

## GSMA Innovation Fund (GSMAIF) - Guidelines for Using Grant Funds

### 1. Purpose of the Guidelines

The purpose of this document is to provide guidance to applicants and Grantees on what GSMAIF considers to be reasonable and appropriate expenditure, and what processes must be followed in order for that expenditure to be incurred.

This document will be updated from time to time and the most up to date version will be made available to through GSMAIF's online portal.

### 2. Principle and Process

These guidelines are not exhaustive. They have been designed to help ensure that the use of GSMAIF's funds is additional (i.e., adds value that could not have been achieved without GSMAIF's support) and represents value for money (i.e., the best quality is achieved for the best price).

The overarching principle that must be applied to the use of any and all GSMAIF funds is that any expenditure should be **modest, measured, defensible** and **clearly linked** to the undertaking of GSMAIF supported activities. All expenditure of GSMAIF funds must also be clearly evidenced, demonstrating without doubt that an actual cost was incurred.

GSMAIF operates on a '**Comply or Justify**' basis. Although there are some items of expenditure that GSMAIF can never, under any circumstance, allow its funds to be used to purchase, generally where it is not possible for a Grantee to comply with a certain requirement and where the expenditure fits within the principle mentioned above a justification can be provided for why it is necessary for that cost to be incurred. That justification will then be **used by GSMAIF to determine** whether an exceptional one-off exception is warranted.

It is the responsibility of the recipient of GSMAIF funding to ensure that they, their project partners and any subcontractors or sub-recipients use GSMAIF funds in line with the above-mentioned principle, in accordance with this document, in a manner that complies with the provisions of the Agreement they enter into for the GSMAIF funding, and with regard to GSMAIF's and its Donors' developmental mission and the nature of public accountability.

Each project that enters the Proposal stage of the GSMAIF project selection process is assigned a GSMAIF Manager who will be available to support applicants / Grantees to ensure compliance with these guidelines.

### 3. Payment of Funds

Funds will only be disbursed directly to a Grantee and only once a Grant Agreement has been executed. A model Grant Agreement will be made available on GSMAIF's online portal.

The Terms and Conditions of the model Grant Agreement are not negotiable.

GSMAIF will closely oversee the monetary usage of the grant and only disburse funding based on milestones achievement and satisfactory grant spend.

Grantees should be prepared at times to receive reimbursement in arrears of spend occurring, especially the final milestone payment (20%) which will be made at grant closure.

The grants awarded cannot contain any profit element and will be made on a cost-only basis.

## **Milestone Payment**

GSMAIF funds projects using a milestone or results-based payment mechanism (i.e. payments dependent on the achievement of milestones from the project workplan demonstrating completion of key activities and progress toward achievement of project outputs & outcomes). Projects must have **between 4 and 6 milestones**.

GSMAIF's preference is that the first milestone payment will be at Project Implementation (which will include, where appropriate, evidence of the Grantee having executed contracts with relevant Downstream Partners and Match Funders). This payment (the down-payment) **must always be less than 25%** of the total grant value AND must be in line with the amount needed by the Grantee to cover expected expenditure until the next milestone is achieved.

Down-payments of **more than 20%** of the total grant value OR more than £50k (whichever is less) will require extra justification and milestone evidence requirements and are subject to approval by GSMA Head of Subgrant Compliance. This threshold may be lowered for projects determined to be higher risk during due diligence.

While the 'middle' milestone amounts (those milestones between the first and final) are intended to be fixed amounts, payments need to be in line with expenditure and a middle milestone payment may be deferred until a later date if the Grantee holds unspent grant funds (or is forecast to hold unspent grant funds) of **more than 15%** of the total value of the grant.

The final milestone payment will always be upon completion of GSMAIF Final Reporting and **must be at least 20%** of the total amount of the grant. It will only be disbursed if all GSMAIF supported activities are complete and upon acceptance of the final outputs and Final Reporting by GSMAIF.

The final milestone payment will also always be a reconciling payment, with the amount being reduced to reflect any underspend on the GSMAIF supported activities. Under no circumstance can unspent GSMAIF funds be kept by recipients of GSMAIF funding.

