

Administration Guide
Civil Society Fund

GUIDE TO THE ADMINISTRATION OF GRANTS FROM THE CIVIL SOCIETY FUND

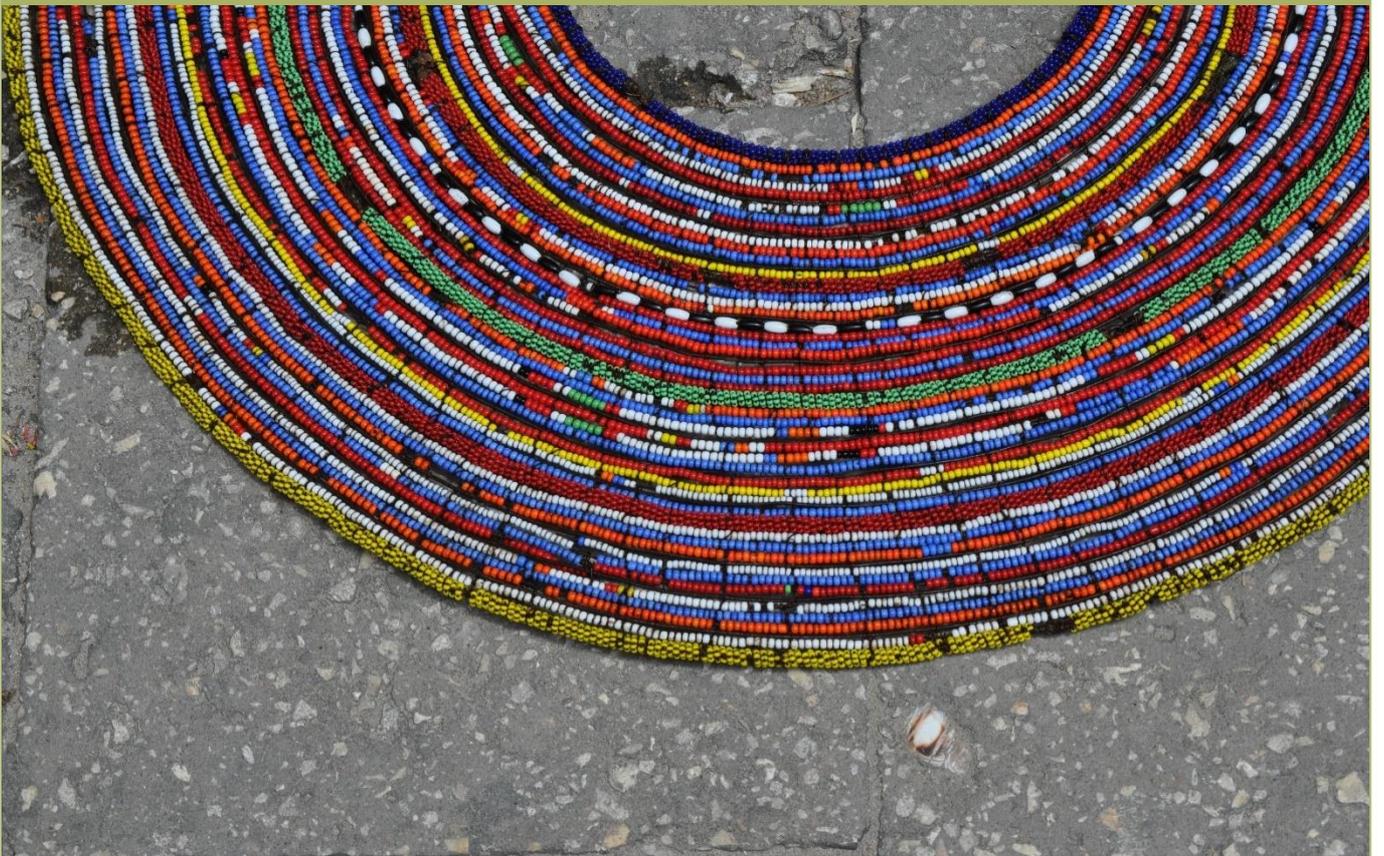


Photo: Pernille Bærendtsen

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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 there is a special administration guide: 'Guide to the Administration of Programmes'. See www.cisu.dk/program.
- The Danish Emergency Relief Fund (DERF) uses the 'DERF Grant Management Guide'. See www.cisu.dk/derf.

Please note that this guide will be continuously updated in response to any changes in the rules, or if anything in the text turns out to be unclear. The Danish 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.
- Steps should be taken to prevent corruption and misuse of funds.
- There must be a policy of "Preventing Sexual Exploitation, Abuse and Harassment" (PSEAH).
- 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.

