

THE CIVIL SOCIETY FUND
PROGRAMME

GUIDE TO PROGRAMME BUDGET 2021

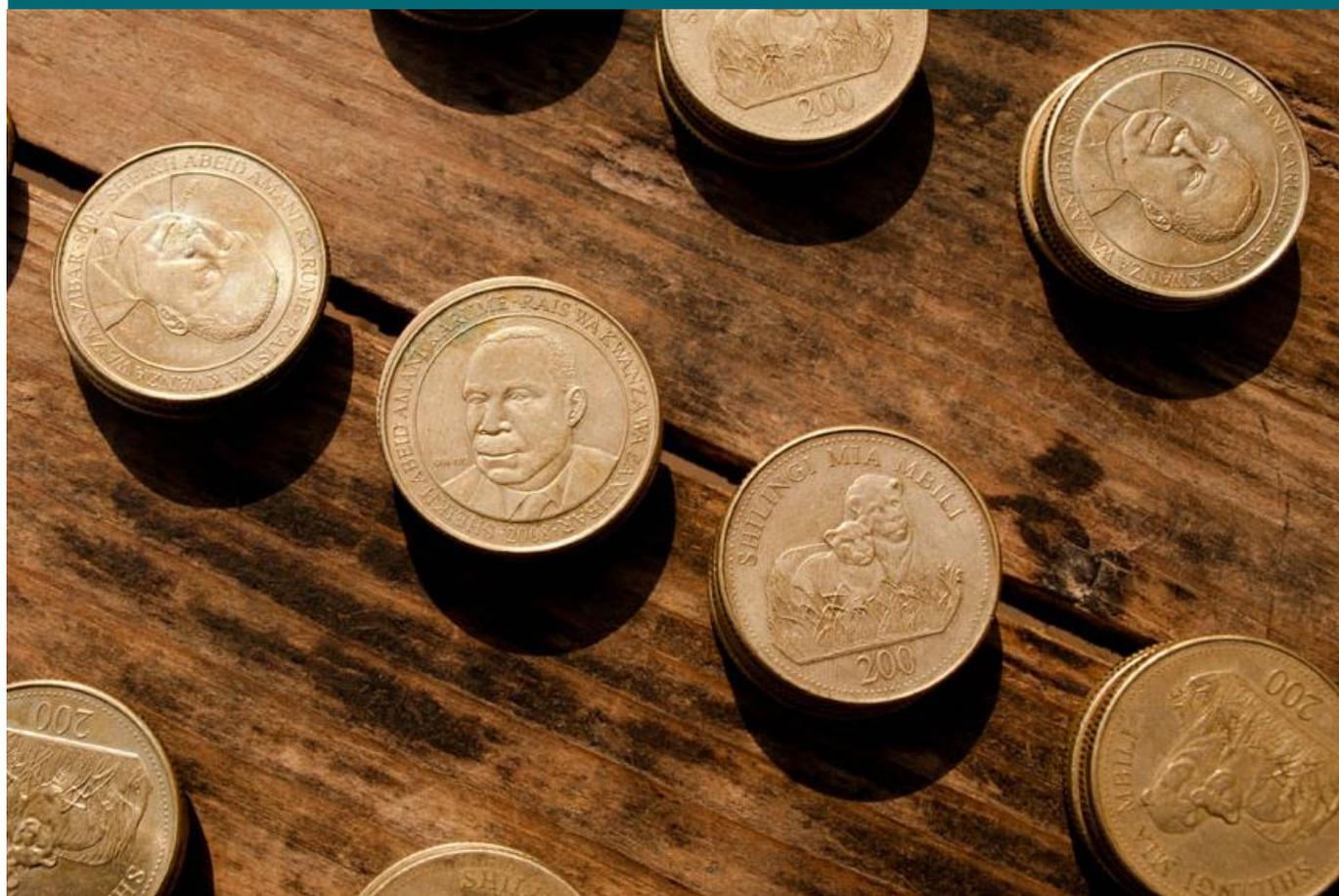


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1. VALIDITY OF THE GUIDE

This guide is valid for:

- Preparation of budget for programme applications to the Civil Society Fund (CSF) in 2021.

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 on CISU's website.

