

Administration Guide
Civil Society Fund

GUIDE TO THE ADMINISTRATION OF GRANTS FROM THE CIVIL SOCIETY FUND

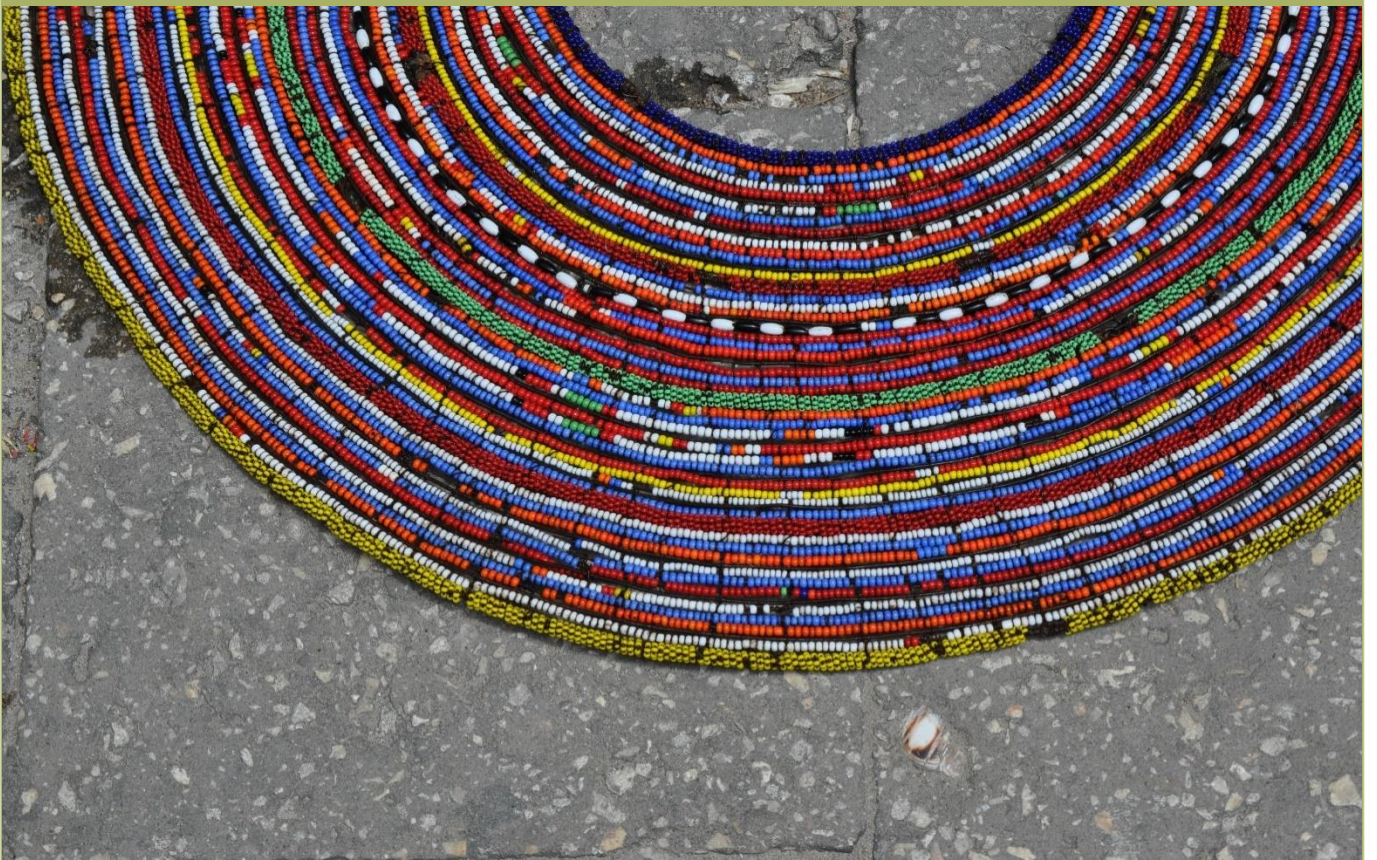


Photo: Pernille Bærendtsen

Enters into effect on 1 February 2023

CONTENTS

1. VALIDITY OF THE GUIDE	2
2. HOW SHOULD THE GUIDE BE USED?.....	2
3. WHO IS RESPONSIBLE FOR THE GRANT?	2
4. AFTER FUNDING HAS BEEN GRANTED.....	3
4.1. Contract with CISU	3
4.2. Cooperation agreement with local partner	3
4.3. Disbursements	4
4.4. Bank account requirements	5
4.5. CISU's requirements for financial management	5
5. GRANT ADMINISTRATION.....	7
5.1. Changes in the intervention	7
5.2. Changes in the budget	8
5.3. Spending of the budget margin.....	8
5.4. Spending of fee for administration in Denmark.....	9
6. STATUS DIALOGUE, THEMATIC NETWORK, FINAL REPORT AND EVALUATION	9
6.1. Status Dialogue	10
6.2. Participation in thematic network	10
6.3. Final report.....	10
6.4. Evaluation.....	11
7. ACCOUNTING AND AUDITING	12
7.1. Organisation's annual accounts	12
7.2. Final accounts.....	13
7.2.1. CISU's format for final accounts	14
7.2.3. Audit of final accounts for grants of DKK 200,000 or less	17
7.2.4. Audit of final accounts for grants above DKK 200,000	17
7.2.5. Local audit.....	18
7.2.6 Storage of accounting materials and supporting documents.....	18
8. REPORTING OF PROBLEMS AND IRREGULARITIES.....	18

1. VALIDITY OF THE GUIDE

This guide is valid for grants approved by the Civil Society Fund.

