BUDGET AND EXPENDITURES TEMPLATE, GUIDANCE AND POLICIES

Additional resources: [Partner Compliance Guidance](#)

Chapter 1: ABOUT THE TEMPLATE

Purpose
The budget template is used during the:
- Proposal stage: for partners to provide all necessary information during the planning process and for charity: water to evaluate the cost effectiveness of proposed activities
- Reporting stages: to track the progress of activities and expenses, review them against the original approved Budget, and anticipate the final outcome of the project

Timing
The template is updated during the proposal stage and during each quarterly reporting period. Please note that charity: water does not require a budget submission with the Q1 Report unless it is the partner's first grant.

Structure
The template has the following tabs:
1. Instructions
2. Summary
3. Water Points List
4. Methodology
5. Budget
6. Workplan

Naming convention of budget files
Each budget file should be named using the rant ID, stage of the file (Proposal, Q1, Q2, Q3 or Completion Report), version number, and date MMDDYY.

For example: UG.ABC.1H.20.000_Proposal_V1_020820

Chapter 2: INSTRUCTIONS FOR THE PROPOSAL

We advise you to complete the tabs in the following order:

WATER POINTS LIST TAB

The objective of the Water Points List is to provide information regarding individual water points throughout the implementation timeline.

Open the Water Points List tab and complete the required Proposal columns with the information related to individual water points to be built within the grant. See the Water Points List Guidance for instructions on individual columns and specific requirements at each stage. Once the Water Points List is completed, this will populate the total Water Points and Daily Water Users on the Budget tab.

If proposing rehabilitations of past charity: water-funded projects within PPIA, add a "PPIA Water Points List" tab to your budget and include the list of projects you will rehab.

METHODOLOGY TAB

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.

BUDGET TAB

The objective of the Budget tab is to consolidate all previously prepared information and calculations. It summarizes all items needed for charity: water to assess the financial viability of a project and ensure that all requested funds are assigned to charity: water approved expenses.

- Fill in cells D2-G5 indicated by the text "[INSERT HERE]". This information should match what was provided in the RfP. This information will automatically populate the other tabs.
- When preparing a proposal, cell E7 should be selected as "Proposal".
- In columns I - N, use the drop-down menus in row 8 to select each applicable inventory type for the grant. Use the drop-down menus in row 9 to select whether each inventory type is "New" or "Rehabilitation". All inventory types and states (e.g. Piped System New and Piped System Rehab) should occupy separate columns. Once the Inventory types and states are selected in rows 8 and 9, the Water Points count and Daily Water Users by inventory will populate based on data in the Water Points List tab. None of the formulas in rows 10 - 15 should be updated.
- Fill in each cost chapter ensuring the main budget lines match the information from the Methodology tab. You should be able to report at the budget line level. Please ensure your accounting system will allow you to report at the level of detail you have provided to c: w in this tab.
  - When additional budget lines are needed, please copy a line in the middle of the cost chapter and insert the copied row on the line right below it. Please do not delete any budget lines even if the budget lines are not used.

- For each budget line item, identify the inventory type that the cost applies to, which will be indicated by an "X" in the respective inventory column (columns I - N) and the corresponding line item row. Please note that as a default, an "X" has been populated for 6 inventory types - this must be removed where it does not apply. For each cost chapter, remove the "X" for the inventory types in which the cost does not apply. If the cost applies to more than one inventory type, an "X" should remain for each relevant inventory type.
- The template has been auto-populated to apply all costs that are not in the Materials category to all inventory types. Feel free to modify if this is not the case in your grant.
- charity: water indicators such as Cost per Water Point, Cost per Daily Water User, Total costs for the Total budget and per inventory type will be automatically calculated in cells F13 to N15.
- As a reminder, each budget line total should match the Total USD for c: w amount from the Methodology tab.

SUMMARY TAB

The objective of the Summary tab is to simplify the information from the Budget tab and to reflect the total amounts per each cost chapter and respective shares in total budget that are relevant indicators for charity: water.

The Summary tab presents a summarized version of the information filled in on the Budget tab. It will auto-populate with the information from the Budget tab. During the proposal stage, only column C will be populated.

WORK PLAN TAB

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 10 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 (E10 – Q10) 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 A6.

Chapter 3: INSTRUCTIONS FOR REPORTING

Once charity: water has approved your proposal, we will upload a reporting template based on the approved budget which will be submitted to Fluxx for you to use. Before filling any report, please ensure you are using this version and that the numbers in cells F10-F15 on the Budget tab are the ones that were approved at proposal.

