PIPELINE BUDGET AND EXPENDITURES GUIDANCE AND POLICIES

PIPELINE BUDGET AND EXPENDITURES GUIDANCE

ABOUT THE TEMPLATE

charity: water's budget template is broken into sections by tab:

- SUMMARY
- DETAIL
- METHODOLOGY
- PIPELINE WATER POINT SITE LIST
- PIPELINE ADDITIONAL ACTIVITY LIST
- WORK PLAN

The goal of this document is to outline the rationale behind each section and provide guidance as to acceptable ways in which to complete the budget for charity: water's review. Each grant proposal must clearly link the funding requested to the major planned activities identified in the Pipeline Narrative Template.

The Pipeline Budget and Expenditures Template should:

- Accompany the Pipeline Narrative Template at most stages unless otherwise directed by charity: water.
- Always be presented in USD with the accompanying exchange rate methodology.

The Budget and Expenditures Template should only include the funds requested from charity: water. We don't require co-financing, but we do want to be notified if:

- charity: water funding is being used to co-finance other programs.
- The success of the program is dependent upon complementary funding from external sources such as local government, community contributions, etc.

PIPELINE BUDGET AND EXPENDITURES TEMPLATE SECTIONS

TAB 1: SUMMARY

The SUMMARY tab is the primary location for charity: water to monitor financial progress through the lifetime of the grant, and will be used by the partner to anticipate and request funds for disbursement. This tab also provides up to date information required by charity: water to report to our donors, such as the Total Water Points, Total Direct Beneficiaries, and Total Indirect Beneficiaries.

> **TIP:** *On the Summary tab, it is only necessary to fill out the columns in white.*

GRANT ID: The unique ID provided by charity: water and assigned to the current grant.
[2 digit country code].[3 letter organization abbreviation].[PL].[year].[c:w number code]
> *Sample: [IN.CTW.PL.10.129]*

COUNTRY: Country of proposed program activities.
Eligibility Start Date: Contractual start date that informs the Grant Agreement. This is the previously agreed date from which implementation and expenditure will start.
Report Date: Contractual end date that informs the Grant Agreement. This is the date on which all work must be completed, all expenditures must have been paid, and all projects must be fully functional.

TOTAL WATER POINTS: Sourced from the PIPELINE WATER POINT SITE LIST tab, this indicates the total number of water points being proposed to charity: water.

TOTAL DIRECT BENEFICIARIES: Sourced from the PIPELINE WATER POINT SITE LIST tab, this indicates the beneficiaries served by the water point (according to our daily water users policy) which benefitted from the rehab, repair, monitoring or capacity building.

TOTAL INDIRECT BENEFICIARIES: Sourced from the PIPELINE ADDITIONAL ACTIVITY LIST tab, this indicates beneficiaries that are not directly associated with a water point, but have benefitted from a program activity. For example, individuals that were trained in training sessions.

BUDGET DISTRIBUTION
Used mostly by charity: water for transparency and reporting, the Budget Distribution chart provides an overall view of the proposed program's expenditure ratios. This chart will auto-fill based on the financial summary table.

EXPENDITURES TO DATE
This is the budget and expenditure of the grant to date. These cells will be blank for the proposal. For each report, the "Total Disbursed" will be the combined amount of the previous disbursement requests. "Expenses to Date" will be actual expenses incurred up through the current quarter. "Consumption YTD" indicates the percentage of disbursed funds that have been spent

> **TIP:** *charity: water requires at least 75% expenditure of all prior disbursements before a subsequent disbursement may be processed.*

TOTAL BUDGET REVIEW
This is the cumulative budget and actual expenditure for the grant. "Total Expenses" refers to the total actual expenditures made over the lifetime of the grant and should be updated quarterly.

FORECAST
A forecast of the anticipated amount of funds required as per the work plan for the next quarter being requested for disbursement. For the first period, estimate expenses in this column that sum up to the amount of the first disbursement and align with the work plan. For subsequent periods, the Forecast should represent the total planned expenditure for the upcoming quarter or agreed upon length until the next report. This amount will be reviewed against the proposed work plan and total expenditures to date, and must be approved prior to disbursement.

> **TIP:** *Do not offset your forecast with the balance leftover from the prior disbursement. We adjust for this in the Request For Next Quarter.*

REQUEST FOR THE NEXT PERIOD
For the first quarter this will be equal to the Forecast column. For subsequent quarters, the balance in the Expenditures to Date section will offset the amount in the Forecast column.

