

THE CIVIL SOCIETY FUND
PROGRAMME

GUIDE TO PROGRAMME BUDGET 2021



Photo: Pernille Bærendtsen

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1. VALIDITY OF THE GUIDE

This guide is valid for:

- Preparation of budget for programme applications to the Civil Society Fund (CSF).

2. HOW TO USE THE GUIDE

This guide sets out the requirements regarding how to present the budget. Accordingly, its instructions should be followed when drawing up the Programme Budget.

Please note that requirements for managing the budget during the implementation of the programme are found in the *Guide to the Administration of Programmes* available at www.cisu.dk/program.

3. GENERAL REQUIREMENTS

The budget must be prepared according to the corresponding format, Programme Budget Format 2021, available at <https://www.cisu.dk/puljer/hent-formater-vejledninger-og-retningslinjer>.

The budget must be drawn up in Danish kroner (DKK). No decimals may be used with respect to DKK.

A programme budget normally covers four years. The budget shall be presented following calendar years.

The budget must be presented in a clear and transparent manner. It is important for the assessment of the programme application that the budget is easy to understand. In this respect, please note that the proportionality of cost level and the expected outcomes is an important part of the assessment.

Insurance

The Danish organisation must provide for insurance coverage of major equipment, stock, fixtures, and programme personnel (permanent, temporary, and voluntary personnel) to the extent possible, as well as ensure that the local partners take out necessary insurance for personnel and major equipment etc.

Travel expenses

Travel expenses must be budgeted as economically as possible, which includes limiting the number of travelers to those necessary.

Airfares must be priced at no more than economy class, and accommodation should not cost more than a normal tourist-class hotel. See also the Danish Ministry of Finance's rates for hotel expenditure during business travel.

Bonus points earned on travel as part of the programme may not be used privately by employees but is to be included in the discounting of other travels as part of the programme.

Per diem and mileage allowance cannot exceed the rates for business travel laid down by the Danish Ministry of Finance. A link to these rates is available at CISU's website.

Mid-term review

In the third year of the program period, the organization is obliged to carry out a mid-term review of the programme. The mid-term review can be either internal or external, and the cost is expected to be appropriate with the size of the programme.

It is possible to apply for coverage of the fees of an external consultant and the external consultant's travel expenses, accommodation, per diem and mileage allowance when following the conditions specified in the above section on 'Travel Expenses'.

Danish salaries

When salaries or fees for Danish personnel are included in the budget, the organisation must be tax-registered and declare its accounts to the Danish tax authorities in keeping with current rules.

Furthermore, a time registration system must be used, so that the actual number of person-hours used can be calculated, documented, and approved.

There is no distinction in principle between the person-hours of permanent, temporary, and voluntary personnel dedicated to the implementation of a programme. In all cases, the rates must adhere to the following:

- All programme-specific spending on Danish salaries must be considered in the budget presented in the application beforehand and must subsequently be documented in accounts and reporting.
- The hourly rate for permanent, temporary, or voluntary staff may not exceed:
 - Their current remuneration level i.e., actual salary cost as well as related expenditures e.g., pension and social security.
 - The publicly recognized salary level for salaries paid with public funds as presented by Ministry of Finance ('Den fællesakademiske lønskala' via Moderniseringsstyrelsen, www.modst.dk).
- The salaries of local staff at field offices cannot exceed the average level for equivalent organisations in the same country.

Salaries – Local staff

Salaries for local staff may be budgeted for. Wages must be in accordance with salary levels prevailing in the local labour market. The Danish embassy or other NGOs might be able to help with information on these levels.

Attention must be paid to local labour rules, including hiring, wages, notice of termination, compulsory healthcare contributions, local taxes on salaries, payment for a 13th month, etc. This ought to be discussed with the local partner, who knows the local rules.

Furthermore, a time registration system must be used, so that the actual number of person-hours used can be calculated, documented, and approved.