- No entity which is party to the grant can be on the UN or EU list of sanctions.
- 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.
- Reports, accounts, and other mandatory documents regarding the intervention must be submitted according to the deadlines in the contract

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. Among the contract obligations of the organisation is to fulfil the requirements and conditions set out in this administration guide. The contract also informs the deadlines that must be met as regards to 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 intervention can begin to be implemented. Only when CISU has received the signed contract may the first disbursement take place.

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 or partners. For grants of more than DKK 500,000, it is also required to upload a signed copy of the cooperation agreement to CISU via ‘Vores CISU’.

The cooperation agreement must contain the following 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”.

Furthermore, the cooperation agreement must contain the following 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.”

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.

The cooperation agreement formalises the intervention in question and should reflect the reciprocal nature of the partnership. Accordingly, it is important that it describes the responsibilities and obligations as well as the rights of all parties involved. CISU's website contains inspiration to draw up a cooperation agreement.

4.3. Disbursements

To request a disbursement, the format to this effect must be used (in Danish), which is available on www.cisu.dk/skemaer. The first instalment of the grant can be paid out no earlier than one month before the intervention begins, and only after CISU has received a signed grant contract from the Danish organisation. The cooperation agreement must have been submitted and approved before the second instalment can be disbursed.

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

The requested amount must adhere to the financing plan that was submitted as part of the grant application. If you wish to change the financing plan, please submit a new version, using the template on the disbursement format.

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 CISU closing days.

Please note that in the case of 'Support for Application Process', the amount granted will be paid out in a single instalment, which is why the full amount must be entered into the first disbursement request.

4.4. Bank account requirements

The grant funds must be distinguishable from the Danish applicant organisation's and the local partner organisation's other funds. This can be ensured either by setting up a separate bank account or by means of the accounting system used. However, if an organisation is receiving several grants funded by CISU and/or the Danish Ministry of Foreign Affairs, the same bank account can be used for all of them, as long as it is possible to differentiate between funds from each of the various grants.

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 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 the following:

- If salaries or fees for Danish staff are included in the budget, the organisation must be tax-registered in Denmark as appropriate.
- It is incumbent upon the Danish organisation to take out insurance for major project equipment, inventory, and staff to the extent possible both in Denmark and in the developing country of cooperation.
- 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. Financial management requirements – CISU's financial standards

Recipients of CISU grants must comply with CISU's financial standards, which are available on CISU's website. They specify the obligations of the Danish organisation and its local partner in relation to financial management, internal controls, etc., and they set out how to meet individual requirements. It is incumbent on the Danish organisation to inform the partner about the standards and to follow up in case the partner fails to live up to the requirements in force.

The financial standards are found in three versions according to the size of the grant: up to DKK 200,000; above DKK 200,000; and above DKK 1 million. Each implementing partner organisation must comply with the standard pertaining to the part of the budget for which it is responsible. The Danish organisation must adhere to the version of the financial standards corresponding to the largest grant that it holds or is applying for.

The Danish organisation must comply with the standards from the outset of the intervention. The local partner has six months from implementation begins to achieve compliance with the financial standards 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 financial standards with the local partner both during the application process and during implementation of the intervention to ensure that the financial standards are adhered to.

5. GRANT ADMINISTRATION

5.1. Changes in the intervention

Funds received from CISU 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 in the course of 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, partnerships or target groups of the intervention e.g., if there is a need to cancel or a wish to add activities that will affect the realisation of the objectives defined for 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 on 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 grant basis, e.g., change of partner, one of CISU's grant consultants must approve the change. In this case, CISU will need the original, 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. Finally, the Danish organisation must write a statement on 1-2 pages, outlining the background to the change. The documents that cannot be uploaded to “Vores CISU” must be sent to puljer@cisudk.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 in the course of 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.
- When reallocation concerns the budget for wages, other personnel expenditure² or auditing.
- Specific changes in regard to spending from the budget margin – elaborated in the next section.

Please note that no funds can be reallocated to main budget line 9: ‘Information in Denmark’. This is due to the fact that unbudgeted information funds have been transferred to CISU's Information Fund, and because one cannot receive more than 2% for project-related information in Denmark per grant. If planned information activities are carried out more economically than what was budgeted for, it is possible to transfer funds from budget line 9 to other budget lines. However, if the information activities are not implemented, the funds must be transferred to CISU.

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.

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

5.3. Spending of 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 need not be approved by CISU beforehand. However, you do need approval if you want to spend the budget margin on:

- Expanding or reformulating the intervention.
- Wages, other personnel expenditure³ or auditing.

Please note that no funds from the budget margin may cover expenditure pertaining to main budget line 9: 'Information in Denmark'.