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 outcome 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 of 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 second year of the program period, the organization is obliged to carry out a mid-term review of the program. 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 section 3, Travel Expenses.

Danish Payroll costs

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 with reference to individual activities (i.e., [tab '1D. Danish payroll costs'](#)) 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 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 applied 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 partner

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

'Independent' in relation to implementing partner is to be 'Independence' 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 programme organisation is a member.

4.2. The cost categories relevant for 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 applicant/programme organisation are seen as part of the applicant's organisation cf. section 4.1.

A1 and A3: Direct activity cost vs. direct support cost

The cost categories A1 and A3 are both:

- Direct costs i.e., costs that are *directly 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 direct activity costs i.e., costs *directly linked* to the implementation of programme activities.
- A3 is both direct programme and 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: Direct support cost vs. indirect support cost

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 in Denmark directly related to the programme.

The maximum annual budget of cost category A5 is 2% of PPA funded by CSF i.e., the sum of the cost categories A1, A2 and A3 in the CSF budget.

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 including budget margin

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.

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

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 organisation'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 'II. Total Direct Cost Budget' in the CSF budget (cf. tab '1A. Résumé' 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 (i.e., A2 costs) as well as in the applicant's/grant holder's budget (i.e., A1 and A3).

A cost allocation mechanism is applied when a cost attributed to more than one cost objects. 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.

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 HQ 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 in the HQ 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 in the HQ works on the programme. One of the employees in HQ 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 (e.g., 75 %) it cannot be applied.

On page 16 it is shown how the above allocation mechanisms may be applied in the tab '1C. Detailed budget'.

5. PROGRAMME BUDGET FORMAT

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

- 1A. Resumé.
- 1B. Own and co-financing.
- 1C. Detailed budget.
- 1D. Danish payroll costs.
- 2. Detailed budget for partner. (Optional to use)

Tabs 1A to 1D are mandatory to fill out and submit as part of the programme application.

Tab '2. Detailed budget for partner' is an optional tool you may use to convert partners budgets from local currency into DKK and is not so be submitted as part of the programme application.

There are cells that are automatically calculated in all the tabs. These cells are either blue or green. Please be aware not to write in blue or green cells.

5.1. TAB 1A. Resumé

Insert the name of the applicant (i.e., organisation's name) and the programme title where indicated in row 6 of the format.

Turnover Budget – CSF and co-financing

The first part of the Tab 1A. Resumé contains the Turnover Budget cf. below:

7	Budget in DKK						
8		Total all years	2022	2023	2024	2025	% of PPA
9	Turnover Budget - CSP and co-financing						
10	A. Expected Liquid Funds (funds raised in Denmark)	0	0	0	0	0	#DIVISION/0!
11	B. Programme CSP Funds	0	0	0	0	0	n/a
12	C. Expected Co-financing	0	0	0	0	0	#DIVISION/0!
13	D. TOTAL	0	0	0	0	0	

The turnover budget gives an overview of all the funds that are expected to be used in the programme i.e., both CSF-funds and co-financing.

No specifications are to be made in the turnover budget as it is automatically calculated from:

- CSF Budget - Outcome and Cost Category breakdown in tab '1A. Resumé'.
- Tab '1B. Own and co-financing'.

The % of Liquid Funds (raised in Denmark) and Co-financing, respectively, are also automatically calculated cf. the blue cells in the example below:

15	Liquid Funds (funds raised in Denmark) (A) in % of PPA	6%	3%	8%	8%	8%
16	Co-financing (C) in % of PPA	21%	18%	18%	23%	23%

Please note, that in tab '1A. Resumé' Liquid funds and Co-financing are only included in the 'Turnover Budget'. All other tables in the resumé only relate to CSF funding.

CSF Budget – Outcome and Cost Category Breakdown

This table *only* relates to the funding that you are applying CSF for i.e., the CSF Budget.

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 and Cost Category breakdown* in the budget format.

