

Budget Guide  
The Civil Society Fund

# GUIDE TO BUDGET PREPARATION FOR THE CIVIL SOCIETY FUND



*Photo: Pernille Bærendtsen*

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## 1. VALIDITY OF THE GUIDE

This guide is valid for:

- Preparation of budget for applications to the Civil Society Fund

**Please note** that the guide will be continuously updated if the rules are changed, or if anything in the text turns out to be unclear. Your organisation is responsible for always using the latest version.

## 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 a budget in connection with applications to the Civil Society Fund.

Please note that the requirements for managing the budget are found in the Guide to the Management of Grants from the Civil Society Fund available on CISU's website, henceforth also referred to as the 'Grant Management Guide'.

## 3. GENERALLY ABOUT BUDGETS FOR PROJECTS

When applying for funding from the Civil Society Fund, a budget must be prepared according to the corresponding format available on CISU's website.

The budget must be drawn up in Danish kroner (DKK).

The budget should contain all project-related costs, which must be presented in a clear and transparent manner. It is important for the assessment of the application that the budget is easy to understand.

The assessment of the application will set store on the budget corresponding closely to the description of the project. It will also be considered important that the costs of the project are reasonable and well justified in view of the activities to be carried out and the results and/or changes expected to be achieved.

When writing the application, it should be ensured that all budget items are described and explained in the actual application text so that the application and budget easily can be linked. If your application includes outputs/outcomes, please refer to the same output/outcome numbers in the application text and in the budget format for easy reference. Large or unusual expenses have to be justified – both in the application and in the budget notes. Examples of points likely to invite to scrutiny are salaries of Danish personnel, major purchases or investments, as well as a relatively high proportion of the combined budget being composed of items such as salaries, local administration and travel.

### 3.1. FAIR, TRANSPARENT AND REASONABLE COST ALLOCATION

For some types of costs, it is only relevant to apply for a part of the cost to be covered by the Civil Society Fund. This could be where a cost is attributed to:

- The Civil Society Fund project and other projects
- The Civil Society Fund project and the organisation in general
- More than one budget line
- More than one partner

In such cases, you must use a cost allocation key to allocate the cost. It is required that the cost allocation is **fair, transparent and reasonable**. Cost allocation could be based on e.g., time registration-keys, full time equivalents, head counts, pro-rata, vehicle usage register etc.

Remember to specify in the budget notes in a clear manner how the cost is allocated as the Civil Society Fund's Assessment Committee as part of the assessment of the project is to evaluate if the cost allocation is fair, transparent, and reasonable.

Example 1:

A Danish partner's project manager spends all her time on a CSF project. Her time is spent on: a) activities and project monitoring and b) project support.

Cost allocation could be:

Budget line 6: The project manager's workhours (for a specific period) spent on a) divided by the project manager's total workhours (for the same period)

Budget line 7: The project manager's workhours (for a specific period) spent on b) divided by the project manager's total workhours (for the same period)

Example 2:

A cost needs to be allocated among a CSF project and a non-CSF project. This could be the Danish project manager's activity specific travel cost for a visit to two different projects, a CSF project and a non-CSF project.

The project manager spends:

5 days of 7 traveling days where she works equally with a CSF project and a non-CSF project.

2 days of 7 traveling days where she works only with a non-CSF project.

Cost allocation could be:

Fair share for CSF project:  $5/7 * 0,5 = 0.36$

Fair share for the non-CSF project:  $5/7 * 0,5 + 2/7 = 0.64$

In this way, the CSF project will pay 36 % of the Danish project manager's travel costs and the non-CSF project will pay 64 % of the travel costs.

Example 3:

A part of project support costs needs to be allocated to a CSF project. This could be office costs including rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance etc.

Cost allocation could e.g., be:

Based on '**head counts**': 2 of the 3 employees in the organisation works on the CSF project i.e.,  $2/3 = 67\%$  of the cost is allocated to the CSF project.

Based on '**full time equivalents**': 2 of the 3 employees in the HQ works on the CSF project. One of the employees works part time on the CSF project (32 hours/week with 37 hours/week being full time i.e., equivalent of 0,86 full time) and the other employee works full time on the CSF project. The third employee works full time on another project. Therefore, 1,86 of in all 2,86 full times positions is spent on the CSF project = 65 % of the costs is allocated to the project.