Please note that different administration guides apply in these cases:

- For programmes: 'Guide to the Administration of Programmes', www.cisu.dk/program.
- The Danish Emergency Relief Fund (DERF): 'DERF Grant Management Guide', www.cisu.dk/guidelines-formats.
- The Engagement Fund, www.cisu.dk/engagementspuljen.
- OpEn, www.openpuljen.dk/sog-puljen/.

Please note that the guides will be continuously updated in response to any changes in the rules, or if anything in the text turns out to be unclear. Your organisation is responsible for always using the latest version.

2. HOW SHOULD THE GUIDE BE USED?

When you, as an organisation, receive a grant from one of CISU's funds, you commit yourselves to meeting a series of conditions and demands as regards to the way in which the funds are to be managed.

In this guide, you may read about:

- Your obligations concerning accounting, monitoring and reporting.
- How to administer the grant in practice.

It is important that you read this guide carefully and pay attention to whether you are complying with the rules throughout the intervention.

If you fail to administer the money correctly, you may – in the worst case – be obliged to refund the amount granted in whole or in part.

If, at a later stage, you wish to seek support from the Civil Society Fund for another intervention, the application will be assessed in view of your track record i.e., how you have managed and reported on previous projects.

3. WHO IS RESPONSIBLE FOR THE GRANT?

Grants from CISU's funds are awarded to the Danish organisation featuring as the applicant. The governing body of the Danish organisation is fully responsible for the funds being managed according to the rules and in accordance with the basis on which they have been granted.

For the governing body, this entails the following obligations, among others:

- The money must be spent on the purposes described in the application.
- Financial procedures need to inspire confidence, including proper internal controls as well as bookkeeping and accounting in keeping with sound practices in this field. This means, for instance, that the intervention, the Danish applicant organisation and any partner organisations must be subject to external auditing.

- Reports, accounts, and other mandatory documents regarding the intervention must be submitted according to the deadlines in the contract
- Significant problems and irregularities in the intervention must be reported as soon as possible, and no later than 14 days after they have come to the attention of the grant holder.
- Steps should be taken to prevent corruption and misuse of funds.
- Steps should be taken to prevent sexual exploitation, abuse and harassment (PSEAH).
- Steps should be taken to prevent child labour.
- To ensure that persons or organisations receiving support from a CISU grant are not listed on the [UN](#) or [EU](#) list of sanctions.

4. AFTER FUNDING HAS BEEN GRANTED

4.1. Contract with CISU

Once an application has been approved, CISU submits a signed contract to “Vores CISU” for the grant holding Danish organisation to sign. Among the contract obligations of the organisation is the fulfilment of the requirements and conditions set out in this administration guide. The contract also informs the deadlines that must be met regarding the grant.

The contract must be signed by the grant holder, either by hand or digitally, and returned to CISU via “Vores CISU” before the implementation of the intervention begins. When CISU has received the signed contract, the grant holder can submit the first request for disbursement to CISU.

4.2. Cooperation agreement with local partner

It is a requirement for all grants, regardless of size, that a cooperation agreement is made between the Danish organisation and the local lead partner(s). CISU recommends that a cooperation agreement is made with all partners of the intervention. The cooperation agreement should reflect the reciprocal nature of the partnership. Accordingly, it is important that the cooperation agreement describes the responsibilities and obligations as well as the rights of all parties involved.

Inspiration to draw up a cooperation agreement can be found at CISU’s website.

CISU does not require a copy of the cooperation agreement but you must be able to show a copy to CISU upon requests, i.e. when CISU monitors the grants.

The cooperation agreement must contain the Danish Ministry of Foreign Affairs’ four clauses:

The anti-corruption clause

No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, incl. tendering, award or execution of contracts. Any such practice will be grounds for the immediate cancellation of this agreement/contract and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Royal Danish Ministry of Foreign Affairs, a further consequence of any such practice can be the definite exclusion from any tendering for projects, funded by the Danish Ministry of Foreign Affairs.

The PSEAH clause

The parties agree to actively prevent sexual exploitation, abuse and harassment (PSEAH)¹, and to ensure, in the best possible way, that the intervention is carried out in an environment free of all kinds of exploitation, abuse and harassment, sexually or otherwise, especially in the case of particularly vulnerable groups.

The anti child labour clause

The Implementing Partner shall abide by applicable national laws as well as applicable international instruments, including the UN Convention on the Rights of the Child and International Labour Organisation conventions. Any violation will be ground for immediate termination of the Agreement.

The anti terror clause

If, during the course of implementation of this Project/Programme, the Implementing Partner discovers any link whatsoever with any organization or individual associated with terrorism, it must inform the Danish MoFA immediately and explain the reasons for such transfer, including whether it was made or provided knowingly, voluntarily, accidentally, unintentionally, incidentally or by force. The Implementing Partner agrees that it and/or its implementing partners (including contractors, sub-contractors and sub-grantees) will take all reasonable steps to secure that no transaction made in relation to the Project/Programme will – directly or indirectly – benefit a person, group or entity subject to restrictive measures (sanctions) by the UN or the EU. Any violation of this clause is ground for immediate termination of the Agreement returning to the Danish MoFA of all funds advanced to the Implementing Partner under it.