In section ‘I. Programme and Project Activities (PPA)’, specify (in the white cells) how much of each outcome’s costs fall into cost category A1, A2 and A3, respectively, cf. table below:

18	<i>Budget in DKK</i>							
19	CSP Budget - Outcome and Cost Category breakdown							
20	Main budget lines		Total all years	2022	2023	2024	2025	% of Total
21	I. Programme and Project Activities (PPA) (Details below)		-	-	-	-	-	#DIVISION/0!
22	Outcome 1		-	-	-	-	-	#DIVISION/0!
23	Hereof Cost Category -A1		-					#DIVISION/0!
24	Hereof Cost Category -A2		-					#DIVISION/0!
25	Hereof Cost Category -A3		-					#DIVISION/0!
26	Outcome 2		-	-	-	-	-	#DIVISION/0!
27	Hereof Cost Category -A1		-					#DIVISION/0!
28	Hereof Cost Category -A2		-					#DIVISION/0!
29	Hereof Cost Category -A3		-					#DIVISION/0!
30			-					#DIVISION/0!

For elaboration on what costs that relate to the cost categories A1, A2 and A3, see [chapter 4](#) and [Annex I](#).

Although, the table allows for up to four outcomes, CISU recommends using fewer outcomes.

When the white cells are specified, each outcome’s total costs are calculated automatically e.g., the blue cells in row 23 for Outcome 1 and in row 27 for Outcome 2 in the example above.

The total costs of all the outcomes are automatically calculated in the budget line ‘I. Total PPA Cost Budget’ (green cells in row 39, not illustrated).

In part II of the table, the following costs need to be specified:

- **Information activities in Denmark (cost category A5):** This cost may not exceed 2% of PPA.
- **Unallocated Funds and Budget Margin (cost category A6):** This cost may not exceed 15 % of PPA.
- **Auditing in Denmark (cost category A7):** Covers auditing in Denmark and at possible field offices. Costs for auditing at local partners should be included in partner budgets under outcomes (cost category A2).

Please check that neither of the cost categories A5 and A6 exceeds the maximum percentages allowed. The percentages are automatically calculated cf. the blue cells in row 40 and 41 columns K to N (see furthest right) in the table:

	J	K	L	M	N	O
38		% of PPA				
39	Control	2022	2023	2024	2025	All years
40	<i>max 2%</i>	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!
41	<i>max 15%</i>	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!	#DIVISION/0!

Finally, in part III of the table 'CSF Budget - Outcome and Cost Category breakdown', the costs for Administration in Denmark ([cost category B1](#)) are to be specified in the white cells relating to the years 2022 – 2025.

You may budget with up to 7% of budget line 'II. Total Direct Costs Budget' for each of the programme years. The percentages are automatically calculated cf. the blue cells in row 44 columns K to N (see furthest right) in the table (not illustrated). Please check that the percentage does not exceed 7% per budget year.

CSF Budget – Geographical Breakdown

The last part of Tab '1A. Resumé' contains the geographical breakdown of the CSO Budget.

This table *only* relates to the funding that you are applying CSF for i.e., the CSF Budget.

In this table, the following is to be specified:

- **PPA Geographical breakdown in intervention countries** (cf. row 62-70): Specify the PPA costs (i.e., A1, A2 and A3) by country (and in rare cases by region if relevant) in the intervention countries for each of the years 2022 – 2025:

59	CSP Budget - Geographical breakdown					
60		Total all years	2022	2023	2024	2025
61	Main budget lines					
62	I. Programme and Project Activities (PPA) (Details below)					
63	PPA Geographical breakdown of A1+A2+A3 in intervention countries:					
64	Country / region 1	0				
65	Country / region 2	0				
66	Country / region 3	0				
67	Country / region 4	0				
68	Country / region 5	0				
69	Country / region 6	0				
70	Total PPA in intervention countries	0	0	0	0	0

- **Geographical breakdown in non-intervention countries** (cf. row 71-77):

71	Geographical breakdown of A1+A3 in non-intervention countries:					
72	Global Cross-Cutting expenses (A3 global costs)	0				
73	Not Denmark nor intervention countries (A1 + A3)	0	0	0	0	0
74	Country / region 1	0				
75	Country / region 2	0				
76	Denmark (A1 + A3)	0				
77	Total PPA in non-intervention countries	0	0	0	0	0

Specify the cost by country for each of the years 2022 – 2025 for each of the categories:

- **Global Cross-Cutting expenses (A3 global costs):** This line (row 71) is used for geographically cross-cutting activities (e.g., joint partner meetings, participation in international events etc.).
Please note: It is optional to register geographically cross-cutting activities on this line. If you prefer, you may instead include geographically cross-cutting activities in the specification of A3 cost under the country/region in which the activity was carried out.
- **Not Denmark nor intervention countries (A1 + A3):** If part of the Danish applicant/grant holder's organisation is outside Denmark but not in the intervention countries then specify (in the white cells in row 74 and 75) the country/region in which the A1 and A3 costs are carried out. Please insert more rows if needed (preferably by inserting rows between the rows 74 and 75).
- **Denmark (A1 + A3):** Specify the A1 and A3 cost to be used in Denmark (in row 76).

The remaining parts of the table 'CSF Budget - Geographical Breakdown' is calculated automatically.

5.2. TAB 1B. Own and co-financing

Own and co-financing is to be specified in the tab '1B. Own and co-financing'.

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.

For further elaboration on what may be included as Expected Liquid Funds and Expected Co-financing please see [Annex II](#) (in Danish only).

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 table below:

Size of budget (or grant)	Liquid Funds raised in Denmark in % of PPA*	Co-financing in % of PPA*	Liquid Funds + Co-financing in % of PPA*
Up to 4,5 million DKK/year	0 % - 5 %	0 % - 5 %	Minimum 5%
4,5 - 7 million DKK/year	Minimum 2,5 %	Minimum 7,5 %	Minimum 12,5%
More than 7 million DKK/year	Minimum 5%	Minimum 12,5 %	Minimum 20%

* PPA: Programme and Project Activities

Please check that the grand totals for the funding sources specified in the tab '1B. Own and co-financing' are identical with the similar total in the 'Turnover Budget – CSF and co-financing' in tab '1A. Resumé'.

5.3. TAB 1C. Detailed budget

Please notice, that the detailed budget is to cover the full programme budget i.e., programme CSF funds, liquid funds and expected co-financing.

However, only programme CSF funds and liquid funds are to be specified in the budget.

Hence:

- The numbers only refer to programme CSF funds and liquid funds until row 155 where the total co-financing is stated.
- The grand totals in row 156 for each of the three funding sources are to be identical with the similar in the 'Turnover Budget – CSF and co-financing' in tab '1A. Resumé'.

Insert the name of the applicant (i.e., organisation name) and the programme title where indicated in row 7.

The detailed budget is structured and should be filled out as specified under the headings 'Rows' and 'Columns' below.

Rows

Rows are structured according to cost categories (i.e., A1, A2, A3, A5, A6, A7 and B1) and are structured and should be filled out as specified below:

- **A1, A2 and A3** are further structured according to outcomes.
Specify the budget items relating to these cost categories according to the directions given under the heading 'Columns' below.
TIP: When adding additional rows, do so above the rows dedicated for 'Danish payroll costs, if any (CSF payroll cost transferred from sheet 1D).' This approach will secure the correct summations in the summation cells.

- **A1, A2, A3 and A5 – Danish payroll costs:** Specify in the *purple cells* in the rows dedicated for 'Danish payroll costs, if any (CSF payroll cost transferred from sheet 1D)'.
For all the rows relating to 'Danish payroll costs' please check that the total cost covers both:
 - The amount to be funded by Programme CSF Funds (i.e., column J). This amount is automatically calculated based on the specifications in tab '1D. Danish payroll costs'.
 - Liquid Funds (i.e., column K).

- **A5. Information activities in Denmark (max 2% of PPA)**

The information activities need not be described at the time of application cf. section 4.2 '[A5: Information work in Denmark](#)' for further details. Hence, when specifying the budget items regarding A5 (i.e., white cells in row 143-149, not shown) you may choose to write 'information activities' as *Unit type 1*.