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 (a long with a revised budget) and in the final accounts.

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 12) 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 should cover the Danish organisation's general additional administrative expenditure in connection with the grant. 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:

- Expenditure on administration and accounting for the organization itself (i.e., not related to project activities).
- Visits and supervision visits that are not part of the activity-specific supervision.
- Recruitment and selection of non-project staff.
- Contact/dialogue with CISU (other than participation in the coordination of activities funded by the project).
- Fundraising.
- Preparation of applications and negotiation proposals.
- Compliance with administrative and regulatory reporting tasks in relation to the organization (e.g.,

³ Special statutory personnel expenditure, such as taxes, social security contributions and the like, as well as local spending on insurance, safety training etc.

VAT, auditing of the organization's financial statements).

- General tasks with budgeting and accounting.
- The involvement of the organization'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. REPORTING, EXCHANGE OF EXPERIENCES AND EVALUATION

Having been awarded a grant from one of CISU's funds, you are committed to meeting a series of deadlines, all of which are to be found in the contract with CISU signed before the intervention begins.

If any deadlines are changed in the course of the intervention period, a confirmation of this will be sent via "Vores CISU" to the registered contact person.

6.1. Progress report

For interventions lasting 24 months or more, a progress report must be submitted halfway through the intervention period. The exact deadline will be set out in the contract with CISU and is to be found at "Vores CISU".

CISU's progress reporting format must be used, available on www.cisu.dk/skemaer. A signed version of the progress report must be uploaded to "Vores CISU".

Please note that in the case of Support for Co-Financing, progress reporting adheres to the format prescribed by the intervention's main donor.

6.2. Workshop for exchange of experiences

Every year, CISU hosts workshops aimed at exchanging experiences between all organisations that have been awarded a grant from one of CISU's funds. Organisations are required to take part once, if the intervention period is 12 months or longer.

CISU will send a workshop invitation directly to the contact person for the intervention. Members of the Danish organisation attending a workshop are expected to be deeply familiar with the intervention.

6.3. Final report

After the intervention has ended, a final report on the intervention must be submitted. CISU's format should be used and is available on www.cisu.dk/skemaer. A signed version of the final report must be uploaded to "Vores CISU".

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 help 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 and deadlines for each support modality in the table below.

Support modality	Reporting format	Deadline
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.	No later than one month after completing the intervention.
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. In the case of grants of more than DKK 2 million, an external evaluation of the intervention is attached.	Grant of up to DKK 200,000: no later than two months after completing the intervention. Grant of more than DKK 200,000: no later than six months after completing the intervention.
Support for Co-Financing	The final report submitted to the main donor is also sent to CISU. If it has not been drawn up 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.	No later than six months after completing the intervention.
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.	No later than one month after completing the intervention.

6.4. External evaluation

For grants above DKK 2 million, an external evaluation of the intervention is required. The external evaluation report is uploaded along with the final report to "Vores CISU" no later than six months after the intervention has been completed. The final report should address the findings and recommendations of the evaluation.

The evaluation must comply with Danida's minimum requirements as quoted here⁴:

- **Be independent:** the evaluation must be conducted by an external, independent person. Thus, support

⁴ The quote is from "General Principles Governing Support to Development Activities Implemented by Danish Civil Society Organisations". The latest version in Danish is from January 2016, but the latest version in English (which sets out the same minimum requirements) is from 2011 and [available here](#).

cannot be given for evaluations where the organisation's employees, members or others involved in the activities conduct the evaluation. However, it is possible to allocate resources in the budget for such persons to support the realisation of the external evaluation.

- Contain considerations relating to the DAC's evaluation criteria: relevance of the activity's objective, efficiency of resources in relation to result, effectiveness in relation to meeting goals, the direct and indirect impact of the activities and the sustainability of the activities. It will not be relevant in all cases to include all the criteria. However, it is important that the organisation makes it clear why certain criteria have been included while others have not.
- Have its report published on the Danish organisation's website. Moreover, the organisation must inform and submit the evaluation report to CISU, when it is published on the website.

