1. **General**

|  |  |
| --- | --- |
| The budget MUST be in the ACT format | ACT secretariat provides a standard budget format in EXCEL. This standard budget can be adapted by ACT secretariat in collaboration with the requesting member(s) according to their own planned activities. Once the budget is prepared, the requesting member is compelled to report actual expenditure in the same format as the budget. Therefore, take this into consideration when developing the budget format and ensure that it is a format based on which you can report. |
| Restricted inputs (formulas) | The budget template uses formulas. Persons filling in the budget MUST only enter information in the salmon colored cells, as the other cells have formulas.  If text or figures need to be changed in clear colored cells, please contact the ACT secretariat for assistance, but do not change the content. |
| Reporting option | For financial reporting: it is possible to expand the sheet by “unhiding” columns. More specifically, in the “hidden” columns H to N it is possible to enter the actual figure and it automatically calculates the variance. Please enter information in salmon colored cells. |
| Exchange rate | As mentioned above, the exchange rate is found on the consolidated tab. The exchange rate is calculated on the date when the budget was prepared (remains constant throughout lifespan of Appeal).  Please note it is also important to indicate the source (e.g. Oanda currency converter, XE currency converter, name of bank, etc.) |

1. **Income**

The income heading is subdivided into 4 subheadings:

1. Received by Requesting Member via ACT Secretariat, Geneva (*List by date & donor name and fill in amount- indicate original currency amount and Payment Advise #*)

Please only enter information in the salmon colored cells.

1. **Expenditure**

***Direct Costs***

Direct cost are those cost that are related directly to assistance that is being provided to affected communities. These are expenses which would only be incurred if the activity takes place and if the activity is taken away, then all these expenses would also be taken away. They include:

1. Program staff
2. Program activities (*assistance to the affected population*)
3. Program implementation (*assessments, complaints mechanism, audit, etc.*)
4. Program logistics (*transport, warehousing and handling costs*)

The budget template is in columns; information entered is the following:

1. Description of resources needed
2. Type of unit (*measuring benchmark*)
3. Number of units
4. Cost per unit (*in local currency*)
5. Budget in local currency
6. Budget in US dollar currency

**Program staff**

Ensure that direct staff and their related costs (e.g. water engineer, nutritionist etc.) are included in the relevant sectors under Direct cost and not under the heading “personnel, administration and support”. These are direct costs to the program.

**Program activities**

Program activities are listed by sector. The sequence must be in line with the proposed activities by sector (e.g. food security, WASH, health, etc.) as stated in the narrative section of the RRF. Sectors in ACT RRF budgeting procedures are categorized as follows:

1. Shelter & settlement/NFIs
2. Food security
3. Water, sanitation and hygiene (WASH)
4. Health/nutrition
5. Protection/psychosocial support

The sectors are based on the existing Humanitarian Architecture (clusters). For additional information on clusters, please download the IASC’s PDF guide on clusters:

<https://www.humanitarianresponse.info/system/files/documents/files/cluster_coordination_reference_module_2015_final.pdf>

For specific descriptions of what activities fall under which sector, please go to the following website:

<https://www.humanitarianresponse.info/en/coordination/clusters/inter-cluster-coordination>

At the bottom right hand of the webpage you will find links to all the different clusters (such as the Global Shelter Cluster), which will provide you with tones of information regarding each sector.

Each of the above sectors needs to be further broken down into budget lines.

***Indirect Costs***

Indirect costs are those cost which are not related directly to assistance that is being provided to affected communities. These expenses relate to the indirect support service essential to the effective running of the program and include:

1. staff cost related to the director, accountant, admin and secretarial staff
2. office cost such as rent, utilities, stationery, telephone etc. In this respect, expenses are shared among several projects.

The staff under indirect costs (personnel, admin & support) include:

1. Director (a percentage determined by time spent on the ACT appeal).
2. Finance manager /accountant /secretary /office driver (a percentage determined by time spent on the ACT appeal).

The total budgeted indirect cost should NOT EXCEED **5%** for RRFs of the budgeted direct cost as defined above. Actual indirect costs should also not exceed **5 %** of the actual direct costs as defined above. If 100% funding is not secured, which is usually the case, the **5%** will be applied on a proportional basis to actual direct cost / funds received.