Please check that CPS funding does not exceed the maximum 2% of PPA funded by CSF. This is done by checking that the amount automatically calculated in column J, row 142 does not exceed the CSF fund's maximum for A5 given in column E, row 142 (red circle) cf. table below:

	A	B	C	D	E	F	G	H	I	J	K
	Cost category	Main budget lines		Unit type* 1	# of units 1	Unit value Unit 1 (in DKK)	# of units 2	Unit type* 2	Total Cost (in DKK)	Programme CSP Funds, (in DKK)	Liquid Funds (in DKK)
11											
142	cost category	A5. Information activities in Denmark (max 2% of PPA) All budget items must be numbered. Lines may well be added as needed.		CSP funds max	0 kr.	for all years			-	-	-

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- A6. Unallocated Funds and Budget margin (max 15% of PPA)**

Specify the unallocated funds and budget margin with respect to programme CSF funds and liquid funds, respectively.

Please check that CPS funding does not exceed the maximum 15% of PPA funded by CSF. This is done by checking that the amount specified in column J, row 151 does not exceed the CSF funds maximum for A6 given in column E, row 151 (red circle) cf. table below:

	A	B	C	D	E	F	G	H	I	J	K
	Cost category		Main budget lines	Unit type* 1	# of units 1	Unit value Unit 1 (in DKK)	# of units 2	Unit type* 2	Total Cost (in DKK)	Programme CSP Funds, (in DKK)	Liquid Funds (in DKK)
11											
151	A6		A6. Unallocated Funds and Budget Margin (max 15 % of PPA)	CSP funds max	0 kr.	for all years			-		

- A7. Auditing in Denmark**

Specify the auditing in Denmark (and at possible field offices) pertaining to the programme incurred in Denmark (cf. white cells in row J and K) cf. section 4.2 '[A7: Audit in Denmark](#)' for further details.

- B1. Administration in Denmark (max 7% of II. Total Direct Costs Budget)**

Specify the 'Administration in Denmark' fee with respect to programme CSF funds (if relevant also liquid funds).

Please check that CPS funding does not exceed the maximum 7% of 'II. Total Direct Cost Budget' funded by CSF. This is done by checking that the amount specified in column J, row 154 does not exceed the CSF fund's maximum for B1 given in column E, row 154 (red circle) cf. table below:

	A	B	C	D	E	F	G	H	I	J	K
	Cost category		Main budget lines	Unit type* 1	# of units 1	Unit value Unit 1 (in DKK)	# of units 2	Unit type* 2	Total Cost (in DKK)	Programme CSP Funds, (in DKK)	Liquid Funds (in DKK)
11											
154	B1		III. Administration in Denmark (max 7 % of II. Total Direct Costs Budget)	CSP funds max	0 kr.	for all years			-		

Columns

- Cost categories:** Only A1 costs may be specified under the rows under the main budget line 'A1. Direct Activity Cost'. Similar apply to the main budget lines referring to other cost categories (i.e., A1, A2, A3, A5, A6, A7 and B1).
- Budget lines:** Specify (only with respect to programme CSF funds and liquid funds):
 - Budget line number.** Another numbering than the one given in the detailed budget may be applied if it is more relevant for you (e.g., if it complies better with your accounting system) providing the budget lines are numbered uniquely.
 - The budget items.** The budget items should be named and specified in a manner so that the budget can be understood by those who are going to use it. Specification of a budget item is important to enable an assessment of the cost level of the

programme and is given in the next five columns and, when specified, results in the automatically calculated total cost cf. the next six columns.

Please note: Examples of how to fill out the columns relating to the specification of budget items are given in the box on page 15 using the cost allocations from example 3.

- **Unit type* 1.** Specify the first unit that is to be used.
Please note, if a cost allocation mechanism is used as unit type (cf. *) then it needs to follow the requirements specified under the relevant cost category in [Annex I](#).
- **# of units 1.** Specify the number of 'units 1' that is to be used.
- **Unit value Unit 1 (in DKK).** Specify the unit value for unit 1.
- **# of units 2.** Specify the number of 'units 2' that is to be used.
- **Unit type* 2.** Specify the second unit that is to be used. This may e.g., be 'years' or other units that relates to how many times unit 1 is to be used.
- **Total Cost (in DKK).** Is calculated automatically (i.e., blue cells) when the previous five white cells are filled out. The Total Cost are specified in the next two columns with respect to the funding sources programme CSF funds and Liquid funds.
Please note: Co-finance is not included in the specifications/detailed budget except as a total in row 155-156 (where it is calculated automatically).
- **Programme CSF Funds (in DKK).** Specify how much of the 'Total Cost' is to be covered by programme CSF funds.
- **Liquid Funds (in DKK).** Specify how much of the 'Total Cost' is covered by liquid funds.
Please note: The control cells in column M should amount to '0' when the 'Total Cost' is specified correctly in the cells in relation to '*Programme CSF Funds*' and '*Liquid Funds*'.
- **Co-financing (in DKK).** Co-financing is not to be specified. The total is calculated automatically, hence, no entries is to be made with respect to co-financing.