Investments

Investments include major procurements that are not only consumed during the realisation of activities. For example, seeds and teaching aids will be budgeted as activity expenses, whereas vehicles and IT equipment will be seen as investments. The purchase of land or real estate is usually not supported by the Civil Society Fund.

Please note, investments covered by the grant must comply with Danish law including tax and accounting rules.

4. COST CATEGORIES

A significant difference from previous calls for programme applications is the introduction of cost categories in the budget format. For this reason, this chapter will elaborate on the significances of the different cost categories.

The cost categories are specified in [Annex I](#).

4.1. The cost category relevant for local implementing partners

All costs in the budget for and managed by local independent implementing partners fall into the cost category A2.

In the detailed budget, A2 is divided into four sub-categories to make the proportionality between different types of partner costs more transparent. The sub-categories are:

- Local Partner Activities
- Local Partner Investments
- Local Staff
- Local Administration

'Independent' in relation to implementing partner is to be analysed and justified in terms of the following indicative criteria (cf. [Annex I](#)):

- 1) Judicial independence
- 2) Independent governance structure
- 3) Degree to which it is rooted in local community (e.g., through volunteers, membership base, local donation).

Hence, A2 costs **do not** include transfers to country and regional offices of the programme organisation nor to the international alliances, to which the programme organisation is a member.

4.2. The cost categories relevant for the Danish applicant / grant holder

Except for A2, all other cost categories are relevant for the Danish applicant/grant holder only.

Please note that country and regional offices, that are functioning as extensions of the programme organisation are seen as part of the Danish applicant cf. section 4.1.

A1 and A3: Activity cost vs. Support cost

The cost categories A1 and A3 are both:

- Costs that are *necessary to deliver a programme*.
- In the budget for and managed by the Danish applicant / grant holder.

However, A1 and A3 differs with respect to their *purpose* where:

- A1 is activity costs i.e., costs *directly linked* to the implementation of programme activities.
- A3 is support costs i.e., costs that are *necessary as a result of A1 costs*.

Examples:

A1:

- A project manager's salary for the time spent on programme activities that are *directly linked* and allocated to outcomes. Activities could be e.g., management of an activity, technical assistance, capacity development and monitoring as long as the activity is *directly linked* and allocated to a specific outcome.
- (A part of) the cost of a laptop that is to be use by the project manager on programme activities that are *directly linked* and allocated to outcomes.

A3:

- An accountant's salary for the time spent on activities that are *necessary as a result of A1 costs*. E.g., paying bills, bookkeeping etc. as a result of bills that are *directly necessary to deliver the programme*.
- (A part of) the cost of a laptop that is to be use by the accountant on programme activities that are *necessary as a result of A1 costs*.

Please note that support cost that are *not directly necessary to deliver a programme* is B1 costs. The audit of the organisation's annual accounts and other costs related to the administration and accounting of the organisation itself, fundraising as well as visits and monitoring visits not part of activity-specific monitoring are example of B1 costs.

A3 and B1: Different types of support costs

The cost categories A3 and B1 are both:

- Support costs.
- In the budget for and managed by the Danish applicant/grant holder.

However, A1 and A3 differs with respect to *what* they support, where:

- A3: are support cost *related directly* to the implementation of the programme.
- B1: are support cost *not related directly* to the implementation of the programme but rather the Danish applicant/grant holder's organisation in general.

Examples of costs included in cost category A3 and B1 are specified in [Annex I](#).

A5: Information work in Denmark

The cost category A5 covers support for information work in Denmark directly related to the programme.

The maximum annual budget of cost category A5 is 2% of the 'Grand Total'.

The information activities need not be described at the time of application, but merely before the funds begin to be spent (i.e., you may allocate the amount in the budget, and wait until the project is underway to define such activities). However, the description must always be submitted no later than six months

prior to project completion, and the information work must be designed to end before the project period expires.

A6: Unallocated funds

The cost category A6 covers the costs that are unspecified at the time of budgeting i.e., the sums of what was former known as 'unallocated funds' and 'budget margin', respectively. Both the Danish grant holder and the local partner(s) should be involved in deciding the utilization of these funds.