4.3. Disbursements

To request a disbursement of the grant, the disbursement format must be used (in Danish). The format is available on www.cisu.dk/skemaer. The first instalment of the grant can be paid no earlier than one month before the intervention begins, and only after CISU has received a signed grant contract from the Danish organisation.

Please note that each disbursement may normally cover a maximum of six months.

There are no set deadlines for disbursement requests, which may be submitted to “Vores CISU” at any time of the year. The processing time is approximately one week, although the procedure may take longer in periods with holidays and CISU closing days.

¹ **Sexual harassment** is understood as any kind of unwanted verbal, non-verbal or physical behavior of a sexual nature with the aim or impact that a person’s dignity is violated, especially if it happens in a threatening, hostile, degrading, humiliating or offensive environment. **Sexual exploitation** is understood as attempts or actual abuse of position of power to exploit a person’s vulnerability for sexual gain. This also applies to relationships where economic, social or political advantage is gained from another person on the basis of sexual exploitation. **Sexual abuse** can consist of either a threat of or actual physical abuse of a sexual nature.

4.4. Bank account requirements

It must be possible to separate the grant funds from the organisation's and partner organisation's other funds. This can be done either by setting up a separate bank account or through the accounting system.

If the grant funds have not been deposited in a separate bank account, it is incumbent on the organisation to enter into a written agreement with the bank that any unspent grant funds deposited in the bank account at any time belong to CISU, and that the bank is not entitled to set off this amount against the organisation's possible debt to the bank or to seize any part of it.

Such an agreement with the bank may say: *“As previously agreed, it is hereby confirmed that the bank will not set off deposits in the aforementioned account against any type of credit balance. The bank renounces this right based on the premise that the account balance consists of funds disbursed by CISU or of interest accrued on such funds.”*

If a separate bank account is set up, it must be used for transfers to and from the local partner and spending in Denmark must also be paid into and from this account.

Keep in mind that when you have a grant from CISU's funds, separation of duties in your organisation is required. In relation to the bank, this means that you cannot have a sole power of attorney for the bank account to which the grant is deposited. Therefore, there must always be at least two people approving a payment at the bank.

4.5. CISU's requirements for financial management

When you receive a grant from CISU, you and your partner must ensure that the funds are managed properly in all phases of the project:

- when you plan and adjust the project (budgeting)
- during the implementation of the project (bookkeeping and supporting documents)
- when you follow up on the project (reconciliations and financial reporting)

The requirements for the organization's policies and procedures in connection with this are in accordance with the nature and size of the grants, as well as the organization's professional and administrative capacity.

The Danish organisation must comply with CISU's requirements for financial management from the beginning of the intervention. The local partner has six months from the implementation begins to live up to the financial requirements, and reporting on this matter must be submitted to CISU in a progress or final report.

The Danish organisation is required to go through the requirements for financial management with the local partner both during the application process and during implementation of the intervention to ensure that the requirements are adhered to.

The following are CISU's requirements for financial management:

1. WRITTEN PROCEDURES

- 1.1. The procedures for your financial management must be written down. The larger grants you have from CISU, the more detailed CISU also expects the procedures to be. At a minimum, the procedures must describe how you meet CISU's requirements for financial management.
- 1.2. The procedures must describe the separation of functions in the organisation. That is the personal separation (two or more) between the access to dispose, approve, bookkeep, and pay.
- 1.3. For organisations that make larger purchases, the procedures must describe amount limits and process for approvals of purchases. E.g. must the person with budget responsibility always approves a purchase, before the purchase takes place. A major purchase must be approved by at least two people and be based on more offer.

2. BUDGETS

- 2.1. Budgets and budget changes are approved by those responsible in the organization. Who is responsible appears from the organisation's statutes or from written procedures.
- 2.2. If the organisation has either A) fixed operating expenses, B) multiple donors/income sources, or C) salaries paid of CISU-funds, the organisation has drawn up an overview of the organisation's expected total expenses and from which sources the expenses are covered.

3. BOOKKEEPING AND SUPPORTING DOCUMENTS

- 3.1. Accounting system
 - The Danish and local partners with budget responsibility above DKK 500,000 bookkeep the project's income and expenses in an electronic accounting system. (NOTE: Excel is not an accounting system but a digital tool).
 - The Danish and local partners with budget responsibility under DKK 500,000 bookkeep the project's income and expenses in an electronic accounting system *or* in a cash book. If a cash book is used, entries must not be deleted – an incorrect entry must be supplemented by a new separate entry. This also applies if Excel is used as a cash book.
- 3.2. There is a clear link between the registrations in the accounting system and the project budget. The chart of accounts is the basis for being able to show the link, as it shows which budget lines are associated with the various accounts.
- 3.3. Supporting documents
 - All supporting documents are approved in accordance with the organisation's approval procedures.
 - It appears from the supporting document who approved it and from which account and/or budget line the expense is covered.
 - All supporting documents must be linked to the specific expense/income in the accounting system when they are posted. Therefore, a number is written on physical supporting documents, and electronic supporting documents are directly attached to the relevant expense/income in the accounting system.
- 3.4. If the CISU grant has paid for inventory, the organisation has an inventory list that describes the number and value for all assets above a certain value (e.g. computers, printers, cameras, cars,

motorbikes).