## Requesting Payment

In order to request a payment, Grantees must submit the following:

- **Disbursement Request Letter** including certification that the Grantee and any Downstream Partners continue to comply with the Grant Agreement
- **Milestone Completion Report** along with evidence of completion of the milestone
- An up-to-date **Monthly Progress & KPI Report** must have been submitted for the most recent monthly reporting
- An up-to-date **Financial Report** detailing costs incurred (with all appropriate evidence) must have been submitted for the most recent quarterly reporting
- An up-to-date **Project Asset Register** (if applicable) must have been submitted for the most recent quarterly reporting

When a payment request is made to GSMAIF, all appropriate expenditure included in the latest Financial Report must have evidence of actual spend and should have been approved through the internal financial management systems of the Grantee.

The currency in which the costs were incurred should always be detailed in the evidence submitted. If this is not GBP, Grantees must convert costs using the rate for the last day of the month immediately preceding the date of the expenditure as reported in the XE Currency Table located at the following URL: <https://www.xe.com/currencytables/?from=GBP&date>

## Evidence

GSMAIF needs to be able to communicate accurate and complete information to its Donors about the delivery chain of all GSMAIF supported activities. As such, both the initial project Financial Proposal and subsequent Financial Reporting will need to be disaggregated by the organisations (whether project partners, subcontractors or subgrantees) receiving GSMAIF funds.

Further **all expenditure** included in the Financial Reporting (**including match funded expenditure**) must have evidence that clearly demonstrates the actual cost incurred.

- Evidence for staff costs will usually be payslips, timesheets, contracts etc.
- Evidence for service provider costs will normally be contracts, invoices, timesheets, receipts etc.
- Evidence for travel and expenses costs will normally be receipts, tickets, hotel bills etc.
- Evidence for proof of payment will normally be bank statements.

GSMAIF will make a risk-based decision on how much evidence needs to be submitted by Grantees and for what activities. For example, a low-risk project with predominantly low-risk costs may only be asked to submit evidence for single items of expenditure over £500 to GSMAIF, whereas a higher risk project or one incurring costs through high-risk activities may be asked to submit all evidence of costs incurred.

Grantees should note that they must hold **ALL** evidence of expenditure (including for match funding expenditure and including for costs incurred by Sub-Recipients) for any costs reported in their Financial Report, and that **ALL** evidence must be retained by Grantees for the amount of time specified in their Agreement with GSMAIF.

Grantees are also required to retain documentary evidence of having conducted all relevant appropriate procurement, due diligence, contracting and payment of funds for all expenditure.

GSMAIF or its Donors may undertake spot-checks during the life of a Grant or commission external audits after Grant closing to review a sample of or all evidence.

See [Annex A - Evidencing Grant Expenditure](#) for full details.

## 4. Match Funding

GSMAIF requires that a Grantee provide match funding in order to demonstrate commitment from the Grantee and/or interest and trust from the wider investor community. The amount of match funding required for this funding round is as follows:

- Applicants must provide a matching contribution of at least 25% of requested grant amount between £100,000 to £150,000. For instance, if an applicant is requesting £100,000 from the Fund, a contribution of at least £25,000 from other sources is required.
- Applicants must provide a matching contribution of at least 50% of requested grant amount between £150,001 to £250,000. For instance, if an applicant is requesting £200,000 from the Fund, a contribution of at least £100,000 from other sources is required.

Matching funding can be provided by the recipient of GSMAIF funds or their Downstream Partners (including investors, subcontractors or subgrantees) and can be made 'in cash' and/or 'in kind'. Applicants should note, however, that all match funding must have a verifiable cash value – reward points, Microsoft Azure credits, Airmiles etc. cannot be used as match funding. In-kind (vs in-cash) match funding cannot be used to fully satisfy the match requirement.

Match funding must be used **towards the proposed project** and must always be **relevant to the GSMAIF supported activities** (i.e., it cannot include the continuation of a Grantee's business as usual activities, contributions to other projects/initiatives not supported by GSMAIF, nor activities that are considered out of scope / outside the objectives of what the GSMAIF can support). As an example, work to develop products or solutions for high-end devices (such as iOS devices) that not targeted at low-income users would **NOT be eligible** to count as match funding as these are outside the scope of what the GSMAIF can support.

