1. **General**

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| --- | --- |
| 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.  |
| Tabular format | The budget format is an EXCEL document made up of 7 tabs (1 x consolidated tab, 1 x summary tab and 5 x member tabs).The tabs are all linked with formulas. **Do not** delete any of the tabs as it will affect the other tabs and the entire budget template.   |
| Consolidated tab | The consolidated tab provides an overview of the total budget of all the requesting members together. Please note that the *Exchange Rate* is entered on this tab, as well as the *Income* in the salmon colored cells.   |
| Summary tab | The summary tab provides donors with a rapid overview of funding for each member per each activity (in % form).Please note that the matrix uses formulas, the only information to enter is the name of the members in the salmon colored cells |
| Member tabs | The member tabs are to be filled out (one per each requesting member). These tabs also use formulas and are linked to the other tabs, therefore only enter text or figures for the *Expenditure* in the salmon colored cells |
| Reporting option | For audit purposes: it is possible to expand the sheets by “unhiding” columns. More specifically, in the consolidated tab “hidden” columns K to T allow you to attribute a budget line to a specific donor and on the member tabs it is the “hidden” columns H to Q. For financial reporting: it is possible to expand the sheet by “unhiding” columns. More specifically, in the consolidated tab “hidden” columns U to AA allow to enter the actual figure and it automatically calculates the variance; and on the member tabs the “hidden” columns are R to X. 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, 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 #*)
2. Cash received directly from donors(*List by date & donor name and fill in amount- indicate original currency amount and interest earned*)
3. In-kind donations received (*List by date & donor name and fill in amount- indicate items received in brief*)
4. FIRM PLEDGES (made both through ACT secretariat and directly) *List by date & donor name and fill in amount - indicate original currency amount. These must be firm commitments.*

Please only enter information in the salmon colored cells. Donor codes can be attributed to enter information to specific transfers to facilitate audit purposes.

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*)
5. Program assets & equipment (*capital equipment which will be purchased as a result of the intervention*)
6. Other program costs (*security, forum coordination, capacity building, etc.*)

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**

This heading subdivided into two principle sections: 1- international program staff and 2- national 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.

Also please note that there is a position labelled “Appeal Lead” that doesn’t fit into the sub sections. This position should be financially factored into the Appeal budget; this person is responsible for consolidating/producing the joint proposal as well as the narrative and financial reports.

**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 Appeal. Sectors in ACT Appeal 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
6. Early recovery and livelihood restoration
7. Education
8. Emergency preparedness/resilience
9. Unconditional cash grants
10. Camp Management

The sectors are based on the existing Humanitarian Architecture (clusters), with the exception of emergency preparedness/resilience and unconditional cash grants. 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.

Unconditional cash refers to cash transfer programming where the beneficiaries are provided with cash and have the choice to do whatever they please with that money; this way it can’t be assigned to a specific sector. For example, an organization provides each household with 500 US$ and that household can choose, if they want to buy food, buy medicines, pay for education, etc. with the funds they’ve received, as opposed to a conditioned cash grant where you would give a household a voucher that can only be used to buy food (this would thus go under food security sector).

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

**Other program cost**

There are two subheadings that deserve some additional clarification.

1. ***Forum coordination***. This refers to activities that are specifically geared at facilitating a more coherent joint programming strategy. It includes budget lines for kick-start and mid-year review workshops, visibility/fundraising and staff trainings from one member to another.
2. ***Strengthening capacities***. This refers to activities that strengthen the capacities of local partners/national members, the target beneficiaries and faith communities. The rationale is that when the project ends, these actors will still be present and will undoubtedly be the first responders if there ever is another disaster.

***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 **15 %** for appeals and 5% for RRFs of the budgeted direct cost as defined above. Actual indirect costs should also not exceed **15 %** of the actual direct costs as defined above. If 100% funding is not secured, which is usually the case, the **15%** will be applied on a proportional basis to actual direct cost / funds received.

***International coordination fee (ICF)***

Every appeal must have an expense budget line named “International Coordination Fee”. ACT’s governing board determines the percentage to be charged as the International Coordination Fee. Using the approved percent, calculate the budgeted fee payable to the ACT secretariat by multiplying the sum of all appeal costs by the ICF rate.