COMMENTS
Briefly provide comments for unusual expenditure rates or disbursement requests that do not align with the work plan. Indicate any comments you may have for charity: water regarding the expenditures to date or forecasted amount for disbursement.

TAB 2: DETAIL

This section of the budget provides line-item detail into the proposed grant and is used by charity: water to assess the financial viability of a project and ensure that all requested funds are assigned to charity: water approved expenses.

The "BUDGET" column will be filled out only during the proposal phase of the grant. Once approved by the Grant Agreement this tab should never change.

The "Expenses" column will be filled out during each progress and completion phase of the grant. This tab should always represent year to date expenditures.

TAB 3: METHODOLOGY

The objective of the Methodology tab is to provide a detailed calculation of each budget line item, as well as a detailed breakdown (BoQ) of complex budget lines that consist of more than one sub-line. This level of detail will ensure more efficient and less time-consuming submission/approval process. A high-quality submission makes the charity: water review easier and reduces the number of follow-up questions.

If a partner is already providing detailed BOQs for certain costs (containing the same level of detail as in the Methodology tab described below), these budget lines can be summarized in one line only in the Methodology tab and refer to the additional documents to justify these costs.
The Methodology tab should be done before the Budget tab. It should serve as the base to build the budget.

Please fill in cell C1 with the grant ID from the RfP sent from your c: w contact. Cell C2 should be filled with the exchange rate on which the proposal is based.

Please ensure to fill in cell C3 for Exchange rate calculation explanation. Examples of explanation can be: average for the last 6 months, average for the last 3 months, etc.

The detailed calculation table has following columns to be completed:

- Column B – Description column defines each budget line item. These lines should be named exactly as the budget line in the Budget tab and can be linked directly to the budget tab. For complex budget lines with BOQs, sub lines should be named as per the nature of the costs involved in that particular main budget line (explained below).

- Column C – Unit type column defines the type of the unit. Examples: person, piece, trip, vehicle, m3, set, office, etc. Lumpsum is rarely an acceptable unit type.
- Column D – Units column reflects the number of units and can be linked to the budget template.
- Column E – Period column defines the number of monthly, quarterly, or annual activities. This column should only be used when there are two or more units (for example: 2 WASH officers, 12 months a year).
- Column F /G – Unit cost column should have the total expense cost as incurred by the Partner (this should not take into account the level of contribution from charity: water which appears in column H). If the cost is incurred in local currency, please fill column F (which will convert automatically into column G using the exchange rate in C3). For costs not incurred in local currency, please overwrite the formula in column G to put the expense directly in USD (if this expense is incurred in a third currency, please include in the comments which exchange rate you used).
- Column H – c: w contribution in % defines what percentage of the cost will be covered by c: w.
- Column I – Total USD for c: w is a prepopulated formula which calculates: number of units * period * unit cost USD * % of c: w contribution
- Column J – Budget Notes column is the column where partners will include a short explanation for each budget line. For Personnel and Transportation cost categories, please include the location. For Program Consumables and Capital Costs categories, please identify if the item is new or a replacement.

Complex budget lines, those that are made out of more than one sub-line, should have a breakdown of all items consisting of that budget line into sub-lines. For the most complex budget lines, c: w also accepts the submission of BoQs as supporting documents for well drilling, latrine construction, etc.
The costs that require a more detailed BoQ include:

- Staff benefits if noted as a separate budget line consisting of more benefits (social insurance, medical insurance, severance, bonuses, allowances, etc.)
- Travel costs (per diems, food, transportation)
- Materials category budget lines if not included in a separate annex document
- All programmatic trainings/workshops/meetings (travel costs, per diems, accommodation, trainers, translation, stationery, training venue, training materials, refreshments, certificates, etc.)
- Baseline and Endline studies (enumerators, vehicles, fuel, tools, etc.)
- Transportation costs, such as vehicle or motorbike costs (rental, fuel, insurance, maintenance)
- Program support costs such as office costs (rental, utilities, maintenance, insurance, furniture, supplies) and communications (airtime, internet)

If more lines are needed for a certain cost chapter, insert lines under the appropriate section. Any unused lines may be deleted.