Based on '**time registration-key**' (i.e., estimated use of hours): 2.892 workhours of in all 4.520 workhours are estimated to be spent on the project i.e.,  $2.892/4.520 = 64\%$  of the costs is allocated to the project.

Fairness:

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

\* pro rata (e.g. head counts or full time equivalents) can only be used in the budget. In the accounts, wage costs MUST be based on ACTUAL COSTS (i.e. documented by paychecks or by a time registration system).

## 4. BUDGET FOR CIVIL SOCIETY FUND PROJECTS

The same budget format is used when applying for Small-Scale Interventions, Citizen Participation Interventions, Development Interventions, Civic Engagement Interventions and Rebuilding Civic Space Interventions. It is available on CISU’s website. This is an Excel file containing five spreadsheets.

- **Spreadsheet 1** (Budget), **Spreadsheet 2** (Budget notes & calculations) and **Spreadsheet 4** (Financing plan) must be filled in by all applicants.
- **Spreadsheet 3** (DK workhours) must be completed if the budget contains salaries of staff or volunteers from Denmark taking on relevant professional tasks.
- **Spreadsheet 5** (Budget summary) automatically generates an overview of the main lines in the budget.

Line ref.	Description (activity, item etc.)	Total budget, DKK	Project funding	
			From the Civil Society Fund, DKK	From other financial sources, DKK

The five spreadsheets will be presented in the following sections.

### 4.1. SPREADSHEET 1: BUDGET

All budget items in the project are entered into spreadsheet 1.

It is important that you only type in the white cells of the budget format, since all the coloured cells contain formulas. For example, you should not type directly in the column “Total budget, DKK”.

This is how each column should be filled out:

- **Line reference:** Each line in the budget must be given a **sequential** number.
- **Description (activity, item etc.):** Each budget line must have a **description** of the activity and item included. If your application includes outputs/outcomes, please refer to their numbers in the description for easy reference.

- **Project funding:** The project funding covers the sources of funding for the project. This amount must be equal to the total budget.
- **From the CSF Fund, DKK:** Amounts applied for to the Civil Society Fund are entered into the column “From Civil Society Fund, DKK”.
- **From other financial sources, DKK:** If there are other financial contributions to the project, they should be written in the column “From other financial sources, DKK” (read more about this in section 7).

Example of how spreadsheet 1. Budget could be filled out:

<b>Budget Format for the Civil Society Fund</b>				
Help is available in "Guide to Budget Preparation" at <a href="http://www.cisu.dk/skemaer">www.cisu.dk/skemaer</a>				
<b>Strong Youth-led CSOs</b>				
All budget items must be numbered. You may add lines under one or several main budget lines if necessary.				
Line ref.	Description (activity, item etc.)	Total budget in DKK	Project funding	
			From the Civil Society Fund, DKK	From other financial sources, DKK
<b>1. Local partner activities</b>				
	Specific objective 1. To increase knowledge and strengthen capacity of urban youth-led CSOs	-		
	Output 1.1. 96 CSO staff representing 32 urban youth-led CSOs have been trained through the Youth Academy	-		
1.1.	Activity 1.1.1. Customize Civil Society Strengthening tool kit	18.250,00	18.250,00	
1.2.	Activity 1.1.2. Facilitate physical Youth Academy	255.413,00	55.413,00	200.000,00
	Output 1.2. 16 urban youth-led CSOs have been supported to implement action plans for organisational resilience	-		
1.3	Activity 1.2.1. CSO participatory planning and mentorship for organisational resilience	7.200,00	7.200,00	
1.4.	Activity 1.2.2. Civil society strengthening flex funds for CSOs	160.000,00	160.000,00	
<b>1. Subtotal</b>		<b>440.863,00</b>	<b>240.863,00</b>	<b>200.000,00</b>

#### 4.1.1. Mail Budget Lines

The budget consists of several main budget lines. All expenses that are paid by the local partner must be budgeted on the budget lines of the local partner. All expenses paid by the Danish partner must be budgeted on the budget lines of the Danish partner.

#### Budget line 1: Local partner activities

All expenses directly related to the implementation of activities and paid by the local partner must be budgeted under budget line 1.

Activities must be structured in accordance with the objectives defined for the project. In the case of activities aimed at pursuing several objectives at the same time, the activity costs should be divided between the various objectives. This presentation will help reveal where the emphasis of the project has been placed financially. However, if the number of activities is very high, it may be helpful, for the sake of clarity, to gather related activities under a single budget line, and then elaborate on the various expenses making up the total amount in a budget note (spreadsheet 2). Read more about budget notes in section 4.2.