A financial report is required for the Q2, Q3, and completion reports. For new partners with charity: water, a financial report is also required for the Q1 report.

We advise you to complete the tabs in the following order:

WATER POINTS LIST TAB

See the Water Points List Guidance for specific requirements at each stage.

METHODOLOGY TAB

This tab is only used during the Proposal development stage and should not be modified.

If your charity: water contact has approved the addition of new budget lines, these should be added to the Methodology tab in red in the correct cost chapter. The lines should follow the same order as how they appear in the Budget tab.

BUDGET TAB

Select "Reporting" in cell E7 "Grant Stage".

Columns D and E should not be modified. Fill in the actual expenses incurred for each budget line item in Column G. The percentage in column H will calculate automatically.

If any new budget lines have been added since the approved Proposal, insert new lines in the budget in red using the following instructions:
- Please copy a line in the middle of the cost chapter and insert the copied row on the line right below it.
- The budgeted amount for these new lines should remain empty and only expenses should be reported.

SUMMARY TAB

In the Reporting stage, columns C through F on the Summary tab will be completed automatically using the information on the Budget tab.

WORK PLAN TAB

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

- The "Revised" line (row 7) 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.
- 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 A7.

Chapter 4: BUDGET GUIDANCE BY COST CHAPTER – ELIGIBLE AND INELIGIBLE COSTS

Direct Costs in the budget are broken down by the cost chapters listed below. Although these may vary by program, charity: water generally anticipates budget proportions similar to the chart below.

Guideline for Direct Cost Ratios:
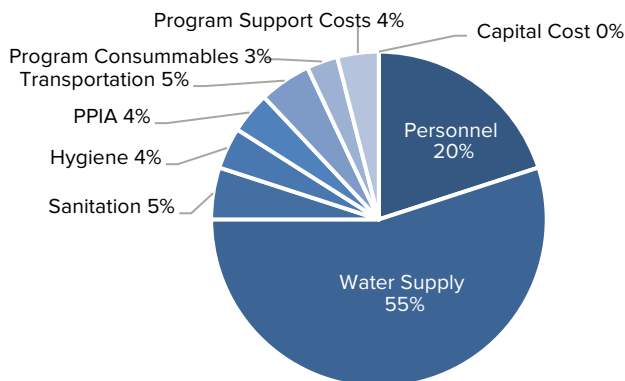
PERSONNEL COSTS

Eligible expenses:
Personnel should include all salaried staff, contracted labor and consultants who are wholly or partially attributable to the WASH program funded by charity: water. This includes any support staff such as receptionists/secretaries, cleaners, or drivers.

The cost for each position should include the monthly base salary plus the cost of any benefits, 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 and all local labor laws. 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.

Contracted labor that is included in a Bill of Quantities or work order. List this cost under Materials.

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, Hygiene and PPIA.

Sub - Chapter	Definition
Water Supply	Refers to materials required on site (at communities, schools, or health clinics) for the direct implementation of water points – e.g. wells with hand pumps and Monitoring and Evaluation Costs.

Sanitation	Refers to materials required on site for the direct implementation of sanitation hardware or software – e.g. latrines, Community-Led Total Sanitation
Hygiene	Refers to materials required on site for the direct implementation of activities that create an enabling environment for the program – e.g. promotional materials, IEC materials, trainings, meetings, fees, and permits.
Pre-and-Post implementation Activities (PPIA)	Pre and Post Implementation (PPIA) refers to funding for up to 5% of the total grant amount that can be used to provide post-implementation support to communities from your previous charity: water grants or any pre-implementation activities for communities that will be served in future charity: water grants

Eligible expenses:
Material costs includes (but are not limited to) items such as cement, piping, in-country WASH related trainings, fees, permits, community educational materials, signage, etc. Cost assumptions for each line item must be detailed in the Methodology tab, including all assumptions built in the budget line (e.g. for trainings, it should include the title, duration of each event, number of people attending and all items making up the training cost (venue, food, training materials, etc.)

Any materials purchase greater than USD 5,000 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.

Eligibility to request PPIA funding:
A partner may be eligible to request Pre- and Post- Implementation Activities (PPIA) funding if its WASH program is in line with a multi-year charity: water strategy. Refer to the charity: water Request for Proposal (RfP) for this grant cycle to determine if you are eligible for PPIA funding and for further details.