TABS 4 & 5: PIPELINE WATER POINT SITE LIST AND PIPELINE ADDITIONAL ACTIVITY LIST

The objective of the Pipeline Water Point Site List and the Pipeline Additional Activity List is to provide information regarding individual water points, direct beneficiaries, and indirect beneficiaries.

We require water point data at completion, unless otherwise stated in the Request for Proposal by your partnership manager.

TAB 6: WORK PLAN

The objective of the work plan is to provide a clear list of activities to be completed as part of this grant, along with a detailed timeline for implementing these activities and a supporting disbursement schedule.

In the Projected Disbursement Schedule of the Work Plan, please indicate the estimated funding amount required for each disbursement to achieve the activities outlined in the Work Plan. These projections should align with the quarterly anticipated costs. Note that it is charity: water's policy to withhold 10% of the full program cost until approval of the Completion Report. After the proposal is approved, the "Proposal" row of the Projected Disbursement Schedule should not be changed.

During the Proposal stage, please focus only on initial planning and reflect information in "proposal" indicated cells.

- Column B - Activity column should list the activities to be undertaken in the 13-month period of the grant (ex: procurement of materials, community mobilization meetings, project construction, hygiene training, etc.). Give as much detail as possible including each important step of the project. The cells in row 11 that are shaded in grey indicate months when a charity: water report is due. Please ensure each activity has a number for easy reference during charity: water field visits to review progress.
- Please re-label each number column (D11 – P11) to match the implementation months of your project. These rows are for Proposed vs. Revised activities. At proposal, shade the month in which each activity will take place in the "Proposal" row for that activity with a color indicated in cell A7.

During the Reporting stage, all changes should be made in the Revised sections of this tab.

- The "Revised" line (row 8) of the Projected Disbursement Schedule should be updated to reflect any changes to the projected disbursement schedule during each reporting period. The "Proposal" row of this chart should not be modified. Ensure to accurately account for past disbursements from c: w and plan future disbursements respecting the completion holdback and the total grant value. Remember that Partners are eligible for the next disbursement only if they achieved 75% burn rate of all previous disbursements. In order to calculate the percentage, please insert the sum of all charity: water disbursements into the cell N2 and the utilization percentage will be auto calculated in the cell N3
- During the Reporting stages, if changes to the timing of activities are anticipated, update the Work Plan by shading the new months in which the activity will now take place in the "Revised" row for that activity with the color indicated in cell A8.

BUDGET GUIDANCE BY COST CHAPTER

Direct Costs

Direct costs are those that are wholly attributable to the charity: water-funded program in question.

Personnel costs

Personnel should include all salaried staff, contracted labor and consultants who are wholly or partially attributable to the Pipeline program funded by charity: water. For example, this could include those who engage in program management, financial management, field supervision, surveys, studies, construction, education, monitoring, community engagement, and/or technical assistance, including any support staff such as receptionists/secretaries, cleaners, or drivers.

Individually list positions such as management and others that cannot be aggregated.

Group together any other staff positions that can be aggregated such as day laborers.

The cost for each position should include the monthly base salary plus the cost of any benefits, the total cost of expected per diems related to in-country travel, any in-country training costs, and any other costs incurred that are consistent with the partner's documented human resources policy.

Calculate the months in terms of Full Time Equivalent (FTE): if a person works 25% on this charity: water project for 12 months, he/she will work 3 months full time equivalent.

Do not include contracted labor that is included in a Bill of Quantities or work order. List this cost under Software.

Prior to partnering with a new organization, each partner must provide charity: water with a copy of its written hiring and labor policies and must follow those during the life of the grant.

Each partner must ensure compliance with all local labor laws.

Ineligible expenses:
Personnel based out-of-country and out-of-country attendance of project staff at WASH conferences or other training events is not covered by charity: water.
Any penalty payments for delayed statutory obligations as required by law are not covered by a c: w grant.

Materials costs

Materials must be listed by the following sub-chapters: Water Supply, Sanitation, and Hygiene.

Sub-Chapter	Definition
Hardware	Refers to materials required on site at communities, schools, or health clinics for rehabilitations and repairs.
Software	Refers to materials required on site for the direct implementation of activities that create an enabling environment for the program – e.g. studies, consultants, promotional materials, IEC materials, trainings, meetings, monitoring fees, and permits.

Materials costs are defined as those items that are required for implementation at the water point(s), are wholly attributable to the program in question, and are only incurred because of the program's existence. This includes items such as cement, piping and any other materials.