The maximum annual budget of cost category A6 is 15% of PPA i.e., the sum of the cost categories A1, A2 and A3.

Please refer to the 'Administration guide' section '5.3 Spending of unallocated funds' (p.5) for a description on how to transfer funds from this budget line.

A7: Audit in Denmark

The cost category A7 covers auditing in Denmark and at possible field offices of the programme accounts. Please note, that it is only auditing of the programme accounts that is included in cost category A7:

- Cost for auditing of local partner's annual programme accounts must be budgeted under the cost category A2.
- Costs relating to the auditing of the Danish grant holder organisation's annual accounts may be covered by the cost category B1.

B1: Administration in Denmark

The Cost category B1 covers the Administration in Denmark fee. The administration fee should cover the Danish applicant's general additional administrative costs in connection with the approved intervention when these do not pertain to any of the other budget items (cf. [Annex I](#) for examples of B1 costs).

Up to 7% of the of '4. Total Costs' in the CSF budget (cf. tab '1A. Resumé' in the Programme Budget Format) may be set aside for administration in Denmark.

4.3. Fair, transparent, and reasonable cost allocation mechanism

The allocation of costs through a fair, transparent, and reasonable cost allocation mechanism may be applied to costs in the local partner's budget as well as in the applicant's/grant holder's budget.

A cost allocation mechanism is applied when a cost is attributed to more than one cost object. E.g., this could be where a cost is attributed to:

- More than the CSF programme (e.g., another project/programme, the organisation in general)
- More than one cost category
- More than one outcome
- More than one partner or both partner and applicant/grant holder
- More than one geographical location

It is required that the cost allocation mechanism is fair, transparent, and reasonable. In this way, you may apply the cost allocation mechanism that you prefer if it meets the beforementioned requirements.

The fairness of the allocation mechanism is evaluated as part of the evaluation of the programme application and is checked by the programme organisation's auditor in the yearly audit as well as by CISU when CISU conducts financial monitoring.

The allocation mechanism should be described under the relevant outcome in the tab '1C. Budget notes'.

Example 1:

A1 costs need to be allocated among more than one outcome. This could be the project manager's salary for the time spent management of an activity, technical assistance, capacity development etc.

Cost allocation mechanisms could be:

- The project manager's man- hours (for a specific period) spent on a specific outcome / The project manager's total person-hours (for the same period)

Example 2:

An A1 cost need to be allocated among more than one outcome. This could be the project manager's activity specific travel cost for a visit to 2 different partners in different countries.

The project manager's time spend:

- 5 days of his 7 traveling days in country A where she works equally with outcome 1 and 2.
- 2 days of his 7 traveling days in country B where she works only with outcome 2.

Cost allocation mechanisms could be:

- Outcome 1, country A: $5/7 * 0,5 = 0,71 * 0,5 = 0,36$
- Outcome 2, country A: $5/7 * 0,5 = 0,71 * 0,5 = 0,36$
- Outcome 2, country B: $2/7 = 0,28$

Example 3:

An A3 costs need to be allocated among more than one outcome. This could be office costs including rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance etc.

Cost allocation mechanisms with respect to outcome could e.g., be:

- Based on 'head counts': 2 of the 3 employees works on the programme i.e., $2/3 = 67\%$ of the cost is allocated to the programme. *
- Based on 'full time equivalents': 2 of the 3 employees works on the programme. One of the employees works part time (32 hours/week with 37 hours/week being full time i.e., equivalent of 0,86 full time) and the others full time. i.e., 1,86 of in all 2,86 full times positions is spent on the programme = 65 % of the costs is allocated to the programme. *
- Based on time registration-key (i.e., hours): 2.892 work hours of in all 4.520 work hours have been spent on the programme i.e., $2.892/4.520 = 64\%$ of the costs is allocated to the programme. *

* Another cost allocation mechanism is used to further allocate these costs to outcomes and/or countries cf. example 1 and 2 above.