Match funding must always be **proportionate to the length of time GSMAIF is supporting the activities** (e.g. if GSMAIF agrees to support activities that last for 1 month, the cost of renting an office for 6 months would not be eligible as match funding, but the cost of 1 month's rent may be).

## Reporting Match Funding

Applicants will be required to **evidence all match funding commitments when submitting final proposals**, and Grantees will be required to hold and provide evidence of the actual provision of all match funding. This applies to in-kind match funding contributions as well (e.g. staff time contributed should be evidenced by contracts, payroll data, timesheets etc.).

The actual provision of match funding will need to be evidenced in the same way as if GSMAIF funds were being used. The inability to provide satisfactory evidence of committed or actual match funding may result in GSMAIF considering that match funding cannot be or as not having been provided.

If the committed or actual amount of match funding provided varies downward significantly from the expected amount of match-funding, GSMAIF reserves the right to reduce the amount of GSMAIF support accordingly so that the ratio of grant funds to match funding remains as set out in the original Financial Proposal or terminate the Grant Agreement.

## 5. Procurement

All goods and services purchased with GSMAIF funds must be procured in such a way as to ensure that **value for money is achieved**, ensure that the **procurements are fair and transparent**, and to mitigate the risk that any one supplier obtains an unfair advantage. The [GSMAIF Procurement Guidelines](#) are an example of the minimum standard of how GSMAIF expects Grantees to procure goods and services when using GSMAIF funds.

The Procurement Policies of Grantees will be compared against the GSMAIF Procurement Guidelines during Due Diligence at the Proposal stage. Where it is identified that a Grantee does not have formalised Procurement Policies or that a Grantee's Procurement Policies are less robust (including but not limited to having significantly less stringent thresholds relating to competition in high-value procurements), it may be recommended that the Grantee adopt a part or all of these Procurement Guidelines (or another example of best practise as may be approved) so as to be able to conduct project procurements in compliance with GSMAIF requirements.

## 6. Downstream Partners

An organisation that a Grantee partners with for the purposes of the project or delegates responsibility to (including procuring) for carrying out GSMAIF-supported activities will be considered a **Downstream Partner**.

GSMAIF funds will only be released to cover the costs of Downstream Partners that have been **appropriately procured, undergone satisfactory due diligence checks and been properly contracted** by the Grantee. The [GSMAIF Downstream Partner Guidelines](#) provides guidance in relation to how Grantees are expected to manage the organisations that they partner with.

## 7. Project Assets

**Project Asset** costs are defined as the funds used by a Grantee to purchase or upgrade goods that are considered to be assets (non-current or current) with a useful life of greater than one year. Examples: machinery, vehicles, software, equipment (e.g., laptops etc).

GSMAIF's preference is that grant funds only contribute to the purchase of Project Assets in **exceptional circumstances** and so this will rarely be allowed.

GSMAIF grant funds cannot be used to purchase long-term fixed assets, such as land or buildings (including leasehold improvements).

From the **Digital Urban Services Round Proposal Stage** (August 2021) onwards, there is a cap on how much GSMAIF grant funding can be requested / used on Project Assets:

- Up to a **maximum of 30% of the total grant** can be spent on Project Assets, including both assets that will be retained and inventory (assets that will be disposed of or consumed).
- **No more than the lesser of 10% of the total grant or £15,000** can be requested / used for the purchase of non-inventory assets (assets that will be retained – e.g., laptops, equipment etc.)

The purchase of mobile phones and tablets with GSMAIF grant funds is not allowed, nor is the purchase of Projects Assets which will be given free of charge to beneficiaries to achieve direct impact.

The purchase of Project Assets can be used as match funding as long as the costs are **relevant to the GSMAIF supported activities** (e.g. the purchase of a tractor would not be eligible as match funding if the project were to develop an app to assist small-holder farmers). This may include asset purchases where grant funds cannot be used.

Project Asset purchases must also be **proportionate to the length of time GSMAIF is supporting the project** (e.g. if GSMAIF agrees to support a project for 1 year, the purchase of a vehicle with a useful life (in relation to accounting for the depreciation of assets) of 5 years will not be allowed).