Training is defined as training that is wholly related to the WASH project and is incurred for project purposes. Training might include training of partner staff for capacity strengthening, training of community WASH volunteers, training of WASH coordinating groups, civil society, or government staff. Cost assumptions for each training must be detailed in the Methodology tab, including the title and duration of each training event, the number of persons attending, and the total estimated cost of the training (venue, food, training materials, etc.).

Any materials purchase that will be retained by the community or local government beneficiaries will be a line item under the respective Materials sub-chapter. A common example of this is a generator required to power the water pump in a village—the community will retain ownership and will be responsible for maintenance and repairs.

Ineligible expenses:
charity: water's mandate does not provide scope for funding advocacy, particularly at the national level. c: w does not support any kind of "contingency" costs that are a placeholder to account for any unplanned expenses.

Transportation costs

Transportation is defined as any program cost that is incurred in moving materials, people, or equipment in-country. This includes fuel, vehicle repair, vehicle rental, and flights.

Travel can be grouped according to trip(s) as long as all cost assumptions are detailed in the Methodology tab.

The total cost of expected per diems related to travel should be included in Personnel and not under Transportation.

Ineligible expenses:
Any out-of-country travel costs (for staff based in country or at HQ) are not considered eligible under a charity: water grant, as well as the expenses incurred during a charity: water visit that should be billed to charity: water directly and are not eligible grant expenses.
Any fine or any traffic violation payment is not an eligible expense.

Program Consumables costs

Program Consumables are defined as non-capital equipment and other program supplies that are wholly related to the WASH project and will be consumed with the end objective being the project itself. Consumables have a value of less than USD 5,000.

Acceptable program consumables include non-capital equipment such as laptops, GPS equipment, and generators as well as other program needs such as the cost of printing project reports and manuals. Office supplies should be listed under Program Support Costs.

Ineligible expenses:
Depreciation costs are not eligible grant expenses.

Program Support costs

Program Support costs are expenses which are useful to several projects at the same local, regional, or capital office, and which represent a charge that cannot be allocated in their totality to only one project, but which are necessary to implement the WASH project funded by charity: water.

Examples of Program Support costs include local general office supplies, telecommunications costs, office rent and utilities, audit and legal fees, and office and vehicle insurance. Program Support costs should be itemized in the budget and submitted with supporting assumptions and allocations in the Methodology tab.

Ineligible expenses:
Any cost incurred outside of the country of implementation – e.g. costs for headquarters located outside of the country of implementation, are not considered eligible under a charity: water grant. c: w does not support any kind of "contingency" costs that are a placeholder to account for any unplanned expenses.

BUDGETING AND FINANCIAL REPORTING

Budgeting

During the Proposal Budgeting stage, the following tabs of the Budget and Expenditures Template are required: Summary, Detail, and Work Plan. The Pipeline Water Point Site List and the Pipeline Additional Activity List are only required if requested by your partnership manager in the Request for Proposal.

Progress Reporting

charity: water does not require submission of the budgeting and financial reporting file during the first quarter report. The narrative report will include questions about the total budget used to date and the financial request for the next quarter.

During the Progress Reports, the following tabs of the Budget and Expenditures Template are required: Summary, Detail, and Work Plan. The Pipeline Water Point Site List and the Pipeline Additional Activity List are only required if requested by your partnership manager in the Request for Proposal.

charity: water requires financial reporting for all grants. A progress report must be submitted, reviewed and validated before a financial disbursement will be made. Reporting deadlines are detailed in the Grant Agreement.

In the summary tab of the Budget and Expenditures Template, charity: water expects to see at least 75% expenditure of prior disbursements. The 75% expenditure should be represented in the Summary tab's Expenditures to Date column.

Completion Reporting

During the Completion Reporting stage, the following tabs of the Budget and Expenditures Template are required: Summary, Detail, Pipeline Water Point Site List, and Work Plan.

Upon completion of a program, a final budget will be attached with the completion narrative report for charity: water review. It is charity: water's policy to withhold 10% of the full program cost until approval of the Completion report. If 100% expenditure is not attained, charity: water reserves the right to withhold a portion of the final disbursement or to request a refund, as applicable.

CHARITY: WATER POLICIES AND REQUIREMENTS
Please refer to the general charity: water Budget Guidance.