



Ministerie van Buitenlandse Zaken

Appendix 4.vi

Guide to model budget

Contributing to Peaceful and Safe Societies 2024-2031

Guide to model budget for grant policy framework
Contributing to Peaceful and Safe Societies 2024-2031

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1. Introduction

There are several advantages to have a standardized model budget. Project budgets often give rise to differences of opinion that need to be resolved, especially about the types of cost that qualify for funding by the Dutch Ministry of Foreign Affairs (MFA). Furthermore, different activities carried out by the same organisation cannot be easily compared if different formats and definitions of cost types are used.

The standard model budget addresses the above issues and as such makes matters clearer for all concerned. **In the context of the Contributing to Peaceful and Safe Societies 2024-2031 grant, the model budget as described in the following chapters must be used to draw up the programme activity budget. Other layouts will not be accepted.**

2. Model budget

The model budget consists of various cost categories and subcategories presented in Table i. When drawing up the activity budget for the application, the annexe belonging to this model is completed and submitted along with the application.

NB: The model budget is intended to be used by grant recipients to draw up:

- the annual budgets submitted during the MFA funded project period;
- the annual financial report (to be audited) in the context of approved MFA funding. In this financial report, a narrative explanation must be added for each cost category.

Table i – Model budget with fixed cost categories and subcategories

I.	Direct staff costs
	A. Staff costs for non-local personnel of applicant
	B. Staff costs for local personnel of applicant
	C. Programme activity costs, including project management costs
	D. External: consultants and advisers
II.	Other direct programme costs
	A. Activity-related travel costs
	B. Project office costs
	C. Activity-related equipment and investment costs
	D.1 External accountability activities (mid-term review, final evaluation and auditing)
	D.2 Programmatic Monitoring, Evaluation and Learning (executing the learning loop of the <i>Contributing to Peaceful and Safe Societies 2024-2031</i> grant programme)
	D.3 Costs to participate in the learning trajectory partner
III.	Subtotal I+II (at least 85% of V)
IV.	Overheads / indirect costs applicant
	A. Indirect cost rate (max. 15% of V)
V.	Subtotal Direct and indirect costs of applicant (=III+IV)
VI.	Programme costs local partners
	A. Direct and indirect costs of local partners (and other third parties)
VII.	Subtotal V+VI
VIII.	Contingencies
	A. Optional percentage reserved for contingencies (maximum 4% of VII)
IX.	Grand total = VII+VIII

3. Explanatory notes on individual cost types

An explanation of the various cost categories and the cost types in each category is provided below.

3.1. Direct costs

3.1.1. Staff costs applicant organisation

Direct staff costs are costs for hours worked that can clearly be attributed – either fully or in part – to the MFA-funded activities. The staff costs are directly, clearly and demonstrably related to the MFA-funded activities.

Direct staff costs allowed under this grant policy framework are elaborated below.

A. Staff costs in respect of non-local employees (including seconded staff)

This category includes all costs in respect of staff – both head office and seconded staff – that can be demonstrably attributed – either fully or in part – to a MFA-funded activity. Staff costs are calculated on the basis of actual costs incurred using the formula $P \times Q$, as explained below.

1. Staff costs: $P \times Q$

In order to arrive at the (total) direct staff costs included in the activity budget, the number of planned hours (Q – see 3 below) is multiplied by the respective hourly rates (P – see 2 below) for all staff, fully or partly involved in the activities.

2. P-component

The following costs qualify as direct staff costs:

- Gross salary, including holiday allowance, pension and social insurance contributions, insurance and employer contributions that can be attributed to the activity.
- Costs relating to secondment such as a foreign posting allowance, rent allowances and relocation allowances. Costs relating to job-related allowances, market-related allowances and deputation allowances are eligible only if they are based on a substantiated, written internal decision by the organisation.
- Education and training costs are reimbursed based on actual costs.
- Allowances for commuting are subject to the ceilings laid down in the collective labour agreement.

Calculation of productive days

The daily cost of a member of staff is calculated by dividing the total cost of a staff member by their productive days per year.