Please note that the three allocation mechanisms in example 3 all are considered fair as they all allocate a rather similar percentage of the cost to the programme (67 %, 65 % and 64 % respectively). If an allocation mechanism results in an unfair allocation it cannot be applied.

5. PROGRAMME BUDGET FORMAT

The spreadsheet 'Programme Budget Format' consists of the following tabs (in Danish: 'faneblade'):

- 1A. Resumé.
- 1B. Detailed budget
- 1C. Budget notes
- 1D. Danish workhours
- 1E. Own & co-financing

There are cells that are automatically calculated in all the tabs. These cells are either blue, green or purple. Please be aware **only** to write in white cells.

5.1. TAB 1A. Budget resumé

Insert the name of the applicant (i.e., organisation's name) and the programme title as indicated.

CSF Programme Funds

The first part of the Tab 1A. Resumé contains the CSF Programme Funds:

<i>Budget in DKK</i>					
CSF Programme Funds	Total all years	2022	2023	2024	2025
CSF Programme Commitment	-				
Funds transferred from previous year	n/a				
Total	n/a	-	-	-	-
	<i>Control</i>	0	0	0	0

This table is used to keep track on the total budget amount for each year of the programme. Under the line 'CSF Programme Commitment', the amount granted per year is inserted. Under the line 'Funds transferred from previous year', unused funds to be transferred to the coming year (max 15 %) can be inserted. The total budget amount is automatically calculated. The 'Total' should be equivalent to '5. Grand Total' in the next table, and if this is not the case, it will be evident in the control cells.

CSF Budget – Outcome Based

Outcomes (i.e., end of programme outcomes) need to be specified in the application and, hence, also in the budget. This specification is done in the table 'CSF Budget - Outcome Based'. Please do not write in any of the cells, as the information is transferred from tab 1B. Detailed budget.

In section '1. Programme and Project Activities (PPA)', insert outcomes as indicated.

CSF Budget - Outcome Based						
<i>Information transferred from 1.B Detailed budget</i>						
1. Programme and Project Activities (PPA)	Total all years	2022	2023	2024	2025	% of Total
Outcome 1: <i>[insert outcome]</i>	-	-	-	-	-	#DIVISION/0!
Outcome 2: <i>[insert outcome]</i>	-	-	-	-	-	#DIVISION/0!
Outcome 3: <i>[insert outcome]</i>	-	-	-	-	-	#DIVISION/0!
Cross-cutting activities	-	-	-	-	-	#DIVISION/0!
2. Subtotal PPA	-	-	-	-	-	#DIVISION/0!
Unallocated Funds (max 15% of Subtotal PPA)	-	-	-	-	-	#DIVISION/0!
3. Total PPA	-	-	-	-	-	#DIVISION/0!
Information activities in Denmark (max 2% of PPA Total)	-	-	-	-	-	n/a
Auditing in Denmark	-	-	-	-	-	n/a
4. Total Costs	-	-	-	-	-	#DIVISION/0!
Administration in Demark (max 7% Total Costs)	-	-	-	-	-	n/a
5. Grand Total	-	-	-	-	-	#DIVISION/0!

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The total costs of all outcomes (incl. Cross-cutting activities); 2. Subtotal PPA is automatically calculated, and so is 3. Total PPA, 4. Total Costs, and 5. Grand Total.

Please check that neither 'Unallocated Funds', 'Information activities in Denmark', and 'Administration in Denmark' exceeds the maximum percentages allowed. The percentages are automatically checked in the control table cf. the blue cells in rows 22, 24, and 27 columns K to O (see furthest right):

Control	All years	2022	2023	2024	2025
max 15%	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!
max 2%	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!
max 7%	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!

CSF Budget – Cost Categories Specification

The next table contains a breakdown of each cost category per year and for all years. It also shows the % of each cost category in relation to '5. Grand Total'.