Example of how specific objectives (outcomes) can be broken down into outputs and activities can be found above.

### **Budget line 2: Local partner investments**

All purchases of material in support of activities and paid by local partners are entered here. Investments include major procurements that are not just consumed as inputs to the realisation of activities. For example, seeds and teaching materials will be budgeted as activity expenses, whereas vehicles and IT equipment will be seen as investments. The purchase of land and real estate cannot be supported.

### **Budget line 3: Local partner staff and volunteers**

Salaries for local staff and volunteers related to project activities and managing hereof that are paid by the local partner can be applied for. In principle, salary of permanent staff (e.g., project coordinator, accountant) must be entered here.

Specify for each position (e.g., in a budget note (spreadsheet 2)):

- Position, percentage of full-time position, number of hours and wage.
- Other employment costs

It must be stated what percentage of the salaries of the staff involved will be covered by the Danish fund, and for instance whether it is a part-time job, or whether the employee's combined wage is covered by several sources of income.

Attention must be paid to local labour rules, including hiring, salaries, notice of termination, compulsory healthcare contributions, payment for a 13th month, etc. This ought to be raised with the local partner who knows the local rules. In the case of projects lasting several years, it will also be a good idea to consider possible salary rises and adjustments during the project period.

Salaries 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 the salary levels.

### **Budget line 4: Local partner administration**

The local partners' costs for the administration of the project activities must be budgeted on budget line 4 (e.g. rent, insurance, phone, internet, etc.). It is important that the local partner provides the necessary insurance for staff, equipment, etc. The costs must be paid by the local partner.

These costs must be calculated and documented as a 'fair share' of the local partner's administrative and operational costs. By 'fair share' is understood a transparent and reasonable cost allocation mechanism e.g. through pro rata or similar.

Budget line 4 must also cover **auditing expenses** paid by the partner in the partner country.

Grants above DKK 500,000 are required to have an audit performed in the partner country. The same procedure is recommended for grants between DKK 200,000 and 500,000. For grants lasting several years, it is recommended that an audit is carried out in the partner country *every year*.

Read more about auditing requirements in the Civil Society Fund's Grant Management Guide available at CISU's website.

### **Budget line 5: External evaluation**

This budget line includes costs related to the external evaluation which are either paid by the Danish partner or by the local partner.

Salaries for resource persons from the Danish partner is budgeted on budget line 7.

If any expenses related to the external evaluation are paid by the local partner, e.g., salaries for resource persons, these expenses must be budgeted on budget line 3.

It is possible to apply for coverage of the salary or fee of an external consultant and the same types of expenses as in the case of Danish project monitoring (budget line 6).

For grants above DKK 2 million, an external evaluation is mandatory. For grants of DKK 2 million and below, it may also be useful to plan for the project to include an external assessment, say, a midterm review or a final evaluation. The intention to conduct an evaluation must be justified in the application, and the cost is expected to be commensurate with the size of the project.

Evaluations must comply with the following standards:

- Be independent: The evaluation must be conducted by an external, independent person. Thus, support cannot be given for evaluations where the organisations' employees, members or others involved in the activities conduct the evaluation.
- Contain considerations relating to the DAC's evaluation criteria: Relevance of the objective; efficiency of resources in relation to results; effectiveness in relation to meeting goals; direct and indirect impact; and sustainability of the activities. Although not all the criteria will be relevant in all cases, it is important that the organisation makes it clear why certain criteria have been included while others have not.
- Be published on the Danish organisation's website. Moreover, the organisation must submit the evaluation report to CISU, and notify CISU when it is made available on the website.

Please note that when the Danish partner and the local partner carry out an **internal evaluation** of the project, the costs must be entered under

- **Budget line 6. DK partner activities & project monitoring:** Costs related to Danish participation and paid by the Danish partner.
- **Budget line 1. Local partner activities** or budget line **3. Local partner staff and volunteers:** Costs related to local partner participation and paid by the local partner.

### **Budget line 6: DK partner activities & project monitoring**

*Direct costs* that are paid by the Danish partner and that can be *directly* linked to the activities of the project must be budgeted on budget line 6.