4. RECONCILIATIONS

- 4.1. Bank reconciliations are done monthly and must be checked and approved by someone else than the person who made the reconciliation.
- 4.2. Reconciliations of the cashbox are made monthly and checked and approved by someone else than the person who made the reconciliation. The cashbox is locked and managed by another person than the bookkeeper.
- 4.3. The checkbook must be kept in a locked place and checks must not be signed in advance.

5. FINANCIAL REPORTS

- 5.1. Financial reports must compare the approved budget with the expenses for a specific period. Deviations between the actual and budgeted expenses must be commented on in the report.
- 5.2. Financial reports are prepared at regular intervals, but at least three times a year. The reports must be approved by someone else than the person who made the report.
- 5.3. The local partner shares financial reports with the Danish partner to follow up on over and underspending and may request budget changes in the project.

5. GRANT ADMINISTRATION

5.1. Changes in the intervention

Funds received from the Civil Society Fund must be spent in accordance with the basis on which it was granted, i.e., as set out in the approved application and budget, as well as other documents that were presented in order to obtain the grant. Nevertheless, it can become necessary to make changes during the intervention.

The following types of changes require prior approval by CISU:

- Changes in the approved intervention period e.g., an extension.
- Changes in the objectives, partnership or target groups of the intervention e.g., if there is a need to cancel or add activities that will affect the objectives of the intervention.
- Specific changes regarding the approved budget. See next section on budget revisions.

Changes that do not involve any of the above points need not be approved by CISU in advance. Instead, they must be informed and justified in the subsequent progress or final report and in the final accounts.

Requests for changes in the intervention are submitted to "Vores CISU", using the form "Request for change of intervention, intervention period and/or budget", which is available at www.cisu.dk/skemaer. CISU needs to receive the request well in advance and not after the intervention has been completed.

In case of changes that alter the basis on which the grant was given, e.g., change of partners, one of CISU's assessment consultants must approve the change. In this case, you must upload the "Request for change"

form to “Vores CISU” in which you explain the reasons for the changes. You must also upload the originally approved application, in which all the proposed changes are entered and clearly marked. If the proposed change has budgetary implications, the detailed budget with changes clearly marked, must also be submitted to CISU. The documents that cannot be uploaded to “Vores CISU” must be sent to puljer@cisu.dk.

5.2. Changes in the budget

The intervention must be implemented within the framework of the budget approved. Nevertheless, it can become necessary to make budget reallocations during the intervention without exceeding the total amount granted.

The following types of deviations from the original budget require prior approval from CISU:

- When reallocation between the main budget line exceed 10% of the lowest budget line being raised or lowered.
- Specific changes regarding spending from the budget margin are elaborated in the next section.

Please note that if you request to move funds to main budget line 9: ‘DK partner project related information (PRI)’, the total amount on budget line 9 must not exceed 2 % of the total activities costs (budget line 8).

Changes that do not involve any of the above points need not be approved by CISU in advance but should instead be reported and justified in the subsequent progress or final report and in the final accounts.

Requests for budget changes are submitted to “Vores CISU”, using the form “Request for change of intervention, intervention period and/or budget”, which is available on www.cisu.dk/skemaer. CISU needs to receive the request well in advance and not after the intervention has been completed.

5.3. Spending of the budget margin

In the budget, an amount has been allocated for 11: ‘Budget margin’. At least 6 % and at most 10 % of budget line 10: ‘Total project costs’ must be set aside for this. You may allocate funds from the budget margin if unexpected expenditure arises in relation to the other budget lines, e.g., to cover an increase in prices, wages, exchange rates and interest costs in Denmark and for the local partner. Reallocations of the budget margin must always be in pursuit of the overall objective of the intervention.

Generally, spending from the budget margin does not need to be approved by CISU on beforehand. However, you do need written approval if you want to spend the budget margin on:

- Activities that were not included in the original application.
- Wages or other personnel expenditure².

Any spending of the budget margin that has not been approved by CISU in advance must be reported and justified in the subsequent progress report (together with a revised budget) and in the final accounts.

² Special statutory personnel expenditure, such as taxes, social security contributions and the like, as well as local spending on insurance, safety training etc.

Requests regarding spending of the budget margin are submitted to “Vores CISU”, using the form “Request for change of intervention, intervention period and/or budget”, which is available on www.cisu.dk/skemaer. CISU needs to receive the request well in advance and not after the intervention has been completed.

5.4. Spending of fee for administration in Denmark

The budget reserves up to 7 % of the ‘Total Costs’ (budget line 13) as a contribution towards administration in Denmark. In the accounts, this administration fee must always be calculated as a percentage of actual spending of the grant. Accordingly, if you spend less than the amount budgeted, there will be a lower amount available for administration in Denmark.