The number of productive hours is calculated as follows.

1. The number of working days in a week is 5. This number is multiplied by the number of weeks per year. As a rule, this produces approximately 261 workable days, depending on the year.
2. Subsequently, the number of hours per day, as laid down in the collective labour agreement, is determined. There are 7.2 hours per day in a 36-hour week, 7.6 hours per day in a 38-hour week, and 8 hours per day in a 40-hour week.
3. The number of workable days (1) is then multiplied by the number of workable hours per day (2) to produce the annual total of available hours.
4. Annual leave, average sickness absenteeism in hours and public holidays that fall on a working day are then deducted from this total (3) to produce the number of workable hours.

5. As a next step, also a percentage of indirect hours is deducted from the total (3). 10% of the total hours per working week is an acceptable deduction¹. These hours relate to meetings necessary to implement the activities, time to take courses, departmental activities, etc. This is work that must be performed to implement the activities financed by MFA.
6. After allowing for these hours, the calculation produces the annual number of productive hours. As a rule, total workable hours per year exceed total direct productive hours by a factor of 1.11.

Table ii – Example of how to calculate productive hours based on a 36-hour week:

Nr.	Category	Calculation	Hours
i	Annual total of available hours	261 days x 7,2 hours	1879,2
ii	Hours of public holidays on a working day	6 days x 7,2 hours	43,2 -/-
iii	Subtotal	i – ii	1836
iv	Leave (hours)		167 -/-
v	Sickness absence (in hours) (5%)	5% x iii	92 -/-
vi	Number of workable hours (see A. below)	iii – iv – v	1577
vii	Indirect productive hours (10%)	10% x vi	158 -/-
viii	Number of direct productive hours (see B. below)	vi – vii	1419

There are two ways to calculate the hourly rate per staff member:

A. Hourly rate based on workable hours

If the organisation bases the hourly rate on the number of workable hours, it will divide the staff member's gross salary by more hours than it would if it based the hourly rate on the number of productive hours. If the organisation has used the number of workable hours to calculate its budgeted rates, the hourly rate can be multiplied by a factor of 1.11 in order to cover all costs incurred by the staff member. The application of the multiplication factor may not lead to the total costs charged to donors exceeding 100% of the costs.

B. Hourly rate based on productive hours

If the organisation bases its hourly rate on the number of productive hours, the rate will generally be higher than a rate based on the number of workable hours, as the number of productive hours allows for training courses, travel during work time, etc. In that case, the hourly rate is an all-in rate and a multiplication factor is not applied to the staff costs as there is a risk of payment exceeding 100% of the actual costs or of unauthorized overtime being paid.

2. Q-component

A number of hours per staff member is planned for each (sub)activity in the activity budget to be drawn up later. During implementation, hours are monitored and accounted for on the basis of actual time worked and registered.

B. Staff costs for local employees

The salaries of local staff must be in line with the local context. Organisations are expected to have guidelines to setting them.

As in the case of direct staff costs of head office staff and expatriate seconded staff (category A above):

- the P x Q-calculation is generally used for local staff costs.

C. Programme activity costs, including project management costs

Costs that are incurred for the purpose of achieving the agreed objectives of the activity. Examples include specific training and capacity-building educational programmes for the ultimate beneficiaries of the funding. This category also includes project management costs, including costs to coordinate activities executed by local partners.

¹ 10% is also considered an acceptable standard for indirect hours in the Central Government Fees Guide 2019.

D. External: Consultants and advisers – other than for external accountability purposes

The cost of external consultants and service providers (e.g., advisers) are charged on the basis of the contractually agreed hourly rate and number of hours, including office costs if applicable. Prior to the conclusion of a contract, bids must be assessed on the quoted hourly rates and number of hours. The maximum hourly rate for 2023 is €212 excluding VAT.² The rates of possible local consultants and advisers must be in line with local price levels.

The following website provides an indication of local price levels: <https://www.numbeo.com/cost-of-living/>

NB.1: The costs for external consultants and advisers responsible for external accountability activities as described in 3.1.2.D1 do not fall under this category. These costs are to be included under 3.1.2.D1.