The information is transferred from '1B. Detailed budget', and therefore, *please do not write* in any of the cells.

CSF Budget - Cost Categories Specification							
<i>Information transferred from 1B. Detailed Budget</i>							
Cost Category		Total all years	2022	2023	2024	2025	% of Total
A1	Direct activity cost	-	-	-	-	-	#DIVISION/0!
A2	Implementation through local independent partner	-	-	-	-	-	#DIVISION/0!
A3	Allocated programme support cost	-	-	-	-	-	#DIVISION/0!
A5	Information activities in Denmark	-	-	-	-	-	#DIVISION/0!
A6	Unallocated Funds	-	-	-	-	-	#DIVISION/0!
A7	Auditing in Denmark	-	-	-	-	-	#DIVISION/0!
B1	Administration in Denmark	-	-	-	-	-	#DIVISION/0!
		-	-	-	-	-	#DIVISION/0!

CSF Budget – Geographic Specification

The last part of Tab '1A. Resumé' contains the geographical breakdown of the Programme and Project Activities (PPA). *Please only insert* countries as indicated, the remaining information is transferred from '1B. Detailed budget'.

CSF Budget - Geographic Specification							
<i>Information transferred from 1B. Detailed Budget</i>							
I. PPA in Intervention Countries		Total all years	2022	2023	2024	2025	% of Total
Country #1	[insert country]	-	-	-	-	-	#DIVISION/0!
Country #2	[insert country]	-	-	-	-	-	#DIVISION/0!
Country #3	[insert country]	-	-	-	-	-	#DIVISION/0!
Country #4	[insert country]	-	-	-	-	-	#DIVISION/0!
Country #5	[insert country]	-	-	-	-	-	#DIVISION/0!
Subtotal PPA in intervention countries		-	-	-	-	-	#DIVISION/0!
II. PPA in Denmark & Global/Regional		Total all years	2022	2023	2024	2025	% of Total
Denmark (DK Partner)		-	-	-	-	-	#DIVISION/0!
Global & Regional (DK Partner)		-	-	-	-	-	#DIVISION/0!
Subtotal PPA in DK & Global		0	0	0	0	0	#DIVISION/0!
Unallocated Funds (max 15% of Subtotal PPA)		-	-	-	-	-	#DIVISION/0!
III. Total PPA		0	0	0	0	0	#DIVISION/0!

Under 'II. PPA in Denmark & Global/Regional':

- 'Denmark (DK Partner)' refers to costs managed by the Danish applicant used in Denmark.
- 'Global & Regional (DK Partner)' refers to costs managed by the Danish applicant used in non-intervention countries and not in Denmark (e.g., participation in international events).

5.2. TAB 1B. Detailed budget

Insert the name of the applicant (i.e., organisation name) and the programme title as indicated.

The detailed budget is structured around the respective intervention countries to achieve an overview of the budgeted costs for each country.

CSF Budget – ALL COUNTRIES

Please note that the PPA costs in this table automatically refers to the country tables, and therefore, you should **not** write in any of the blue, green, or purple cells.

Only *Unallocated Funds, Information activities in Denmark, Auditing in Denmark* and *Administration in Denmark* need to be filled out. Be aware of the maximum ceilings for these budget lines (as described under 5.1).

The box *Unspent funds to be transferred to next year* can be filled in in connection with a budget modification or the yearly audits, and the amount here should be inserted in the corresponding table 'CSF Programme Funds' in tab 1A. Budget resumé.

Country tables

Please specify the countries of intervention as indicated in each of the blue tables. If there are more than three intervention countries, two more country tables will be visible by pressing the +-sign over column "AL".

		+	
X	Y	AL	AM

Each country budget is structured around the programme outcomes (incl. cross-cutting activities). Under each outcome, there are six budget lines, being:

1. Local Partner Activities (A2)
2. Local Investments (A2)
3. Local Staff (A2)
4. Local Administration (A2)
5. DK Partner Activity Costs (A1)
Hereof Danish workhours
6. DK Partner Support Costs (A3)
Hereof Danish workhours

Please do not add rows as all costs should be placed under the given budget lines.