Where a Grantee intends to use GSMAIF grant funds to purchase Project Assets, if they fall within the threshold of been a '**Significant Asset**' <sup>1</sup> these Project Assets will **remain the property of the GSMAIF Donors until the end of the term of the GSMAIF grant**. Approval for

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<sup>1</sup> "Significant Asset" is defined to include any asset or assets with a useful life of more than one year with a value that meets or exceeds one of the following tests: (i) the purchase price or development cost of such asset is in excess of £500 or equivalent in local currency; or (ii) such assets comprise a group of lower value items that are mobile and considered attractive (e.g. mobile phones, cameras, laptops, tablets, satellite phones, vehicles, food, pharmaceutical products, relief packs, etc.) with a combined purchase price or development cost in excess of £500 or equivalent in local currency.



disposal of the Project Assets at the end of the project (write-off, sale, transfer of ownership to Grantee or transfer to a third party) must be sought from GSMAIF and approved by the GSMAIF Donors. Where Project Assets will be sold (or disposed of through other means) during the term of the grant, GSMAIF will seek upfront approval for this from the GSMAIF Donors during Project approval.

Grantees wishing to include Project Assets in their Financial Proposal should refer to the [GSMAIF Asset Management Guidelines](#) for details as to how assets must be managed, reported on and disposed of after the GSMAIF supported activities end.

## 8. Unacceptable Costs

GSMAIF funds cannot ever be used for:

- work to develop products or solutions for high-end devices (such as iOS devices) as high-end devices are not targeted at low income users;
- the purchase of mobile phones, tablets or other mobile communication devices;
- the purchase of assets that will be given directly to beneficiaries in a way that is not commercially sustainable (this includes the use of GSMA funds to directly subsidise the purchase costs of assets for beneficiaries);
- to reimburse state-actors or government departments, unless for the provision of fully transparent and publicly available services (e.g. the issuing of permits or licenses);
- any kind of lobbying or political campaigning;
- lobbying UK government, i.e. activities which aim to influence or attempt to influence Parliament, UK government or political activity, or UK legislative or regulatory action;
- activities which directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
- to petition UK Government for additional funding;
- input VAT which is reclaimable by the grant recipient from HMRC;
- activities which may lead to civil unrest;
- activities which discriminate against any group on the basis of age, gender reassignment, disability, race, colour, ethnicity, sex and sexual orientation, pregnancy and maternity, religion or belief;
- interest payments or service charge payments for finance leases;
- gifts or hospitality;
- statutory fines, criminal fines or penalties;
- payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources;
- activities in breach of EU legislation on State Aid;
- bad debts to related parties;
- provisions for losses or potential future liabilities;
- payments for unfair dismissal or other compensation;
- to replace or refund any funds lost to fraud, corruption, bribery, theft, terrorist financing or other misuse of funds;
- to meet the cost of any import, customs duties or any other taxes or similar charges applied by local Governments or by any local public authority.

- the production of weapons, ammunition or products used as a platform for weapons and military strategic products;
- the production of illegal drugs;
- the production of tobacco and tobacco products;
- the production of alcoholic beverages;
- commercial gambling/betting activities;
- the destruction of areas with high conservation/environmental value;
- the promotion or production of pornography;
- the promotion or production of racist or antidemocratic media;
- promoting or production of chemicals not approved within the EU (<https://echa.europa.eu/>);
- purchases or construction of real estate (land or buildings).
- Costs incurred outside of the grant period, except where specified in the grant agreement.

## 9. Salaried Employees

GSMAIF funds can be used to cover the costs of the Grantee's or their Sub-Recipient's salaried employees engaged in delivering the GSMAIF supported activities, as long as those activities are not considered to be 'business as usual' (i.e. those activities which would be carried out whether or not the GSMAIF supported activities were taking place).

### Financial Proposal Design

All employees of the Grantee and any Sub-Recipient should be listed in the **HR** section of the Financial Proposal, as should any consultant or supplier personnel specifically contracted to support the project (e.g. where individuals/roles are named and their time is specifically charged in contract for services). The exception to this rule is where the personnel will be conducting Admin activities (see Section 11 below).

The time that each employee will spend engaged on tasks relevant to the GSMAIF supported activities must be indicated as a % of an FTE salary in the Financial Proposal.

Any non-salary employee overheads / fringe benefits should fully explained in the Financial Proposal.