NB.2: All staff costs that cannot be allocated to the activity are classified as indirect staff costs, which are part of the overheads/indirect costs (see chapter 3.2 for an explanation).

3.1.2. Other direct programme costs

Other direct programme costs are costs for, among other things, equipment that can easily be allocated – either fully or in part - to the activities funded by MFA. The other direct programme costs are directly, clearly and demonstrably related to the MFA-funded activities.

A. Activity-related travel costs

Travel costs that may be claimed are determined by the applicant's travel expense policy. Expenses are reimbursed on the basis of actual costs or, if there is a travel policy, on the basis of agreements on fixed allowances for daily expenses with the exception of accommodation, which is reimbursed on the basis of actual costs. Daily Subsistence Allowance Rates may be used for activity-related travel costs as well. As a rule, costs of air travel are reimbursed on the basis of economy class tickets.

B. Project office costs

Project office costs are costs incurred by a local country office, indispensable to execute the MFA-funded activities. The following costs are allowable:

- *rent;*
- *maintenance costs and office supplies to carry out the project in full or in part;*
- *IT equipment specifically for the project office.*

All the costs concerned are charged to the activity on the basis of actual cost. If the project office carries out various activities, including non-MFA activities, the costs are charged proportionately to the activities concerned.

C. Activity-related equipment and investments costs

The cost of equipment related directly to the implementation of the project activities, such as:

- *movable property, e.g. inventory;*
- *cars purchased, rented or leased for the project;*
- *supplies;*
- *IT equipment.*

² <https://www.topinkomens.nl>

The purchase of movable property, supplies and IT equipment must be in accordance with the activity plan relating to the application. IT equipment may be purchased only on the basis of the outcome of a contract award procedure. Purchases must be made in accordance with the applicant's purchasing policy, which is annexed to the model budget. Only actual equipment and investment costs will be reimbursed. Depreciation and/or residual values are not allowable. The amount of the reimbursement for project-related equipment and investment costs depends on whether equipment is purchased, rented or leased and the reasons for an investment decision.

D. Monitoring, evaluation, learning and auditing

The costs of monitoring, evaluation and learning (MEL) and auditing are broken down into three categories:

D.1 – External accountability activities (mid-term review, final evaluation and auditing)

Costs that can be included under this heading are: fees for external consultants and advisers responsible for carrying out the external accountability activities; travel costs for these external consultants and advisers; costs for venues and catering for workshops and sense-making events related to the external accountability activities (both in-country and in The Hague; etc.).

These costs are charged to the activity as direct costs and are reimbursed on the basis of actual costs under the following conditions:

- Terms of Reference (ToR) have been drawn up.
- At least one quotation has been requested.
- The regularity and accuracy of expenditure and receipts have been determined by a project audit.
- An evaluation assesses the extent to which results budgeted before the start of the activity have been achieved.
- A learning component is included. The increasing inclusion of a learning component is reflected in the change in terminology from monitoring and evaluation (M&E) to monitoring, evaluation and learning (MEL).

NB: Please take account of the requirement to draw up a report of factual findings as part of the audit.³ This requirement stems from the 2022 audit protocol and entails higher costs than an audit without a report of factual findings.

D.2 – Programmatic Monitoring, Evaluation and Learning (executing the learning loop)

Costs related to the execution of the learning loop in the *Contributing to Peaceful and Safe Societies 2024-2031* grant programme (i.e., feeding insights coming out of country-level adaptive locally led programming into policy influencing activities, and vice versa) are charged to the activity as direct costs and are reimbursed on the basis of actual costs.

Examples of costs that can be included under this heading are: costs for venues and catering for workshops and learning sessions related to the execution of the learning loop; costs for covering travel costs of participants (local stakeholders) to workshops and learning sessions related to the execution of the learning loop; printing and communication costs related to workshops and learning sessions related to the execution of the learning loop; etc.