Example 3 continued (from page 6):

In the budget an A3 costs (HQ office costs) need to be specified and allocated. In the budget HQ office costs covers rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance etc.

It is assumed that a) the before mentioned HQ office costs in total is 60.000 DKK per year and b) that there only one outcome.

[Had there been more than one outcome the '# of unit 1' should furthermore have been divides between outcomes according to the expected consumption per outcome.]

Cost allocation based on 'head counts':

In total the organisation has 3 employees (i.e., 'heads').

The HQ office costs per 'head' per year is 20.000 DKK (= 60.000 DKK/3 'heads') and the budget line would be specified as follows:

Main budget lines		Unit type* 1	# of units 1	Unit value Unit 1 (in DKK)	# of units 2	Unit type* 2	Total Cost (in DKK)
3. Allocated program support costs							
All budget lines must be numbered. Lines may well be added as needed.							160.000
<i>Outcome 1</i>							
1.3.1	<i>HQ office costs (rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance etc.)</i>	<i>head counts</i>	<i>2</i>	<i>20.000</i>	<i>4</i>	<i>years</i>	160.000

Cost allocation based on 'full time equivalents':

In total the organisations full time equivalents is 2,86 full times positions.

The HQ office costs per 'full time position' per year is 20.979 DKK (= 60.000 DKK/2,86) and the budget line would be specified as follows:

Main budget lines		Unit type* 1	# of units 1	Unit value Unit 1 (in DKK)	# of units 2	Unit type* 2	Total Cost (in DKK)
3. Allocated program support costs							
All budget lines must be numbered. Lines may well be added as needed.							156.084
<i>Outcome 1</i>							
1.3.1	<i>HQ office costs (rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance etc.)</i>	<i>full time positions</i>	<i>1,86</i>	<i>20.979</i>	<i>4</i>	<i>years</i>	156.084

Cost allocation based on work 'hours':

In total the work hours (i.e., people hours) for all the organisations employees are 4.520 per year.

The HQ office costs per work hour is 13 DKK (=60.000 DKK/4.520 hours) and the budget line would be specified as follows:

Main budget lines		Unit type* 1	# of units 1	Unit value Unit 1 (in DKK)	# of units 2	Unit type* 2	Total Cost (in DKK)
3. Allocated program support costs							
All budget lines must be numbered. Lines may well be added as needed.							155.584
<i>Outcome 1</i>							
1.3.1	<i>HQ office costs (rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance etc.)</i>	<i>hours</i>	<i>2992</i>	<i>13</i>	<i>4</i>	<i>years</i>	155.584

5.4. TAB 1D. Danish payroll costs

The tab '1D. Danish payroll cost' must be filled out if the budget covers salaries or fees for permanent employees, temporary employees, or volunteers in the Danish organisation.

It is a good idea to include expected wage rises during the intervention period.

If you expect to have Danish payroll costs, this needs to be specified:

- Per outcome for cost categories A1 and A3.
- Cost category A5 if relevant as the information activities need not be described at the time of application cf. section 4.2 '[A5: Information work in Denmark](#)' for further details.

The specification is made in tables similar to that below:

Name of employee / volunteer	Title	Description of task	Per hour	No. of hours			Total for this budget item
			Hourly fee, DKK	Hours - abroad	Hours in Denmark	Hours total	
						-	-
						-	-
						-	-
						-	-
						-	-
					-	Subtotal	-

Specify the following in the white cells, thus declaring what each person will contribute, how and to what end:

- Name of employee/volunteer.
- Title.
- Description of task.
- Hourly fee, DKK.
- Hours abroad.
- Hours in Denmark.

It is not possible to establish an exact ceiling for the proportion of a grant that may be spent on Danish payroll costs. However, the Danish payroll costs 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 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 [4. Specific requirements](#).