Each budget line must be filled in per year of the programme, using the correct programme years.

- There must be reasons not to hire local people to carry out the task.
- The Danish input funded by the grant should not give rise to dependency on the Danish partner.

For the purposes of strengthening the partnership, it is possible to budget for the visits required to this end, either in combination with programme monitoring or, to a reasonable extent, as activities in their own right.

There is no distinction in principle between the person-hours of permanent, temporary, and voluntary personnel dedicated to the implementation of a grant. In all cases, the rates must adhere to the rules specified in section 3. General requirements.

In [Annex I](#), examples of the permissible use of person-hours are given under the cost categories A1, A3 and A5.

5.5 TAB 1E. Own financing

Own financing is to be specified in the tab 1E.

Fill in the white cells with respect to 'A. Expected Liquid funds (funds raised in Denmark)' and 'C. Expected Co-financing' for each of the programme years 2022, 2023, 2024 and 2025 according to the following guidelines:

- **Liquid Funds** (funds raised in Denmark) can for example be contributions from supporters, funds from collections or inheritance that are directly channelled to partners in support of long-term development cooperation which falls within the framework of the Civil Society Policy published by the Danish Ministry of Foreign Affairs.
- **Co-financing** of activities means funds from other donors, the EU or the organisation's international partners, which fall within the framework of the Civil Society Policy published by the Danish Ministry of Foreign Affairs. In the case of a joint programme/activities with grants raised and implemented by a local partner in the South or by the applicant's international alliance partners, these funds from other donors can also be counted as co-financing, provided that the Danish organisation is also playing a formal role in the undertaking.

When in doubt on how to categorize an own financing input, please consult with CISU. CISU will align with Danida's definitions of own financing.

Minimum requirement to Liquid Funds and Co-financing

How much Liquid Funds and Co-financing that is required as a minimum depends on the total size of the programme's budget (and later the final grant).

The minimum requirements are specified in the Programme Guidelines p. 19.

ANNEX I. COST CATEGORIES

Cost category	Cost sub-category	Suggested budget specification	Ceilings and principles applied (including examples of typical cost areas/functions)
<p>DIRECT COSTS are the costs of all necessary and reasonable inputs associated with functions, which are directly necessary to deliver a programme.</p> <p>DIRECT COSTS (as defined by the Money Where It Counts protocol) includes the following cost functions:</p> <ul style="list-style-type: none"> • Programme and grant management, technical delivery, quality control functions. • Visibility and communications. • Human Resources and security. • Compliance. • Finance, procurement, payroll, information technology and administration. 			
<u>A.</u>	<p>A.1.</p> <p>Direct activity cost.</p> <p><i>(Aktivitetsomkostninger)</i></p>	<ul style="list-style-type: none"> • Programme activities. • Programme specific investments/ equipment. • Salaries (HQ and local, documented by time registration). • Travel (activity specific only). • Events, conferences related to outcomes. 	<ul style="list-style-type: none"> • Linked and allocated to outcomes (c.f. agreed results framework/ theory of change, ToC). • Allocation to outcomes documented through fair, transparent, and reasonable cost allocation mechanism (e.g., time registration-key, vehicle usage register or similar). • Personnel costs documented through time registration. • Pooled direct activity costs allocation documented through fair, transparent, and reasonable cost allocation mechanism (between outcomes and among projects/donors/funding arrangements e.g., through pro rata, time registration-key, full time equivalents, head count or similar). <p>Direct activity costs will typically cover the following areas:</p> <ul style="list-style-type: none"> • Programme management (i.e., management of an activity or package(s) of activities that contribute to the targeted outcomes). • Technical assistance, monitoring and compliance. Monitoring refers to the Danish organisation's ongoing supervision of implementation and progress in cooperation with the local partners in the programme. • Activity specific service delivery. • Activity specific pilot studies and appraisals. • Development of partnerships in Global South through capacity development, advocacy/policy work, strategic service delivery etc. • Programme specific advisory and support to local independent implementing partners (i.e., supporting local operational capacity and localisation). • Purchase of physical assets/items for programme specific activity (incl. Information and Communication Technology (ICT)).
	<p>Direct costs.</p> <p>A.2.</p> <p>Implementation through local independent partners.</p> <p><i>(Overførsler til uafhængige partnere / bevillingshavere)</i></p>	<ul style="list-style-type: none"> • Transfers to (or expenses by) local independent implementing partners. 	<ul style="list-style-type: none"> • Linked and allocated to outcomes (c.f. agreed results framework/ theory of change, ToC). • Allocation to outcomes documented through fair, transparent and reasonable cost allocation mechanism (e.g., through pro rata, time registration-key, full time equivalents, head count or similar). • Unspecified admin fee or overhead lump sum not eligible. • 'Independence' analysed and justified in terms of the following indicative criteria: 1) judicial independence 2) independent governance structure, 3) degree to which it is rooted in local community (e.g., through volunteers, membership base, local donation). (I.e., excluding transfers to country and regional offices, functioning as extensions of the DANIDA-funded organisation or the international alliances to which the DANIDA funded organisation is a member). <p>Direct transfers will typically cover the following areas:</p> <ul style="list-style-type: none"> • Implementation/operational cost by local independent partners in partner countries (direct costs incl. audit expenses borne by implementing partner). • Indirect cost of local independent partner (i.e., inclusion of transparent and documented fair share of local partners' indirect costs acceptable, documented through transparent and reasonable cost allocation mechanism e.g., through pro rata, time registration-key, full time equivalents, head count or similar).