Examples of post-implementation funding include: monitoring of past communities/projects, follow-up training for water user committees, and rehabilitating water points funded by charity: water in a past charity: water grant. Examples of pre-implementation funding include: conducting a needs assessment or pre-triggering a community that will receive a water point in a future grant.

For cases in which 30% or more of a personnel or transport line item is utilized for PPIA, please allocate these costs to the PPIA budget chapter.
> For example, if your WASH Officer spends 70% of their time on communities receiving a water point in your current grant and 30% of their time supporting communities served in past charity: water grants or pre-triggering communities for future charity: water grants, please include one WASH Officer budget line in the Personnel Chapter for 70% and then a second line item for the same WASH Officer (PPIA) for 30% in the PPIA chapter. The same rules apply for transportation budget lines that would be affected by this.

For cases in which rehabilitations are being proposed, charity: water will consider rehabilitations of projects that are 3+ years old. If proposing a rehabilitation for a project that is less than 3 years old, clear context and justification for the rehab must be provided. Rehabilitations funded by PPIA also require a separate "PPIA Water Points List" tab in the budget file. To create this, duplicate and rename the Water Points List tab. Your charity: water point of contact will provide instructions on what information is required in the "PPIA Water Points List". charity: water also recognizes that the costs of water point rehabilitation may extend beyond the 5% PPIA threshold. PPIA budgets submitted above this 5% threshold require clear cost breakdowns and justification in the Methodology tab. These requests for an increased PPIA threshold will be evaluated as part of the proposal development process

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.

Expenses ineligible for PPIA funding are indirect costs, early purchase of materials for project infrastructure, early stage construction or site preparation for project infrastructure, collection of photos or GPS coordinates of completed projects, project handover and any activity not related to charity: water projects, program areas, or stakeholders.

TRANSPORTATION COSTS

Eligible expenses:

Any program costs that are incurred in moving materials, people, or equipment in-country. This includes fuel, vehicle repair, vehicle rental, and in-country flights.

The total cost of expected per diems and accommodation related to in-country 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

Eligible expenses:

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. Examples of such costs include laptops, motorcycles (under $5,000), GPS equipment, printers, generators (under $5,0000), etc.

Ineligible expenses:

Depreciation costs are not eligible grant expenses.

PROGRAM SUPPORT COSTS

Eligible expenses:

Program support costs are expenses that apply to several projects at the same local or national office, of which only a portion are charged to charity: water. These include office and warehouse costs (rent, maintenance, supplies, utilities, security), audit fees, legal fees, bank fees, insurances, communication.

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.

CAPITAL COSTS

Eligible expenses:
Capital Costs are direct expenditures for capital equipment that are essential to the WASH program and/or its implementation. Capital Costs must meet all of the following criteria:

- Have a useful life of 1 or more years
- Have a unit value of USD 5,000 or more
- Ownership is retained by the partner organization upon program completion

Examples of Capital Costs include drilling rigs, vehicles, heavy equipment, and machinery.

Eligibility to request capital funding:
A partner may be eligible to request capital funding if its WASH program is in line with a multi-year charity: water strategy and the partner is working on, at least, its second water grant with charity: water.

1. *Requesting capital funding*
   Capital funding requests must be submitted along with a copy of the partner's Fixed Asset Policy, including a brief narrative on the plan to insure, register, maintain, and inventory the capital item(s). A justification of the capital item's validity for the project must be included in the Methodology Tab. If the item is more than 10,000 USD please submit the Capital Item Request Form, which can be provided by your charity: water contact.
2. *Reporting*
   Once approved, the partner is responsible for keeping a log to track the use of the capital equipment. charity: water retains the right to request supporting documentation as needed.
3. *Ownership*
   charity: water allows the partner to put ownership of capital items in the name of the organization upon initial purchase. Vehicles purchased with charity: water funds may not become the personal property of the organization's management or staff.

Ineligible expenses:
Depreciation costs are not eligible.

Chapter 5: CHARITY: WATER POLICIES AND REQUIREMENTS

REPORTING REQUIREMENTS

charity: water expects its partners to submit a quarterly report. At Q1, a budget is only required if it is your first year as a grantee with c: w. No budget is required at Q1 for any partner that has completed a grant with charity: water. Q2, Q3 and completion always require a budget submitted along with the narrative report.

DISBURSEMENT POLICY AND REQUIREMENTS

The purpose of this section is to outline the timing of disbursements from charity: water to partners and the procedures and standards that will be observed to ensure that cash payments occur when they are essential to meet the partner's needs for program implementation.