Grant funds **cannot be used** to cover the salaries of individuals who are executives and/or shareholders of the Grantee (or Sub-Recipients) without strong justification.

Grant funds **cannot be used** to fund any insurance premiums intended to cover medical expenses, injury or disablement, and death unless, by exception, explicitly agreed with GSMA Foundation.

Salary costs in the Financial Proposal are expected to align with GSMAIF's internal benchmarking of salaries for the countries in which GSMAIF operates. This is so that GSMAIF can be satisfied that the salaries are commensurate with the open market and the



responsibilities of the role. Where a significant variance is detected, GSMAIF will flag this and a justification will need to be provided.

If the employee(s) being paid for with GSMAIF funds have yet to be recruited, GSMAIF staff may need to be consulted during the recruitment process (especially if the position is critical to achievement of the project outputs or outcomes).

**No more than 30%** of the total GSMAIF grant amount should be requested to cover HR costs. A higher % will require justification.

### **Financial Reporting Evidence**

Evidence should show the salary cost of the employee (e.g., contract and ongoing payroll) and the time committed to GSMAIF activities (e.g., timesheet, payslip). Evidence will also be requested to demonstrate compliance with relevant PAYE and other statutory withholdings per local requirements.

## **10. Consultant/Sub-contractor Fee Rates**

### **Financial Proposal Design**

Where GSMAIF support will be used to cover the costs of a consultant (or other types of contractors, suppliers etc.), the time that each consultant will spend engaged on tasks relevant to the GSMAIF supported activities will need to be indicated in the Financial Proposal in the same way as they will charge their fees (e.g., as days or hours or months etc.).

Proposed consultant day rates are expected to align with GSMAIF's internal benchmarking of day rates for the countries in which GSMAIF operates. This is so that GSMAIF can be satisfied that they are commensurate with the open market and the responsibilities of the role. Where a significant variance is detected, GSMAIF will flag this and a justification will need to be provided.

Where a consultant's day rate is expected to be greater than £1,000 per day (or the local currency equivalent), justification will need to be provided as to why the role is necessary for the successful completion of the GSMAIF supported activities and to confirm that the role has been or will be competitively procured.

If a consultant has already been procured by the time an applicant submits a Financial Proposal to GSMAIF for approval, an explanation and evidence of how they were procured may need to be provided to GSMAIF.

### **Financial Reporting Evidence**

Evidence should show the amount paid to the consultant (e.g., paid invoice & bank statement) and the time committed to / output provided for GSMAIF activities (e.g., timesheet / milestone completion report).

## **11. Marketing**

## Financial Proposal Design

GSMAIF's preference is that GSMAIF funds are only used for Social Media marketing / the purchase of Social Media advertisements, PR and above-the-line marketing (e.g., TV and radio) in **exceptional circumstances**, and all efforts should be made to match fund these costs.

Where an Applicant will not be able to incur the entire cost of Social Media marketing with match funding, grant funding may be used but the grant funding to match funding ratio should not exceed **50:50** (i.e., at most 50% of Social Media Marketing cost can be allocated to grant funding).

GSMAIF grant funding **cannot be used** to cover the cost of fees paid to Social Media influencers or other such paid promotional agents, such as brand ambassadors or celebrity endorsements. Note, fees paid to local community agents for conducting marketing or on the ground community outreach can be an eligible uses of grant funds.

As noted in **8. Unacceptable Costs**, GSMAIF grant funding **cannot be used** to cover the cost of gifts – this includes marketing 'freebies', 'goodie bags', 'customer incentives', 'promotional giveaways' etc.

## 12. Travel and Expenses

### Financial Proposal Design

Travel and expense costs should make up **no more than 10%** of a total grant amount. If they make up a larger %, this will need to be justified.

Applicants should allocate a fixed amount of **£7,000** of the grant funds to 'Participation of GSMA Learning Events'. This should appear under the travel and expenses section of the Financial Proposal and under the budget line '*Participation in GSMA learning events*'. Your assigned GSMAIF Manager will inform you for which periods to budget these costs.