The administration fee is a contribution to cover the Danish organisation’s general administrative costs. The boundary between general administrative costs and direct intervention costs may not be clear-cut, but the following types of expenses within the organisation are examples of what can be covered by the administration fee:

- Bank fees relating to the operation of a bank account (e.g., issue of cards, access to online banking, etc.).
- Expenditure on administration and bookkeeping for the organisation itself (i.e., not related to intervention activities).
- Visits and monitoring visits that are not part of the activity-specific monitoring.
- Recruitment and selection of non-project staff.
- Contact with CISU **not** related to the intervention.
- Compliance with administrative and regulatory reporting tasks in relation to the organisation (e.g., VAT, auditing of the organisation's yearly accounts).
- General tasks with budgeting and accounting.
- The involvement of the organisation's management in development cooperation (management refers to members of the various governing bodies).

Note: In the final accounts submitted to CISU, the Danish organisation is not required to give details of how the administration fee has been spent. However, these funds must be included in the organisation’s annual accounts.

6. STATUS DIALOGUE, THEMATIC NETWORK, FINAL REPORT AND EVALUATION

Having been awarded a grant from one of CISU’s funds, you are obliged to meet a number of deadlines. All deadlines appear in the contract with CISU signed before the intervention begins.

If any deadlines are changed during the intervention period, it can be seen in “Vores CISU”, and CISU will send confirmation of the changes to the registered contact person by e-mail.

6.1. Status Dialogue

For Citizen Participation Interventions and Development Interventions with a duration of 24 months or more, a status dialogue with a CISU advisor must be carried out halfway through the intervention period. The specific deadline will be stated in your contract and in “Vores CISU” (milestones).

In preparation for the status dialogue, you must complete CISU's preparation document for status dialogues, which can be found at www.cisu.dk/skemaer. The document must be uploaded on “Vores CISU” under the milestone ‘Statussamtale’ (status dialogue).

The status dialogue is an opportunity to talk about successes and challenges with the implementation of the intervention and gives grant holders the opportunity to ask CISU clarifying questions.

It is expected that both the Danish organisation and the primary implementing partner participate in the status dialogue, if possible. The dialogue usually takes 45 – 60 minutes.

The preparation document and the advisor's notes from the dialogue will form part of the Danish organisation's 'track record' and will be included in future assessments of applications from the Danish organisation with the same or other partners in line with the guidelines for the Civil Society Fund.

6.2. Participation in thematic network

CISU runs several thematic networks to promote exchange of experience, networking and learning between organisations working in the same thematic area.

At the time of application, the applicant indicates in “Vores CISU” which thematic network they wish to participate in. Grantees are strongly encouraged to take an active part in the network and participate in experience exchange events and other activities in the network.

6.3. Final report

When the intervention has ended, a final report on the intervention must be submitted. You must use CISU's format for the final report, which is available on www.cisu.dk/skemaer. A signed version of the final report must be uploaded to “Vores CISU”.

Deadline for all support modalities: **three months after the end date of the intervention.**

All recipients of grants from CISU funds must write a brief synthesis (maximum ten lines) on what has been achieved by means of the intervention. This text will be used by CISU to communicate results. To the extent relevant, the report is supplemented by photos, videos, documents and screenshots from social media or other material that has been produced during the intervention and can be shared electronically with CISU.

See specific **requirements** regarding formats for each support modality in the table below.

Support modality	Reporting format
Small-Scale Interventions	The final report is drawn up in CISU's format for Small-Scale Interventions. It must be submitted in writing, even if you originally submitted an application by video.
Citizen Participation Intervention, Development Interventions and Rebuilding Civic Space Interventions	The final report is drawn up adhering to CISU's format for Citizen Participation Interventions, Development Interventions and Rebuilding Civic Space Interventions.
Support for Co-Financing	The final report submitted to the main donor is also sent to CISU. If the report has not been written in Danish or English, however, the organisation must send a brief summary in one of these two languages to CISU. CISU may demand additional reporting if the format used by the main donor fails to satisfy the requirements of the Civil Society Fund.
Support for Application Process	The final report is drawn up adhering to CISU's format for Support for Application Process. The final report is submitted to CISU along with the final version of the application resulting from the application process. The final decision of the main donor must be notified to CISU, as soon as it is made known.

6.4. Evaluation

CISU always recommends that interventions are evaluated. The larger grant, the more important it is to have an evaluation, preferably an external evaluation.

It is up to the grant holders themselves whether you want to do an internal evaluation yourself, or whether you want to make use of an external evaluator, or whether you want to combine the two options.

An evaluation may include considerations in relation to DAC's evaluation criteria:

- The relevance of the intervention's purpose
- The effectiveness of the resources used in relation to the results of the intervention
- Effectiveness in relation to the achievement of the intervention's goals
- The direct and indirect effect of the intervention as well as the sustainability of the intervention.

Costs for an external evaluation must be included in the budget on budget line 5. Costs for internal evaluations can be budgeted on budget line 1, 3 or 6. Read more in section 4.1.1 on Budget line 5: External evaluation in the Budget Guide for the Civil Society Fund.

7. ACCOUNTING AND AUDITING

Grant-holders must submit both their organisation's annual accounts and the final accounts for the grant. The requirements vary between the different types of intervention and depend on the duration of the intervention period and the amount granted.