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GUIDE TO PROGRAMME
BUDGET 2021**

A. Direct costs	A.3. Allocated programme-support cost. <i>(Program-understøttende funktioner / fælles-omkostninger)</i>	<ul style="list-style-type: none"> Salaries related to programme supporting activities. Investment and equipment for programme support staff. Travel related to programme supporting activities. Other essential programme supporting services/ expenses/ functions. 	<ul style="list-style-type: none"> Justifiable/explained. Linked and allocated to outcomes (c.f. agreed results framework/ theory of change, ToC). Allocation to outcomes documented through fair, transparent, and reasonable cost allocation mechanism (e.g., time registration-key or similar). Primarily pooled cost functions (i.e., programme supporting cost functions with benefit to several programmes/ donors/ grants/ funding arrangement). Pooled programme support costs allocation documented through fair share, transparent and reasonable cost allocation mechanism (between outcomes and among donors e.g., through pro rata, time registration-key, full time equivalents, head count or similar). <p>Programme support costs will typically cover the following areas:</p> <ul style="list-style-type: none"> Management of programme staff. Planning (such as a new phase of ongoing programmes), coordination of activities and preparation of documentation. IT equipment (ICT) for programme supporting functions. Recruitment of programme specific staff. Programme specific studies, reporting, finance, and procurement tasks. Programme specific advisory and support to local independent implementing partners (i.e., supporting local operational capacity and localisation). Programme specific or cross cutting reviews (e.g., midterm review and external evaluations). Participation of resource persons in connection with evaluations. Expenses linked to HQAI/CHS verification/certification of partner itself. Fair share of necessary personnel related costs (for essential program supporting staff and functions e.g., social security, HR, security/safety, and finance incl. expat related costs) through time registration or fair/transparent reallocation keys/ cost allocation mechanism. Fair share of programme supporting cost functions at HQ as well as local or regional country office, through reallocation keys/ cost allocation mechanism (e.g., warehouse and office costs including rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance, payroll, procurement).
	A.4.	n/a	Not in use
	A.5. Information <i>(Oplysnings-aktiviteter)</i>	<ul style="list-style-type: none"> Salaries related to Programme Related Information (PRI) activities. Travel related to PRI. Other costs related to PRI. 	<ul style="list-style-type: none"> Max 2% of Grand Total Unspecified at the time of budgeting. Personnel costs documented through time registration. Reported/accounted with no link or allocation to specific outcome. Actual costs to be accounted only (i.e., no lump sum allowed). <p>Programme related information (PRI) will typically cover the following areas:</p> <ul style="list-style-type: none"> Activities related to enhancing the Danish public's engagement and understanding of Danish development assistance, the Sustainable Development Goals (SDGs). Activities to stimulate debate of globalisation and challenges faced by development countries and their populations.
	A.6. Unallocated <i>(Uallokerede midler , inklusiv budgetreserve)</i>	<ul style="list-style-type: none"> Unallocated funds 	<ul style="list-style-type: none"> Unspecified at the time of budgeting. Linked and allocated to an outcome at time of accounting/reporting. Actual costs to be accounted only. Max 15% of PPA. <p>This cost category will be a direct activity cost and allocated to an outcome in the financial accounts but will not be allocated to a specific outcome at the time of budgeting.</p>
	A.7. Audit	<ul style="list-style-type: none"> Auditor's fee 	<ul style="list-style-type: none"> Auditor's fee related to programme financial audit exclusively.