These costs may be:

- Project activities including activity specific capacity building, advocacy, policy work, strategic service delivery etc.
- Project specific investments i.e., purchase of physical assets for project specific activities (e.g., IT equipment).
- Project management and ongoing supervision of implementation and progress in cooperation with the local partner, including project specific:



- Professional advice, support and capacity building of local partners and other relevant actors
- Professional support for partners' administration and accounting.
- Technical assistance, monitoring and compliance.
- Monitoring of ongoing projects, including monitoring visits and reporting.
- Support for volunteers' involvement in monitoring and reporting.
- Evaluation of ongoing activities.

Project monitoring is required (cf. CISU's financial standards) and it may be carried out by employees and members of the Danish partner.

It is possible to apply for funding of salaries or fees for participation in project monitoring by the Danish partner's employees or volunteers. More detailed guidance and requirements are set out in section 4.3 Danish workhours.

### Travel expenses

- Travel expenses must be budgeted as economically as possible.
- The number of travelers and trips must be limited to those necessary.
- Per diem and mileage allowance cannot exceed the rates for business travel laid down by Denmark's Ministry of Finance. A link to these rates is available at CISU's website.
- 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 project may not be used privately of employees but is to be included in the discounting of other travels as part of the project.
- Cancellation and travel insurance for both employees and volunteers should be included in the budget.

### Budget line 7: DK partner project support costs

*Project support costs* that are paid by the Danish partner must be budgeted on budget line 7. These costs *support* the implementation of the project and are not costs that cover the direct implementation of the project activities.

Such indirect project support costs will typically cover the following areas:

- Management of project staff.
- Coordination and support of volunteers' involvement in project activities.
- Planning (such as a new phase of ongoing projects), coordination of project activities and preparation of project documentation.
- IT equipment for project supporting functions.
- Recruitment of project specific staff.
- Project specific studies, reporting, finance and procurement tasks. This includes reporting concerning the project to CISU (e.g. status reports, final reports and final accounts).
- Project specific advisory and support to local partners (i.e. supporting local operational capacity and localisation).
- Fair share of necessary personnel related costs (for essential project supporting staff and functions)

e.g. social security, HR, security and finance) through time registration or transparent reallocation keys.

- Fair share of project supporting cost functions at HQ as well as local or regional country office, through reallocation keys (e.g. warehouse and office costs including rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance, payroll, procurement).
- Involvement of human resources in connection with external evaluations, though not to conduct the evaluations as such.

### **Budget line 9: Project related information (PRI)**

It is possible to apply for funding for information activities in Denmark related to the project, including Danish workhours. The amount applied for cannot exceed 2% of budget line 8 “Total activities costs” in the budget format.

In the budget format, there is a control field that shows the maximum amount you can budget with.

If you choose not to apply for the 2% allocation to information, the money will be diverted into a shared pool called the Information Fund, to which all CISU member organisations may apply for funding of information work.

### **Budget line 11: Budget margin**

The budget should contain a margin amounting to a minimum of 6 % and a maximum of 10 % of budget line 10 “Total project costs”. The budget margin may be used to cover unforeseen expenses on some of the other budget lines, such as increases in prices, wages, exchange rates and interest costs in Denmark (due to negative interest rates on Danish deposit accounts).

In the budget format, there is a control field that shows the minimum and maximum amounts you must budget with.

See the Civil Society Fund’s Grant Management Guide for the requirements regarding spending of the budget margin, including when it is necessary to request prior approval.

### **Budget line 12: DK partner auditing**

The final accounts regarding grants above DKK 200,000 must be audited by a chartered or state-authorized auditor who should be appointed by the Danish partner.

The budget for auditing in Denmark must cover:

- the costs of auditing the project’s final accounts
- the part of the organisation’s yearly general accounts that concerns the interim accounts of the grant.

The audit of the rest of the organisation’s yearly general accounts cannot be covered by budget line 12 but must be financed through budget line 14: Administration in Denmark.

Auditing costs in the partner country must be charged under budget line 4: Local partner administration.

The total auditing costs in Denmark and in the partner country should normally be kept at between 2 and 3 % of the total grant. It should be noted, however, that for small projects, the cost of auditing will typically be relatively higher than the cost of large projects. If the cost of the audit is higher than 2-3%, this must be justified in the budget notes.

Please note that, in the case of grants of DKK 200,000 or less, audit fees are paid by CISU, and hence omitted in the budget.