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 200,000 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

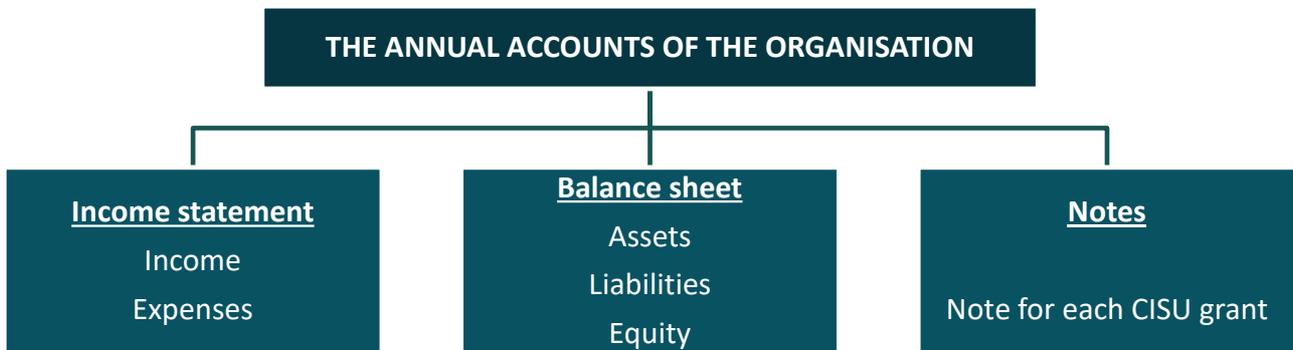
For **grants above DKK 200,000** the Danish grant-holder's annual organisational accounts must be uploaded to "Vores CISU".

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 to this effect.	The audit is carried out by an auditor appointed by CISU.	The accounts are submitted to the auditor no later than two months after the completion date. The audited accounts must be uploaded to “Vores CISU” no later than three months after the completion date.
Citizen Participation Interventions,	The final accounts are drawn up	The audit is conducted by an independent, certified	The audited accounts must be uploaded to “Vores CISU”

Development Interventions and Rebuilding Civic Space Interventions of more than DKK 200,000	adhering to CISU's format to this effect.	auditor who is appointed by, and signs an agreement with, the Danish organisation.	no later than six months after the completion date.
Support for Application Process	The final accounts are drawn up adhering to CISU's format to this effect.	<p>The management report must be signed by the organization's authorized signatories.</p> <p>The accounts for the Support for Application Process must be entered into the subsequent audited annual accounts of the organisation.</p>	The audited accounts must be submitted to CISU no later than two months after the completion date.
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>	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.

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. If there have been financial contributions to the intervention from sources other than CISU, these must be included under 'Other financial contributions'.

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:

- Note 1: **Disbursements from CISU.** The dates and amounts of all transfers from CISU to the organisation are written here.
- Note 2: **Specification of Danish payroll costs.** 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.

To be eligible for charging overheads, the organisation must use a time registration system, so that the actual number of person-hours used can be calculated, documented and approved. See the Budget Guide for more details on the requirements and tasks that can be placed on the budget and hence invoiced. **Be aware that it is not allowed to charge overhead on salary costs after 31 December 2021.**

- Note 3: **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 2020, this is DKK 14,100) 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.

- **Note 4: 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.
- **Note 5: Accounts between the grant-holder and CISU.** This note calculates if there are any unspent funds after the grant period has expired 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, unspent funds, interest 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 activities and the likes as part of the interventions, if this is approved by CISU. Such approval is obtained by uploading a budget change request to "Vores CISU" well in advance of the end of the intervention using the form "Request for change of intervention, intervention period and/or budget" available on www.cisu.dk/skemaer.

Interests paid in Denmark can be covered by the budget margin and should be entered into the final accounts under Activities.

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” (auditing).

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 instruction manual of the Danish Ministry of Foreign Affairs for grants under DKK 500,000.

No later than two months after the completion date of the intervention, the following documents are forwarded to the auditor:

- Completed accounting format
- Completed audit checklist for grants up to DKK 200,000, which is available on www.cisu.dk/skemaer
- Documentation as per the audit checklist
- Original vouchers (receipts) as per the audit checklist (both electronically as pdf files and physically by letter)
- Copy of final report

CISU sends the auditor an email message about the grant, including the contract and approved application.

As you submit the aforementioned material, you agree a final deadline for auditing the final accounts with the auditor. The deadline for submitting the final audited accounts to CISU is three months after the completion date of the intervention.

The auditor returns the final accounts in an audited state to the organisation, which must then be uploaded 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 receipts.

CISU reserves the right to inspect samples of receipts at any time, regardless of the audit etc.

7.2.4. Audit of final accounts for grants of more than 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 instruction manual for grants of below or over DKK 500,000, depending on the amount 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 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.

CISU reserves the right to inspect samples of receipts at any time, regardless of the audit etc.

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 country of cooperation.

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 country of cooperation.

For grants being paid out over several years, it is *recommended* that an *annual* audit of the grant is conducted by an independent, certified auditor in the country of cooperation.

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

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.

- If cases arise regarding sexual harassment, exploitation, and abuse (SHEA) within the partner organisation(s).

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.