INDIRECT COSTS (as defined by the Money Where It Counts protocol) are the costs of all necessary and reasonable inputs associated with functions, which are directly necessary to manage the agency as a whole, provide oversight over all its activities and put into place the overarching policies, frameworks and systems that enable it to operate. It is not practicable to relate indirect costs to individual funding arrangements directly, but without the functions they represent, programmes could not be delivered effectively, efficiently, on time, and safely.

<p>B.</p> <p><u>Indirect costs.</u></p>	<p>B.1.</p> <p>Administration in Denmark fee.</p>	<p>No specification needed.</p>	<ul style="list-style-type: none"> • No specification needed. • Max 7 % of direct cost. • Non-activity specific costs, i.e., costs, which are not a result of or linked to an individual development programme. <p>The following costs for administration are typically considered to be covered by the administrative costs:</p> <ul style="list-style-type: none"> • Administration and accounting of the organisation itself (i.e., not related to program activities). • The auditing of the organisation’s general annual accounts. • Visits and monitoring visits not part of activity-specific monitoring (i.e., activity-specific monitoring is included in A.1 or A.3.). • Recruitment of non-activity-specific personnel (i.e., recruitment of activity-specific personnel and essential support staff is included in A.1 or A.3.). • Contact/dialogue with CISU (other than participation in coordination of activities financed under the CISU grant). • Fund raising. • Planning of applications and negotiating proposals. • General compliance and administrative and legislative reporting tasks in relation to the organisation (e.g., VAT, audit). • General budget and accounts tasks (i.e., program specific budget and accounting tasks are included in A.1 / A.3. according to actual time registration). • Involvement or the organisation’s leadership in the general governance and cooperation (by leadership is to be understood the general secretary/director and members of the board/executive committee not involved in activity specific tasks). (I.e., activity specific involvement documented by time registration may be included in A.1. or A.3.). <p>Indirect cost functions enable the organisation to deliver effectively and operate professionally. Enabling functions include:</p> <ul style="list-style-type: none"> • Maintaining the organisation legally in the jurisdiction in which it is constituted. • Governing and managing the organisation and ensuring that it is appropriately directed and well controlled. • Ensuring the organisation’s overall compliance with applicable, laws, regulations and other requirements in its home country or countries. • Developing, maintaining and applying the organisational frameworks and policies required to enable the organisation to operate globally, including but not limited to: risk management policy and framework, the procurement policy, the financial control policies and frameworks, the employment policies, the due diligence framework, other necessary compliance policies, the quality control policies and frameworks. • Developing and maintaining the global systems required to ensure the effective and efficient delivery of the organisation’s functions e.g. the underlying global communications network, security and communications platforms. • Preparing, reviewing, and acting upon financial and operational performance reports for the organisation as a whole.
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