Procedures and standards

- *Developing a disbursement schedule.* Disbursement schedules will be established in line with the development of the program's budget and work plan and finalized in the Grant Agreement. Partners should use the Budget and Expenditures' Work Plan template to estimate the projected quarterly amount for each disbursement.
- *Timing of Payments.* Disbursements to partners will be timed to coincide with the actual, immediate funding requirements of the partner related to program implementation on a quarterly basis or as agreed in the Grant Agreement.
- *Withholding payments.* charity: water disbursements are subject to the Refund Policy (see below).
- *Safeguarding Funds.* In no case will charity: water-furnished funds be commingled with the personal funds of, or be used for personal purposes by, any officer, employee, or agent of the grantee, nor will any of these funds be deposited in personal bank accounts for disbursement by personal check. charity: water will not reimburse lost or stolen funds.
- *c: w disbursements are based on actual spending.* charity: water disburses to partners based on their immediate funding needs for an upcoming quarter. If a commitment with a vendor is signed but no money disbursed, the commitment must at a minimum be reflected in the partners' accounting in order to substantiate the partner's financial report. If this is not the case then the commitment should not be included.

Disbursements are tied to quarterly reports

- *Progress reporting.* charity: water expects to see at least 75% expenditure of all prior disbursements before a subsequent disbursement may be processed. If the 75% requirement has not been met, the partner will briefly explain in the narrative the reasons for this low spend and if the grant will be completed on time and on budget.
- If 75% of funds have not been spent at the quarterly reporting deadline, the Quarterly Report may be approved but the disbursement will be postponed until the partner submits the subsequent contracted Quarterly report demonstrating 75% expenditure. charity: water will not disburse between quarterly reporting periods.
- *Completion Disbursement.* It is charity: water's policy to withhold 10% of the full program cost until approval of the Completion report.

Completion reporting additional guidelines

charity: water does not accept payment commitments in the Completion Report. All payment should be made at the time of the report. Approval of the Completion Report is contingent upon all reported expenses having been fully paid. There is one sole exception to this rule. charity: water accepts that in some countries it is customary for a percentage of water project contracts to remain unpaid for 6 months to a year to ensure that

the project remains running. If a partner withholds a final payment to a contractor in order to guarantee the functionality of a water point for a predetermined, specified period, charity: water agrees to accept the entire amount of the grant as having been expended under the following conditions:
1. charity: water approves the process at the proposal stage.
2. All terms of the contract between the partner and the implementer have been satisfied before the grant end date.
3. The contract between the partner and implementer has an agreed upon United States Dollar rate such that the final payment cannot constitute a gain or a loss to the partner and thus, by extension, to charity: water.

EXCHANGE RATE POLICY AND REQUIREMENTS

Exchange rate used at reporting

charity: water operates in United States Dollars (USD). As we invest in international programs, we require each partner to:

1. Have a written Exchange Rate Policy
2. Share the Policy for charity: water review during proposal development
3. Manage against the Policy at all stages of reporting

> *TIP: Using a weighted monthly average is the preferred method to calculate the exchange rate.*

There are several methods for calculating local currency expenditures in USD. A partner may choose which system of conversion to apply, on the condition that the following essential requirements are respected:

- The method to be used is documented as an accounting policy (i.e. it is the partner's standard practice) and is made available upon request by charity: water
- The method is applied consistently by the partner during the life of the grant
- The method gives equal treatment to all types of transactions (and funding sources)
- The method can be demonstrated (i.e. the source of the rate is cited and the calculation is demonstrated in financial reports)

Exchange rate gains and losses

In order to prevent potential exchange rate losses, partners are encouraged to use a conservative rate during the proposal stage. Unless a partner already has a set policy to choose the exchange rate, charity: water suggests using the last 6 months average to budget in the proposal.

> *TIP: Please notify charity: water of material exchange rate fluctuations as soon as possible. Timely notifications enable us to come to a mutual understanding on how best to proceed with the program.*

During the grant implementation, in the case of material exchange rate fluctuations (above $25K or above 5% of total budget), charity: water requests to be notified as soon as possible.

In the case of exchange rate gains, partners should account for gains in subsequent Progress Reports and provide charity: water with supporting documentation justifying the amounts of gains. charity: water's preference is for the funds to be reinvested into implementing additional water points.