While per diem rates from major donors ([EC](#), [UN](#), [FCDO](#), [USAID](#) etc.) can be used as guidance to illustrate the cost of subsistence in a project country when constructing Financial Proposals, only actual expenditure (evidenced by receipts, invoices etc.) can be reimbursed using GSMAIF funds. **Per diems will not be reimbursed.**

In most countries 3\* - 4\* hotels will provide suitable security and hygiene standards. Costs for 5\* hotels or hotels costing >£100 per night will only be considered in exceptional circumstances. Even where the use of these hotels is approved by GSMAIF in advance, the expectation is that any hotel costs will not exceed the rates in the [UK HMRC Benchmarked Subsistence Rates](#) for the country and/or city in question.

Where food, refreshments, transportation, accommodation or other expenses are required for the participants of a workshop, conference, seminar etc. (including staff of the recipient of GSMAIF funds or project partners) all costs must be reasonable and follow these guidelines. These costs should also be broken into separate line items in the Financial Proposal to the extent possible and will need to be independently evidenced.

Only the cost of telephone calls, mobile internet or data usage related to the undertaking of GSMAIF supported activities can be reimbursed with GSMAIF funds.

The most economical form of transportation must always be used. Additional charges (e.g., for extra legroom or excess baggage) will not be reimbursed except for in exceptional circumstances and must always be justified.

The use of taxis where safe, frequent and reliable public transport exists must be justified.

Unless engaged on a project long term, renting a vehicle where safe, frequent and reliable public transport exists must be justified.

Laundry costs will always need to be justified.

## **Financial Reporting Evidence**

Every expense claim should include sufficient information to justify each expense and should include the date of when the expense was incurred, the location of where the expense was incurred, the reason why the expense was incurred and any necessary justification. All travel claims must state the journey start and end location.

Detailed receipts must be provided for all expenses. Bank or credit/debit card statements alone are not acceptable, though must also be provided if the receipt does not evidence actual payment. Actual payment by the Grantee to the individual(s) that incurred the expense will also be required.

Expense claims for business hospitality must be justified and must include the names of those present, the names of their employers and identify the reasons for such hospitality.

Air miles or equivalent reward schemes should never be used to pay for the cost of flights or other expenses as they will not be reimbursed as these cannot be equated to an actual cost to the Grantee.

Travel to attend and participate in GSMA Events must be pre-agreed with GSMAIF. Event specific travel guidelines will be confirmed upon invitation.

## **Ineligible Travel and Expense Costs**

GSMAIF funds cannot be used to pay for

- the cost of business class or first-class travel.

- alcohol or personal entertainment/recreation.
- the purchase of clothing.
- fully flexible tickets for flights or ground transportation (unless pre-approved by GSMA).
- expense costs or other benefits provided to any public official or third party if there is deemed to be a high likelihood that any part of the payment or benefit was for improper purposes or to gain improper influence or advantage

### 13. Indirect Costs/Administration Costs

Project administration / overhead costs **cannot account for more than 10%** of the total grant received by a Grantee or Sub-Recipient.

Administration costs include the use of personnel for conducting Grant Management or Corporate functions (e.g., HR, processing financial transactions etc.). This includes HQ costs relating to grant management and/or oversight, except where those costs directly relate to project implementation.

GSMAIF needs to be able to communicate accurate and complete information about project costs. As such, all project administration costs should be recovered as direct costs by breaking them down as separate line items within the Financial Proposal (e.g., % of rent, % of finance staff, etc.) and must separately evidenced. **GSMAIF funds cannot be used to cover indirect costs.**

GSMAIF funds cannot be used to cover the cost of 'business as usual' / non-project related requirements. ). For example, if an applicant will be housing project staff in an existing office, and not incurring any additional office costs as a result, the cost of the office (or a % of it) can not be considered a project cost.

Audit and accounting software fees are not eligible costs under GSMAIF grants. Legal fees may only be included when relating to direct project delivery (i.e. GSMAIF grant related legal fees are not eligible grant spend)

