

Budgeting Guidance for Partners

Dear Partner,

This document aims to answer some of the questions about building budgets for Internews. Your budget will become part of a formal sub-grant agreement with Internews. It is therefore important to build it right. Internews will review and approve all costs in your budget before signing an agreement. You will use the budget to frame, guide and monitor financial aspects of work under grant from Internews.

General notes:

Please follow the template and do not alter headings and formulas. If you need more lines, add them under existing categories. Line descriptions in the template are examples. Change them, as necessary.

Make it clear, what currency you use in the budget. The choice of currency may depend on requirements of Internews' donor, currency of project expenditure, and other factors. Please discuss this with your contact point at Internews.

All costs included in the budget should be reasonable, verifiable by supporting documentation, justified and necessary for the implementation of your project.

Include description and additional notes about costs in the comments section. It will help Internews understand them and save your time on answering questions after submission.

As a rule, Internews does not accept overheads or indirect costs. Please budget all costs necessary for your project as direct, including a portion of management salaries and office rent.

IEU procurement rules apply for any goods and services with a value over GBP 2,000. Please consider the possible implications of this when budgeting, such as additional time of administering quotes and tenders, and impact on workplans.

A. BUDGETING

Heading 1: Personnel

Only add staff to this category who are employed at your organisation and receive a salary.

Staff should be working directly on the project.

In column C, include the frequency of the payments to staff. (usually monthly)

In column E, include the amount of time/level of effort (in percentages) that the staff member will work on the project (from 1% to 100%).

In column F, include the full net salary the staff member receives. The formula in column G will automatically calculate the total amount directly related to the project based on the number of units and level of effort.

You may also include employment related taxes and social and health services related contributions. These costs will need to be supported by appropriate documentation and payroll calculations.

Heading 2: Travel

Include both international and domestic travel for staff and participants.

In column C, include the number of journeys necessary. (Indicate clearly in the comments section how many people will be travelling and if you are budgeting for return journeys).

Include costs of accommodation under this heading.

Include other travel costs, such as per diems, insurances, and airport transfers.

Heading 3: Supplies

Supplies may include office stationery and training supplies.

Heading 4: Equipment

Only include equipment that is necessary for this project. For the approval of equipment purchase, Internews will ask for a justification.

Heading 5: Contractual

Include costs that would be sub-contracted to other suppliers: venue hire, catering services, rent of vehicle and equipment.

Include consultants and freelancers here.

If you plan to provide sub-grants to lower-tier partners, include them here.

Include honoraria for trainers, lecturers, speakers, mentors.

Where appropriate include stipends to event participants here.

If Internews requires a project audit, include a fee of an audit firm.

Heading 6: Other direct costs

Additional costs that are directly attributable to the project may include a portion of your office rent, Internet and communications, utilities and bank charges. The exact portion of these costs should be substantiated by a transparent methodology. For example, they can be a function of staff's level of effort.

FORECASTING

Use the same template to Include budget forecast *by month*, at least for the first project year. The total forecast should equal total budget.

Internews will use your forecast to develop disbursement schedule and to calculate the amount of each disbursement.

MAKING CHANGES TO AN APPROVED BUDGET

Should you need to amend the budget after its approval by Internews, inform Internews as soon as possible, and always before making changes. All budget amendments need to be agreed in writing. Refer to amendment process in Article 4 of the Sub-Grant Agreement.

Use standard Internews' template for requesting budget amendments. This is included in your original budget file (Annex 2) as the Budget Revision Template tab. Update section "APPROVED BUDGET" with the approved version of budget. Update the "AMENDED BUDGET" section with proposed changes: addition of new lines/removal of existing lines, new rates/LOEs and new totals. Explain all proposed changes, line by line. The template will calculate variance in real terms and in percentages.

Remember to submit requests for budget amendments well in advance, to give Internews the time to review them.

If you have questions or need support, please contact our Grants, Contracts and Compliance team at ieu-gc@internews.org.