Regardless of whether charity: water sends disbursements directly to the partner's field office or international headquarters, the same rules apply for exchange rate gains calculations. charity: water will evaluate gains based on the following parameters:
1. The date of disbursement from charity: water to partner based on www.oanda.com exchange rates
2. The structure of partner's contractual obligations, taking into consideration the differences between those committed in USD and those committed in local currency

Exchange rate losses are not eligible costs and will not be compensated or considered as justification for the reduction of program outputs.

BUDGET FLEXIBILITY

Any changes to the original approved budget that does not change a cost chapter by more than 20% and $5,000 is allowable and does require any prior approval.

Any expense not included in the original budget (i.e. new budget line) requires prior approval from your charity: water contact. If a partner wishes to add a new budget line that was not included in the proposal, please e-mail the charity: water team providing:
1. Explanation and justification for additional activity/budget line
2. Expected amount needed in USD
3. Funding source (savings on a specific budget line, exchange rate gains, etc.)

The partner should wait until c:w provides approval to start the new activity. The new budget lines should be added and highlighted in the budget file. A new line should also be added to the Methodology tab. If there is any impact to the Work Plan or activities in the Narrative, these should be updated accordingly.

AMENDMENT POLICY AND REQUIREMENTS

Budget Revision

When changes in a grant result in changes in the budget or Water Points List, a partner may need to submit a request for budget revision. Increases to cost chapters exceeding 20% and above $5,000 or decreases to daily water users exceeding 20% or any reduction in water points require a formal budget revision. As a reminder, Materials is a cost chapter and Water Supply/Sanitation/Hygiene/PPIA are sub-categories.

Submission procedure and documents
A budget revision request should be submitted via email at least 2 months before the Completion Report due date.

A Budget Revision request must include the following:
1. Budget Revision request documentation (via email or letter) providing an explanation of the revisions, including: dollar amounts, changes in the work plan, number of outputs, etc. and the rationale for the change(s).
2. Budget Revision and Expenditures Template, which is available HERE

Review and approval process

charity: water will review the Budget Revision request package for program quality, fiduciary compliance, and implications concerning donor reporting. Once a Budget Revision is approved, the partner will be notified and a formal Grant Amendment will be signed by both parties.

Changes in Water Points and/or Beneficiaries
Increases in water points or beneficiaries can be communicated in progress reporting and do not require separate approval.

If a partner expects any decrease in water points or a decrease in beneficiaries exceeding 20%, charity: water must be notified and provide approval. A decrease in people served within 20% does not require separate approval.

No-Cost Extension (NCE)

Partners may request an extension of an ongoing charity: water-funded grant. NCEs may be considered one time for a period of up to 6 months beyond the original completion date of the program if additional time is needed in order to accomplish the agreed-upon deliverables of the program.

Submission procedure and documents

NCE requests should be submitted at least 2 months before the Completion Report due date.

Depending on the length of NCE, there are two different application procedures:

For an NCE period of *3 months or less* (from original completion report date to new completion report date), the partner must submit:
   1. NCE Request (via email or letter) providing the following information:
        o   Amount and percentage expensed to date
        o   Explanation of why more time is needed
        o   Plan to complete the activities within the new timeframe
        o   Number of outputs that would be completed by original completion date

For an NCE period of *more than 3 months* (from original completion report date to new completion report date), the partner must submit:
   1. NCE Request (via email or letter) providing the information listed above
   2. NCE Budget and Expenditures Template, which your c:w contact will send upon request

Review and approval process

charity: water will review the NCE request package for program quality, fiduciary compliance, and implications concerning donor reporting. Once an NCE is approved, the partner will be notified. For an NCE of 3 months or less, an Approval Letter will be shared and for an NCE of more than 3 months, a formal Grant Amendment will be signed by both parties.

REFUND POLICY

As per the terms in the Grant Agreement, charity: water reserves the right, at any time, to 1) withhold or offset payments to, or 2) require refund by, the recipient of any amount that the recipient did not spend according to the terms and conditions of this award or are otherwise determined by the Grantor to be disallowed.

Conditions where charity: water will request refunds:

   1. If the Partner expends less than the amount already disbursed by charity: water, c: w will require the partner to refund the difference when the grant expires or is terminated (this can also be subtracted from the completion holdback disbursement).
   2. charity: water retains the right to a refund of all amounts paid to the Partner identified as disallowed or unsubstantiated costs by audit findings, which can include failure to comply with any law or regulation applicable to that partner, to charity: water, or the grant.
   3. Exchange rate gains and cost savings should be communicated to charity: water and will either result in additional projects or activities or be remitted to charity: water per charity: water's Exchange Rate Policy.