## Annex A - Evidencing Grant Expenditure

<p><b>HR</b></p> <p><b>Evidence for ALL expenditure under the HR Budget Category will ALWAYS be required</b></p>	<ul style="list-style-type: none"> <li>• Proof of payment (e.g., Payslips and Bank Statement)</li> <li>• Timesheets or similar – when necessary to demonstrate time spent in support of project activities (e.g., by daily hires)</li> <li>• Contract &amp; request for payment (e.g., invoice) for non-payroll HR (e.g., daily hires)</li> <li>• If payment is made in cash - cash book (or other relevant) reconciliation</li> <li>•</li> </ul> <p>During the Midway and Final Spot Check payroll expenditure for at least 2 employees will be tested as an end-to-end transaction:</p> <ul style="list-style-type: none"> <li>• Contract-&gt; Timesheets-&gt; Reported Expenditure-&gt; Payslip-&gt; Accounting Extract--&gt; Proof of Payment (Bank statement) -&gt; Filing/Reporting/Payment of Payroll deductions</li> </ul>
<p><b>Consultant / Sub-Contractor / Service Providers (including product development &amp; marketing etc.)</b></p>	<ul style="list-style-type: none"> <li>• Contract</li> <li>• Timesheets - when necessary to demonstrate time spent in support of GSMA funded activities (e.g., input-based contracts such as consultant on day rate...which should be included under HR)</li> <li>• Proof of performance / achievement / deliverable (when necessary, such as on output-based contracts) &amp; request for payment (e.g., invoice)</li> <li>• Proof of payment (e.g., Bank Statement)</li> </ul>
<p><b>Purchase of Assets/Inventory</b></p>	<ul style="list-style-type: none"> <li>• Contract (where available)</li> <li>• Proof of delivery / receipt of goods &amp; request for payment (e.g., invoice)</li> <li>• Proof of payment (e.g., Bank Statement)</li> <li>• Updated Project Asset Register</li> </ul>
<p><b>Employee Expenses/Travel</b></p>	<ul style="list-style-type: none"> <li>• Approved expense claim and all relevant receipts/vouchers/invoices</li> <li>• Evidence that travel was undertaken (e.g., boarding passes for air travel)</li> <li>• Proof of payment (e.g., Bank Statement)</li> </ul>

<b>Marketing</b>	<p>If formally contracted – see Consultant / Sub-Contractor / Service Providers</p> <p>If cash payments/micropayments to individuals:</p> <ul style="list-style-type: none"> <li>• Any contract or agreement for services</li> <li>• Proof of payment (receipt/voucher stating amount, date, purpose etc. signed by staff and relevant individual)</li> <li>• Cash book (or other relevant) reconciliation</li> </ul>
<b>Lease/Hire Agreements (including for office/venue rental, car rentals, equipment hire, etc)</b>	<ul style="list-style-type: none"> <li>• Contract (where available)</li> <li>• Mileage or usage log (if available / necessary)– demonstrating use in support of GSMA funded activities</li> <li>• Request for payment (e.g., invoice)</li> <li>• Proof of payment (e.g., bank statement)</li> </ul>
<b>Meeting and events (including workshops, trainings, etc.)</b>	<ul style="list-style-type: none"> <li>• Contract (where available)</li> <li>• Request for payment (e.g., invoice) and evidence of delivery/usage</li> <li>• Proof of payment (e.g., bank statement)</li> </ul> <p>If the event requires cash payments to participants (e.g., to cover costs of transport or meals) and evidence of actual expenditure cannot be provided:</p> <ul style="list-style-type: none"> <li>• Prior to expenditure – ‘rate table’ of amounts to be paid (benchmarked through market research/knowledge)</li> <li>• Proof of payment (receipt/voucher stating amount, date, purpose etc. signed by staff and relevant individual)</li> <li>• Proof of participation – e.g., attendance register with name, telephone number and signature of individuals</li> <li>• Cash book (or other relevant) reconciliation</li> </ul>



<p><b>High Value Procurement (&gt;£6k)</b></p>	<p>During the Midway and Final Spot Check, evidence will be requested to show:</p> <ul style="list-style-type: none"> <li>• For spend/contracts &gt; £60K: evidence of having followed the equivalent of the 'open tender' process from the GSMAIF Procurement Guidelines (including having conducted appropriate DD)</li> <li>• For spend/contracts £6k - £59k: evidence of having followed the equivalent of the 'three or more bids' process from the GSMAIF Procurement Guidelines (including having conducted appropriate DD)</li> </ul> <p>Expected evidence can include: ITT or RFP documents used, receipts/invoices for public advertisement of tender or invitation to tender emails sent to prospective bidders, logs of bids received, notes from bid evaluation committee, completed due diligence reports etc.</p>
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