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

5.5. TAB 2. Detailed budget for partner (optional to use)

Tab '2. Detailed budget for partner' is an optional tool to convert partners budgets from local currency into DKK and, hence, hereafter more easily specifying the rows relating to cost category A2 in the mandatory tab '1C. Detailed budget'.

Tab '2. Detailed budget for partner' is to be specified in the same manner as tab '1C. Detailed budget' with the following exceptions:

- Insert the name of **the partner** (i.e., organisation name) and the programme title were indicated in row 7.
- In cell 'D9' specify the **currency abbreviation** that is used for currency in the country where the partner resides. In the example below, GMD is inserted. GMD is the currency abbreviation for Dalasi, the currency used in Gambia.

	A	B	C	D	E	F
9			specify the local currency used	GMD		
10			specify the exchange rate in local currency/DKK	7,3449	GMD /DKK	

- In cell 'D10', specify the **exchange rate** in local currency per DKK.
In the example above the exchange rate specified is 7,3449 GMD/DKK.
When the exchange rate is specified correctly in cell 'D10', then a budget in DKK will be automatically calculated in columns N to U when the budget in local currency is specified in the columns D to K.

/29. April 2021.

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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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 A1+A2+A3 budget. • 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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ANNEX II. OWN CONTRIBUTIONS (LIQUID FUNDS AND CO-FINANCING)

(In Danish only).

Egenfinansiering

Egenfinansiering er et krav der indføres stigende med programmets budgetmæssige størrelse. For alle programansøgninger skal foreligge en egenfinansieringsplan for den danske organisation. Endvidere skal fremsendes en oversigt over eksisterende og forventet samfinansiering hos relevante partnere.

Egenfinansiering består af en kombination af to typer finansiering:

- Likvide midler rejst i Danmark (eksempelvis støttebidrag, fondsstøtte til relevante indsatser under programmet, private midler fra indsamling eller arv), der kanaliseres direkte til samarbejdspartnerne til støtte for det langsigtede udviklingsarbejde der arbejder indenfor civilsamfundspolitikens rammer. Betegnes som 'Likvide midler' i budgetformatet og anses for en del af Programbudgettet og indgår i rapportering og revision.
- Samfinansiering af aktiviteter (fra andre donorer, fonde, EU eller fra organisationens internationale partnere), der ligger indenfor Civilsamfundspolitikens rammer. Hvis der er tale om et fælles indsatser/program/aktiviteter forankret hos en af de lokale partnere i Syd eller i ansøgers internationale alliance, vil finansiering fra sådanne andre donorer kunne medregnes som samfinansiering, hvis den danske organisation har en formaliseret rolle i indsatsen som en del af partnerskabet/samarbejdet. Beskrives i egenfinansieringsplanen og dokumenteres efterfølgende.

CISU vil tage udgangspunkt i samme fleksible praksis som Udenrigsministeriet i vurderingen af hvilke konkrete finansieringsformer, der kan medregnes som henholdsvis 'Midler rejst i Danmark' eller 'Samfinansiering'.

Egenfinansiering beregnes som en procent af PPA (Program og Projekt Aktiviteter).

Niveauet af egenfinansiering afhænger af programmets budgetstørrelse for basisbevillingen.

Procentsatserne udtrykker hvad der som minimum skal medregnes inden for de to typer:

Budgetgruppe	Midler rejst i Danmark	Samfinansiering	Tilsammen mindst
1. Budget til og med 4,5 mio/kr/år	0 % - 5 %	0 % - 5 %	5 %
2. Budget fra 4,5 til og med 7 mio/kr/ år	Min. 2,5 %	Min. 7,5 %	12,5 %
3. Budget over 7 mio/kr/år	Min. 5 %	Min. 12,5 %	20 %

For ansøgere som møder egenfinansieringskravet for første gang (førstegangsansøgere eller programmer godkendt før nov. 2017) samt for ansøgere, der pga. en forøget bevilling ift. det ansøgte beløb, overskrider en budgetgruppe, kan der ske en gradvis indfasning af egenfinansieringen over de første 3 år, således at det gældende egenfinansieringskrav er indfaset i det fjerde programår.