The Civil Society Fund's Grant Management Guide and the Audit Instructions detail the audit requirements in Denmark and in the partner country.

#### **Budget line 14: Administration DK partner**

7 % of total costs (budget line 13) may be set aside for administration in Denmark. The administration fee should cover the Danish organisation's general additional administrative costs in connection with the approved project, when these do not pertain to any of the other budget items. Such costs may include:

- Administration and accounting of the organisation itself (i.e. not related to project activities).
- Visits and monitoring visits that does not form part of activity-specific monitoring.
- Recruitment and selection of personnel unrelated to any specific intervention.
- Contact/dialogue with CISU (other than participation in coordination of activities financed under the project 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 budgeting and accounting tasks.
- The organisational leadership's involvement in the development cooperation (leadership refers to members of the various governing bodies).

In the budget format, there is a control field that shows the maximum amount you can budget with.

See the Civil Society Fund's Grant Management Guide for more on the requirements regarding spending of the item 'Administration in Denmark'.

#### **Disability compensation**

For all projects it is possible to budget for additional expenses associated with activities directed at people with disabilities, such as sign-language interpreting, Braille printing, extra transport costs, and comparatively more expensive training facilities to ensure accessibility. Likewise, additional expenses may be associated with sending out Danish personnel with disabilities, e.g. to cover the cost of helpers.

The relevant expenses should be registered under budget item A-E in the bottom of Spreadsheet 1. Budget in the budget format.

Please note that expenses for disability compensation will be supplementary to the grand total amount applied for. In this way, the sum of the grand total and the expenses for disability compensation can exceed the usual maximum amount for the modality.

## 4.2. SPREADSHEET 2: BUDGET NOTES & CALCULATIONS

Budget notes help ensure that the budget can be understood by those who are going to use it. Moreover, they are important to enable an assessment of the cost level of the project, which is factor in the decision of whether to approve or reject the application.

Accordingly, items calling for further explanation must be described in the budget notes. These can be, for example, what a unit is to be used for or what it covers. Importantly, significant costs indicated in the budget need to be specified in the notes in terms of a calculation of unit costs, number of units, number of times (frequency) and total amount.

The terminology used in the budget notes is explained here:

- **Unit type** is the basis for calculating the cost of the budget line. It helps to think about how this will be charged (by person, by item, by day/month).
- **The number of units** describes how many of the items described in the unit type column are needed.
- **The number of times (frequency)** describes the number of times the unit will be used / the unit will take place.
- **Unit cost** is the price of one unit of the unit type.
- **Total budget** is calculated by multiplying the numbers in the three previous columns together (no. units x frequency x unit price).
- **Notes and assumptions** must explain where the costs or quantities came from or what assumptions were made. The notes are very useful to help the reader understand the budget.

*Example of how spreadsheet 2. Budget notes & calculations could be filled out:*

Line ref.	Notes and assumptions	Unit Type	No. of units	No. of times (Frequency)	Unit cost, DKK	Total budget, DKK
<b>1.1</b>	<b>Activity 1.1.1. Customize Civil Society Strengthening tool kit.</b>					<b>18,250</b>
	Fees for 2 consultants one day	Fee	2	1	9,125	18,250
<b>1.2.</b>	<b>Activity 1.1.2. Facilitate physical CS Strengthening Academy</b>					<b>256,221</b>
	Stationary materials for 48 persons	Stationary	48	1	38	1,824
	Accommodation for 48 persons in 21 days	Accommodation	48	21	113	113,904
	Meals and refreshments for 48 persons in 21 days	Meals	48	21	94	94,752
	Travel refund - Kampala (24 persons x 3 trips)	Travel	24	3	94	6,768
	Travel refund - Arua (24 persons x 3 trips)	Travel	24	3	275	19,800
	Technical fee for 1 consultant in 21 days	Fee	1	21	913	19,173
<b>2.1.</b>	<b>Activity 2.1.1. Physical trainings</b>					<b>30,860</b>
	* 3 trainings of 60 persons of 5 days each: Meals for 60 persons: 20 DKK per day Fee for 2 trainers: 260 DKK per day Fee for 2 volunteers: 40 DKK per day Transport for 60 persons: 20 DKK per day * Stationary in total: 260 DKK.	Training	1	3	10,286,67	30,860

### 4.3. SPREADSHEET 3: DK WORKHOURS

Spreadsheet 3 'DK workhours' must be filled out if the budget covers salaries or fees for permanent employees, temporary employees or volunteers of the Danish partner. If the project is implemented together with another Danish partner, this partner can also fill out 'Danish workhours'.

