

(3) Grants should only be approved for projects that have not yet begun, i.e. in respect of which no supply or service agreements are in place.

This provision does not apply to ongoing funding for institutions.

(4) Funding is to be used efficiently and economically. (...)

6 Obligations on recipients: disclosure and cooperation

(1) The recipient shall inform the approving office/the approving independent city institution without delay in the event that

- estimated expenditure is exceeded
- total expenditure decreases, or its own revenue increases, by more than 10 per cent or more than EUR 10,000.00
- additional grants are approved by other funding sources
- funding drawn down cannot be used in the current financial year
- the underlying circumstances that formed the basis for approval of the grant change or cease to exist
- the framework within which the grant recipient operates changes substantially (e.g. changes to the applicable law or to its legal form),
- funds are not used for the stated purpose (...)

(2) As the awarding authority, the City of Chemnitz will be entitled to require the production of books, records and other business documents in order to verify how grants are used or to

have its agents undertake such verification. Grant recipients shall ensure all documentation required is available for inspection and shall provide all necessary information.

The awarding authority shall be informed without delay of the results of checks by third parties.

(3) Any new findings arising from the obligation to disclose information can lead to the amendment of the approval by the office/independent institution responsible for the grant in accordance with section 8 of these provisions.

7 Evidence of use of the grant by recipient

(1) (...) Evidence is to be provided in principle 3 months after the grant approval for all measures funded and at the latest by the end of the first quarter of the following year.

Evidence of use will consist of a case report along with numerical evidence.

The case report will set out the use of the funds and the progress made. Numerical evidence must demonstrate the need for funding (...).

In the case of funding for projects, revenue and expenditure should be presented separately and in chronological order in line with the structure of the funding plan.

Where ordinary proof of activity is required, it is not necessary to provide supporting documents. Original records should be kept on site and made available for inspection on request.

(2) Should the recipient also have used its own funds or have received funds from a third party for the stated use, numerical evidence is to be extended to include all revenue and expenditure related to the stated use by the recipient.

Recipients with business accounts should attach a profit and loss statement with the appropriate justification.

(3) Evidence should confirm by the recipient's legally binding signature that expenditure was necessary, that funds were used efficiently and economically, that the information provided is complete and that it corresponds with books and records.

The recipient shall keep all records, contracts and other documentation connected with the sponsorship for a period of 6 years after submission of the evidence of use. (...)

8 Revocation of approval/agreement, repayment and payment of interest

(1) In the event that grants are used for a purpose other than that specified in the approval, or if the requirements associated with the grant are not fulfilled, or are not fulfilled within a specified time limit, the approval/agreement may be wholly or partly revoked both retroactively and with future effect. Approval/agreement may also be partly revoked in the event that the total cost of the stated purpose decreases or the recipient uses an increased amount of its own funds for the stated purpose, or increased funds are made available by a third party for that purpose.

(2) Approval/agreement will be revoked immediately in the event that it has been wrongfully obtained, in particular by means of misrepresentation. Approval/agreement may also be revoked in the event that evidence of use is not provided in a proper manner or not within a specified time period. To the extent that the recipient fails to fulfil the duty of disclosure (section 6 of the present provisions), or fails to do so in a timely manner, approval may also be revoked.

Should a spending freeze be declared in the current financial year in accordance with section 29 of the Municipal Financial Regulations (KomHVO), approvals/agreements that have already been issued may be partially revoked.

(3) If a decision is revoked, the grant must be repaid without delay.

(4) Repayment will be due on receipt of notice of revocation by the recipient, and interest will be charged from the date of first payment in accordance with section 49 a Administrative Procedure Act (VwVfG) as amended (currently 5% above the base rate).

(...)

I hereby accept the General Approval Conditions – Ancillary Provisions.

Date, Signature of Applicant