7.1. Organisation's annual accounts

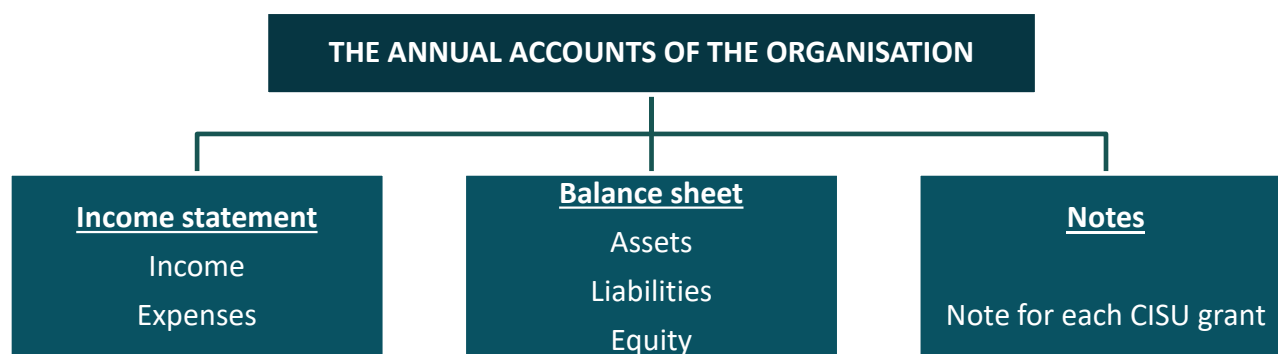
When an organisation holds one or more grants from CISU, it is required that the organisation's annual accounts are audited by an independent, certified auditor. If the organisation exclusively holds **grants of DKK 500,000 or less**, the audit may be conducted by an auditor without professional certification who is appointed by the organisation. In this case, the auditor must meet the usual demands for having no conflict of interest, i.e. no circumstance must give rise to doubts as to the person's impartiality

For **grants above DKK 500,000** the Danish organisation's annual accounts and the organisation's annual report must be uploaded to "Vores CISU".

The deadline is 1 July and appears on the list of deadlines (Milepæle) concerning the grant in 'Vores CISU'.

The following documents must be uploaded to "Vores CISU":

- **The organization's audited annual accounts** for the previous financial year signed by the auditor and by the person authorised to do so on behalf of the organisation, either by hand or by digital signature.
 - The annual accounts must include an **audit report** signed by an independent, certified auditor. In the case of emphasis of matter or modified opinion in the audit report, CISU may request a long-form audit report or other documents that elaborates on the auditor's emphasis/opinion.
 - The annual accounts must, as a minimum, contain an **income statement** with income (including income from membership fees or contributions as well as any administrative contributions from CISU projects) and expenses as well as a **balance sheet** where the equity is stated.
 - It must appear from the annual accounts that the organisation has a minimum of 50 paying members or financial contributors. If it does not appear from the annual accounts, CISU can request other documentation, such as a list of members and a bank statement showing payments of the membership fees.
 - The annual accounts must also contain a **note** for each grant showing the payment by CISU per year, the consumption of the grant during the year (including a calculation of the Danish administrative contribution), and unused funds at the end of the financial year. Please use CISU's format for the note, which can be found at www.cisu.dk/skemaer.
 - The note should preferably be included in the audited annual accounts of the organization. Alternatively, it must be audited separately and signed by the auditor and the organization's authorized signatories.
 - The note must be subject to financial audit.
- **The organization's annual report** either as a separate publication or the chairperson's report from the latest General Assembly.



7.2. Final accounts

After the intervention has been completed, you need to draw up the final accounts for the grant, using CISU's format to this effect, which is available on www.cisu.dk/skemaer. A signed version of the final accounts must be uploaded to "Vores CISU".

The table below specifies the requirements regarding formats and auditing, as well as the deadlines for each grant modality.

Support modality	Accounting format	Auditing	Deadline
Small-Scale Interventions, Citizen Participation Interventions and Rebuilding Civic Space Interventions of less than DKK 200,000	The final accounts are drawn up adhering to CISU's format.	The audit is carried out by an auditor appointed by CISU.	No later than three months after the completion date, the organisation must submit the accounts to the auditor. No later than four months after the completion date, the audited accounts must be uploaded to "Vores CISU".
Citizen Participation Interventions, Development Interventions and Rebuilding Civic Space Interventions of more than DKK 200,000	The final accounts are drawn up adhering to CISU's format.	The audit is conducted by an independent, certified auditor who is appointed by, and signs an agreement with, the Danish organisation.	No later than four months after the completion date, the audited accounts must be uploaded to "Vores CISU".
Support for Application Process	The final accounts are drawn up adhering to CISU's format for final accounts for Support for Application Process.	The management report in the format must be signed by the organization's authorized signatories. The accounts for the Support for Application Process must be included in the subsequently audited	No later than four months after the completion date, the signed accounts must be submitted to CISU in CISU's format for final accounts for Support for Application Process.

		annual accounts of the organisation.	
Support for Co-Financing	<p>The audited accounts submitted to the main donor are also sent to CISU.</p> <p>CISU may demand additional reporting if the format used by the main donor fails to satisfy the requirements of the Civil Society Fund.</p> <p>The income statement in CISU's format for final accounts must be filled in and attached to the audited accounts.</p>	<p>The audit is carried out on the basis of the main donor's audit instructions.</p> <p>The income statement in CISU's accounting format must be signed by those authorised to do so for the organisation.</p>	<p>The main donor's deadlines must be adhered to. At the same time as the audited accounts are submitted to the main donor, the audited accounts and income statement are sent to CISU.</p>

Please note that it is the amount of the CISU grant that determines which rules apply to the final accounts. In other words, if the CISU contribution is DKK 200,000 or less, whereas the combined accounts including other sources of funding are above DKK 200,000, the rules in force are those for grants of up to DKK 200,000.