It is not possible to establish an exact ceiling for the proportion of a grant that may be spent on remunerating Danish personnel. However, the Danish workhours will be assessed paying attention to the following aspects:

- The need for Danish labour should be justified by the needs of the local partner or target group.
- There must be reasons not to hire local people to carry out the task.
- The Danish input funded by the project should not give rise to dependency on the Danish partner.

#### 4.3.1. Filling out spreadsheet 3

All Danish workhours must be budgeted on either budget line 6. DK partner activities and project monitoring, 7. DK partner project support costs or 9. Project related information (PRI). See the sections above for details on what payroll expenses can be included under these main budget lines.

Remember to complete the cells under 'activity' and 'description of assignment' in spreadsheet 3, thus declaring what each person will contribute with.

A	B	C	D	E	F	G	H	I	J
1	<b>Danish partner work hours</b>								
2	This section must be filled out if the budget includes salaries or allowances for personnel or volunteers from the Danish partner(s).								
3	6. DK partner activities & project monitoring								
4	Salaries (DK HQ and local, documented by time registration or similar)								
5	Activity (specify budget item)	Name of employee / volunteer	Descriptions of Tasks	Title	Hourly fee, DKK	Number of hours			Total Fee
6						Hours - abroad	Hours in Denmark	Hours total	
7									
8									
9									
10									
11									
12									
13									
14									
15									

#### 4.3.2 Requirements for budgeting with Danish work hours

Please note that if salaries or fees for Danish personnel / volunteers are included in the budget, it is incumbent on the organisation to be tax-registered and declare its accounts to the Danish tax authorities in keeping with current rules.

The Danish partner as well as any Danish partner organizations are also responsible for the necessary insurance of staff and volunteers who participate in the project.

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

- All Danish salaries must be presented in the budget with reference to individual activities and must subsequently be documented in accounts and reporting on the activity concerned.
- The hourly rate for permanent, temporary or voluntary staff may not exceed:
  - Their current salary level i.e., actual salary cost as well as related expenditures e.g., pension and social security.
  - The salary level for public employees in similar positions.

- The salaries of local staff at field offices cannot exceed the average level for equivalent organisations in the same country.

#### **4.4. SPREADSHEET 4: FINANCING PLAN**

In the budget format's spreadsheet 4, a financing plan should be filled in. The financing plan must show when and in what instalments you expect to request disbursements of the grant. If, during implementation, the need arises to change the financing plan, a new version must be submitted to CISU. See requirements regarding disbursement requests and financing plan in Civil Society Fund's Grant Management Guide.

#### **4.5. SPREADSHEET 5: BUDGET SUMMARY**

After spreadsheet 1 in the budget format has been filled out, a Budget Summary is automatically generated in spreadsheet 5, which provides an overview of the main budget lines.

Spreadsheet 5 is for CISU's internal use and you may not write or edit in this spreadsheet.

### **5. BUDGET FOR SUPPORT FOR APPLICATION PROCESS**

When applying for Support for Application Process, the budget format to that modality should be used. The format is available on CISU's website. The budget should be denominated in Danish kroner, DKK.

The format is an Excel file with three spreadsheets: 1. Budget, 2. Budget notes & calculations, and 3. DK workhours. The three spreadsheets are explained in the sections below.

#### **5.1 SPREADSHEET 1: BUDGET**

Through the modality Support for Application Process, it is possible to request up to DKK 50,000 to cover all types of relevant costs of drafting an application for grants not funded by The Danish Ministry of Foreign Affairs. The amount applied for to the main donor must be at least DKK 400,000. Below, each budget item is explained:

##### **Budget line 1: Salaries or fees**

Relevant costs of salaries or fees for the partners involved in the application. See the rules regarding Danish work hours in section 4.3.

##### **Budget line 2: Specific activities**

Spending on relevant activities, such as workshops, surveys or the like carried out in connection with the application process.

##### **Budget line 3: Travel**

Airfares must be priced at no more than economy class, and accommodation at no more than a normal tourist-class hotel. See the rules for travel expenses under budget line 6 explained above.

