

June 16th 2009

Rules regarding the accounting and auditing of project grants of up to a maximum of DKK 500,000 for projects administered by the Danish Arts Agency

Pursuant to Act no. 230 of April 2nd 2003 governing the Danish Arts Council, Statute no. 184 of January 3rd 2008 of the law governing music, Statute no. 1003 of November 29th 2003 of the law governing the theatre, Statute no. 1004 of November 29th 2003 of the law governing the visual arts, Statute no. 1005 of November 29th 2009 of the law governing literature, Statute no. 1002 of November 29th 2003 of the law governing the Danish Arts Foundation and funding awarded in accordance with the Finance Act and Statute no. 273 of April 17th 2008 of the law governing gaming, lotteries and gambling, it is determined as follows:

Article 1

General conditions

§ 1. These rules apply to recipients of project grants of up to a maximum of DKK 500,000 administered by the Danish Arts Agency.

1.2. The Danish Arts Agency can exempt recipients of grants from these rules in cases where another public authority has assumed responsibility for monitoring a project.

Article 2

Statement of intent

§ 1. The Danish Arts Agency will send a statement of intent to the recipient of the grant on awarding of the grant.

2. 2. Along with the statement of intent the recipient of the grant will receive directions to the Agency's website at www.kunst.dk where the rules for accounting procedures, accounts forms and report forms can be found. The recipient of the grant must pass these documents to the project's bookkeeper and auditor, cf. Section 4 on auditing accounts.

§ 3. The grant must be used for the purpose specified in the statement of intent.

3.2. Any significant changes to the project vis-à-vis the premises of the project, the terms of the grant etc. as specified in the statement of intent must be approved in writing by the Danish Arts Agency. Similarly, the Danish Arts Agency must be advised of and approve any significant alterations to the stated time-frame of the project.

3.3. The recipient of the grant must make the most cost-effective use of the awarded grant in order to achieve the optimal result with the given funds.

3.4. Grants which are not put to the use specified in the statement of intent must be repaid according to the Danish Arts Agency's rules governing the approval of accounts.

3.5. The recipient of the grant must always advise the Danish Arts Agency of any financial problems which may arise.

Article 3

Payment

§ 4. The Danish Arts Agency will pay the grant into the bank account specified in the application.

4.2. As a rule the Danish Arts Agency will make payment as close as possible to the time when the granted monies will be used, which is to say: at the start of the time-frame specified in the application for funding.

4.3. Normally the Danish Arts Agency will make advance payments on the grant for no more than a quarter (three months) at a time.

4.4. In the case of grants of up to a maximum of DKK 100,000 the Danish Arts Agency will normally pay these in one instalment at the commencement of the project.

4.5. The Danish Arts Agency can make the payment of grants or grant instalments conditional upon:

- the submission and approval of an audited budget.
- the presentation of documentation testifying to financial support from some other body.
- the completion of the undertaking and/or adherence to the stipulated expenditure limits.

Article 4

Accounting and auditing

§5. Recipients of project grants must keep project accounts for each grant awarded, in accordance with these rules.

5.2. These accounts must follow the format stipulated by the Danish Arts Agency in the statement of intent.

5.3. The Danish Arts Agency can request a separate report on the completion and results of the project.

5.4. The project accounts must be received by Danish Arts Agency no later than four months after the closing date for the project as specified in the application for funding.

5.5. Should the project extend beyond one calendar year the Danish Arts Agency can demand the periodic submission of accounts for the project as well as regular progress reports.

5.6. If the recipient of the grant is also receiving a grant for operational costs administered by the Danish Arts Agency, the project accounts can be presented as part of the recipient's audited annual accounts, though in such a way that the accounts for the project are presented in full on a separate balance sheet.

5.7. The recipient of the grant is bound to retain the project accounts and the appurtenant receipts for five years after the completion of the project.

§ 6. The accounts must be signed by the recipient of the grant and, where applicable, the recipient's bookkeeper. Where the recipient and the bookkeeper are the same person the accounts should also be signed by another, impartial, individual.

§ 7. In the case of institutions/associations employing an appointed accountant, the accounts should be audited and endorsed by the appointed accountant.

§ 8. The Danish Arts Agency can demand that auditing of the accounts be carried out by a chartered accountant or by a municipal auditing body.

§ 9. In so far as the recipient of the grant has not complied with the conditions stipulated in Article 4 of these rules the Danish Arts Agency can demand repayment of the grant, in full or in part.

§ 10. In the case of grants of DKK 25,000 or less, no later than four months after the completion of the project the recipient is required to sign and submit the Danish Arts Agency's report form for grants up to a maximum of DKK 25,000. The Danish Arts Agency can request the drawing up and submission of project accounts, should the recipient be selected for a spot-check.

Article 5

Implementation

§10. These rule is effective from June 16th 2009 for grants as per § 1 for which a statement of intent is presented after this date.