7.2.1. CISU's format for final accounts

It is incumbent on the Danish organisation to make sure the final accounts are drawn up in compliance with the requirements and instructions in force. Final accounts must be prepared in CISU's format to this effect.

The accounts must contain:

Management report

To be prepared by the Danish organisation. Signed by hand or digitally by someone authorised to do so on behalf of the organisation (e.g., chairperson of the governing body, treasurer, or management).

Audit report/statement

To be prepared by the auditor. The accounting format presents suggestions for how to design a report/statement. The auditor is welcome to insert his or her own report/statement, as long as it complies with CISU's requirements in this guide and in the audit instructions. The report/statement is signed by the auditor either by hand or digitally.

Accounting practice used

A description is prepared by the Danish organisation. If auditing has been conducted in the country of cooperation, the name of the local auditor is inserted into this section. Read more about requirements regarding local audits in section 7.2.4.

Accounting report

To be prepared by the Danish organisation. Remember to explain deviations between actual and budgeted spending larger than 10%. You should also describe how the budget margin has been spent.

Income statement

This document, sometimes also called a 'profit-and-loss account', comparing the budget to actual spending, is drawn up by the Danish organisation. Remember that it is the latest approved version of budget that should be used.

No more expenses may be included under the column 'CISU Fund' than the amount granted.

Note: If **disability compensation** has been granted in addition to the grant, the amounts spent must be accounted for on the relevant budget lines.

Please remember that no more than 2 % of budget line 8 'Total activity costs' may be spent for 9 '**DK partner project-related information**' and max. 7 % of the total expenses for the **Danish administration fee**.

Finally, no expenditure may be entered under the budget line '**Budget margin**'. Expenses covered by the budget margin should instead be placed on the budget item where the money has been used.

Notes to the accounts:

- **Disbursements from CISU**

The dates and amounts of all transfers from CISU to the organisation are written here.

- **Specification of Danish payroll costs** (only relevant for Final Accounts Format A and B)

If salaries and/or overheads for the Danish grant-holding organisation have been budgeted for, it must be stated how much of this labour cost is salaries and how much is counted as overheads. This is entered into a table for Technical Assistance (TA). After salaries and overheads have been entered, the spreadsheet will calculate the total TA for the grant, both as an amount and as a percentage of the grant.

All organisations that budget with and charge salaries, must use a time registration system, so that the actual time consumption is calculated, documented, and approved.

See the Budget Guide for more information on the requirements.

Please note that it is not allowed to charge overhead on salary costs after 31 December 2021.

- **Specification of investments**

Remember to draw up a **transfer document**, if any equipment, stock, fixtures, and the likes are donated to the local partner at the end of the intervention.

If the price of such equipment, inventory and the likes exceed the *Danish tax authorities' definition of a minor acquisition* (as of 2022, this is DKK 31,000) that can be written off at once, with no provision for depreciation, it is obligatory to attach a signed transfer document between the Danish grant-holder and the local partner to be attached to the final accounts. The transfer document format defines what is covered by this rule and is available on www.cisu.dk/skemaer.

- **Transfers to local partner**

At the time of preparing the final accounts, the conversion of accounting and/or expenditure in non-Danish currency should take place at the rate at which the disbursements have been exchanged, using the so-called **weighted average exchange rate**. This rate is calculated by listing all financial transfers from Denmark to the country of cooperation throughout the intervention. The total amount transferred in Danish kroner (DKK) is then divided by the total amount received in local currency, thus arriving at the weighted average exchange rate. If there are unused funds in the partner country that are returned to Denmark, this amount must also be included in the transfer overview. Both to ensure that the weighted average exchange rate is correct and so that the amount is audited.

- **Accounts between the grant-holder and CISU**

This note calculates if there are any unspent funds after the grant period has expired. It is calculated by subtracting the spending of grant funds from the grant amount, and adding possible interests gained. Read about unspent funds, interest, and refunds in the section below.

It is important to present the final accounts in a single, clear, well-organised and signed document.

7.2.2. Expenditure after project end date, interest, bank fees, unspent funds and repayments

All activity costs must take place within the project period. However, the activity costs may be paid after the project end date. However, expenses related to the completion of the project, such as costs for final reporting and for auditing the final accounts, may take place and be paid after the project's end date, if it is ensured that these expenses are included in the final audit of the grant.

Gained interests (both in Denmark and abroad) and **exchange rate gains** (as a result of fluctuations in the rate of exchange between the Danish krone, DKK, and the local or other currencies used) can be spent on new as well as existing activities in the intervention. Earned interests and exchange rate gains are considered part of the grant, and the use must therefore be explained in the final report and in the final accounts, i.e. in the accounting report and in the income statement).

Interests paid in Denmark and fees for transfers to partners must be covered by budget line 7. DK partner project support costs in the final accounts.

Interest expenses in the partner country and **fees for transfers to Denmark** must be covered by budget line 4. Local partner administration.