##### **Budget line 4: Budget margin**

The budget margin must be maximum 10 % of lines 1-3 in the budget. The budget margin may be used to cover unforeseen expenses on some of the other budget lines, such as increases in prices, wages, exchange rates and interest costs in Denmark.

### **Budget line 5: Administration**

The administration cannot exceed 7 % of lines 1-4 in the budget. See what can be included under administration under budget line 14 explained above.

## **5.2 SPREADSHEET 2: BUDGET NOTES & CALCULATIONS**

Budget notes help ensure that the budget is understandable to those who are going to use it. They are also important to estimate the project's cost level, which is a factor in the assessment of the application.

Accordingly, budget items in need of further explanation must be described in the budget notes. For example, what purpose a unit will serve, or what is covered by a certain concept. Moreover, the budget notes should elaborate upon significant expenses in the budget in terms of calculating cost per unit, number of units, frequency and total amount.

See example of budget note in section 4.2.

## **5.3 SPREADSHEET 3: DK WORKHOURS**

Please refer to section 4.3.

## **6. BUDGET FOR SUPPORT FOR CO-FINANCING**

When applying for Support for Co-Financing, the budget format for the Civil Society Fund should be used. The format is available on CISU's website and must be in Danish Kroner, DKK.

The budget must show the amount requested from the Civil Society Fund broken down by the fund's main budget lines. Therefore, you do not need to specify the expenses under each main budget line, but only enter the sum of the main budget line on Spreadsheet 1. Budget. See section 4.1 for more detailed description of the main budget lines.

It may be relevant to add budget notes to those items that require further explanation. To this end, please click on the **second tab** in the budget format. See section 4.2.

The other spreadsheets in the budget format should not be filled out.

## 7. SELF-FINANCING AND OTHER SOURCES OF FUNDING

Under the Civil Society Fund, full financing can be applied for to cover all types of projects, though it is also possible to supplement the grant with other resources to increase the overall budget of the project. This may be in the form of **self-financing** (the Danish organisation's and/or its local partner's own financial contribution to the project) or **other external financial contributions** towards the project that top up the amount applied for to the Civil Society Fund.

Such other sources of finance should only be set out in the application and its budget if they contribute towards covering the costs of activities specified in the budget. If other financing is allocated to the project, it must be briefly set out in the application, budget, and reporting. The application must also spell out whether this additional financing has been secured at the time of submitting the application. If this is not the case, it must be explained why it is considered to be realistic to raise the funds.

If the other source of funding is a prerequisite for implementation of activities, CISU can only give final approval of the application when the applicant certifies that the other funding has been secured.

The budget should only include financial resources (*cash contributions*):

- 1) whose availability has already been secured or is considered realistic to obtain,
- 2) which can be entered into the project accounts, and
- 3) which will appear in the final audited project accounts.

Wages or lost earnings that are not actually entered into the accounts, as well as the value of voluntary work and other in-kind donations, cannot be written into the budget. Nevertheless, information about such added resources is relevant, and can be provided in a budget note or at the end of the application's section on strategy.

Other financial contributions or self-financing that might be obtained but have yet to be secured at the time of application can also be described in the section on strategy and subsequently in the final narrative report.

### Budgeting

Other financial contributions and self-financing are budgeted in the column "From other financial sources, DKK".

	Total budget, DKK	Project funding	
		From the Civil Society Fund, DKK	From other financial sources, DKK
1. Description	-	-	-
1.1	-		



There are two ways to enter other financial contributions and self-financing into the budget:

1) *As a certain percentage of all the various budget items.*

In the example below, the amount financed by other sources is spread equally across all budget items, i.e. making up a fixed contribution of 10%.

	Total budget, DKK	Project funding	
		From the Civil Society Fund, DKK	From other financial sources, DKK
1. Local partner activities	207,500	186,750	20,750
2. Local partner investments	37,800	30,240	3,780
3. Local partner staff and volunteers	108,000	97,200	10,800
4. Local partner administration	74,000	59,200	7,400

2) *As coverage of particular expenses (investments, specific salaries or the like)*

In the example below, the amount financed by other sources is earmarked for investments.

	Total budget, DKK	Project funding	
		From the Civil Society Fund, DKK	From other financial sources, DKK
1. Local partner activities	207,500	207,500	-
2. Local partner investments	37,800	-	37,800
3. Local partner staff and volunteers	108,000	108,000	-
4. Local partner administration	74,000	74,000	-