Basic fees regarding operation of a bank account in Denmark (e.g. issuing cards, access to online banking, etc.) must be covered by budget line 14. DK partner administration.

Basic fees regarding operation of the bank account in the partner country must be covered by budget line 4. Local partner administration.

Please note: It is incumbent on the Danish organisation to refund all unspent funds to CISU. This calls for being careful not to transfer excessive payments to local partners, as well as to pay continuous attention to spending and any interest earned in the country of cooperation.

Any unspent funds of as well as interests gained in Denmark and abroad must be repaid in connection with submission of the final accounts to CISU by depositing into the following bank accounts:

The Civil Society Fund: Jyske Bank, sort code 5078, account number 1159 814

7.2.3. Audit of final accounts for grants of DKK 200,000 or less

Grants of DKK 200,000 or less are audited by an auditor appointed by CISU. Contact details for the auditor are found on www.cisu.dk/skemaer under the heading “Revision af afsluttende regnskab”.

The auditor’s fee is paid directly by CISU upon approval of the final accounts. The audit must adhere to CISU’s Administration Guide and the audit instructions of the Danish Ministry of Foreign Affairs for grants below DKK 500,000.

No later than three months after the end date of the intervention, the organisation forwards the following documents to the auditor:

- Completed accounting format and help sheet
- Completed audit checklist for grants below DKK 200,000
- Documentation as per the audit checklist
- Copy of final report

As you submit the documents to the auditor, you agree a final deadline for auditing the final accounts. The deadline for submitting the final audited accounts to CISU is four months after the end date of the intervention.

The auditor returns the audited final accounts to your organisation, which you must then upload to “Vores CISU”. The audit report and the management report must be signed by hand or digitally. The final accounts are submitted to CISU without the supporting documents from the intervention.

7.2.4. Audit of final accounts for grants above DKK 200,000

The final accounts must be audited by an independent, certified auditor who is appointed by, and enters into an agreement with, the Danish organisation. The audit must adhere to CISU’s Administration Guide and the Danish Ministry of Foreign Affairs’ audit instructions for grants of below or above DKK 500,000, depending on the size of the grant.

It is incumbent on the Danish organisation to ensure that the auditor appointed confirms in writing that he or she is willing to perform his audit tasks in keeping with the provisions of the audit instruction manual. When auditing the final accounts, the auditor must therefore mention in the audit report that the job has been performed in keeping with Danish Ministry of Foreign Affairs’ audit instruction manual, and in accordance with the applicable Standard for Public Auditing (in Denmark known as SOR), which requires the audit report to have a separate section on performance audit and compliance audit. This requirement also applied for other financial contributions included in the accounts.

For **grants above DKK 500.000**, the auditor must draw up a long-form audit report, setting out his or her assessment and opinion in view of the audit conducted. The long-form audit report can be attached to the

final accounts or presented separately. If the auditor has prepared a Management Letter, it must be attached to the final accounts submitted to CISU along with the grant holder's response. The audit report, long-form audit report and management letter must be signed either by hand or digitally.

7.2.5. Local audit

For grants above DKK 500,000, it is required that an audit of the grant is conducted by an independent, certified auditor in the partner country.

For grants between DKK 200.000 and 500.000 it is *recommended* that an audit of the grant is conducted by an independent, certified auditor in the partner country.

For grants running over several years, it is *recommended* that an *annual* audit of the grant is conducted by an independent, certified auditor in the partner country to ensure that performance audits are carried out on an ongoing basis.

The audit must adhere to international auditing standards as well as to the Danish Ministry of Foreign Affairs' applicable audit instructions.

The Danish organisation's auditor should be involved in selecting the local auditor, who must adhere to international standards and carry out performance and compliance audit according to the Danish Ministry of Foreign Affairs' audit instruction manual.

It is recommended that the local auditor is selected within the first six months of the intervention period so that he or she has sufficient time to learn about the special audit requirements.

7.2.6 Storage of accounting materials and supporting documents

The grantee must keep accounting records, in compliance with the requirements of the Danish Bookkeeping Act (Bogføringsloven). All partner organisations must keep all accounting documentation and materials for ten (10) years and all other project-related documents and files for five (5) years after completing the intervention.

The Danish organization must ensure that CISU, the Ministry of Foreign Affairs, the National Audit Office and the State Auditors get full access and assistance for project inspection, document review, accounting analysis, inventory control, etc. in Denmark and at the partner organisations.

8. REPORTING OF PROBLEMS AND IRREGULARITIES

The governing body and/or management of the Danish organisation is duty-bound to notify CISU immediately (i.e., no later than 14 days after the incident):

- If significant difficulties arise in the implementation of the intervention, including problems regarding compliance with the budget approved.
- If significant problems arise in the organisation's relationship with the authorities in the developing country of cooperation, the partner or expatriate staff.
- If there is well-founded suspicion or detection of theft, fraud, corruption, misuse, or similar

irregularities.

CISU's format for reporting of problems and irregularities must be used and is available on CISU's website. The report must be submitted in writing, stating how you plan to solve and follow up the difficulties and/or irregularities observed.

You are very welcome to contact CISU, if challenges arise during an intervention, thus enabling us to guide you in how to report the problems and how to pursue a solution.

Confirmed cases of irregularities will be published on CISU's website and will be reported to the Danish Ministry of Foreign Affairs as per the ministry's guidelines.