D.3 – Costs to participate in the learning trajectory partner

The MFA will contract a learning partner to support the Ministry in its own monitoring, evaluation and learning objectives for the *Contributing to Peaceful and Safe Societies 2024-2031* grant programme. The learning partner is expected to harness the insights gained from the MEL efforts conducted as part of the programmes that are awarded grants, and will therefore facilitate a regular series of learning events that will focus on exchanging insights and experiences. The Ministry would greatly appreciate it if all grant recipients were to participate in these

³ <https://www.nba.nl/globalassets/themas/thema-controleprotocollen/ministeries/ministerie-van-buitenlandse-zaken/copro20044a4-buzamodelprotocol-activiteit-04022022-engels.docx>

events. Applicants that wish to participate may reserve a fixed budget of € 30,000 per year to cover the costs of this participation.

3.2. Overheads / Indirect costs

Indirect costs are not directly linked to the activity, for example indirect staff costs (such as secretarial costs), phone charges and heating costs.

An organisation funded by MFA may receive money from several other donors and run a number of different activities in parallel. Indirect costs can be allocated proportionately to the various donors and activities on a pro rata basis or by means of allocation formulas.

The following principles apply to this cost category:

- a. In all cases, the funds must to the greatest extent possible be used to achieve the intended changes that will benefit the target group. Indirect costs as defined in this document should therefore be kept to a minimum. Indirect costs are subject to a maximum of 15% of the sum of direct and indirect costs (see row V of Table i in section 2). This is referred to as the '15% rule' in this document.
- b. The 15% rule applies to the entire duration of the MFA-funded activities and is no longer an annual limit. This approach offers greater flexibility and meets the practical needs of implementing organisations if the indirect cost rate exceeds the 15% threshold due to unforeseen circumstances (such as coronavirus) or is lower than originally calculated. The text box below explains the practical application of this rule.
- c. Indirect costs are based on the total actual indirect costs incurred by the organisation.

What happens if indirect costs are higher than budgeted?

As a rule, all substantial budget variances (both positive and negative) must be reported and explained to MOFA every year. This is especially true if indirect costs exceed the 15% threshold. This may occur occasionally, although MOFA may always request an explanation of such an increase and indirect costs must not in any case exceed 15% of the sum of direct and indirect costs at the end of the project.

The following (fictitious) example illustrates the foregoing. Suppose the mapping process (see section 6) calculates an indirect cost rate of 14%, but indirect costs have risen to 14.8% by the end of the activity. In this scenario the policy department has to decide whether to permit this increase. The additional 0.8% can be deducted from direct costs (in other words at the expense of the project results) OR the organisation itself can pay the difference from its own (non-MOFA) funds, such that direct costs remain unchanged. If an audit is warranted due to the financial scale of the activity, it will also examine indirect costs. If no annual audit is to be performed, no additional examination of indirect costs will take place.

But what if the total indirect costs amount to 15.2% at the end of the project? It is again up to the policy department to decide whether to permit the increase in indirect costs and whether it will be reimbursed by MOFA or must be paid by the organisation from its own funds. Under no circumstances, however, will the 0.2% above the 15% threshold be reimbursed by MOFA.

3.2.1. Designating direct/indirect costs

To designate costs to either direct or indirect cost categories, a so-called mapping process will be applied, based on the organisation's ledger accounts. To this end, the total amount of the indirect costs in the general ledger accounts is related to the total of the costs in the general ledger accounts. For this purpose, the definitions in section 3.2.2 are to be used.

Concerning indirect costs, the following is important:

- The mapping process results in a fixed percentage for the indirect costs, calculated in relation to the total amount of direct and indirect costs. This percentage is used when drawing up the budget for the costs under category IV (see Table i in section 2).
- The indirect costs need no further specification during submission of the application and activity budget.
- However, the percentage used for the indirect costs is expressly subject to the audit that takes place with regard to the annual financial statement of the subsidy.

An example on how to determine the indirect cost percentage is provided in the table below.

Table iii – Fictitious calculation of the indirect costs percentage

A certain organisation wishes to submit a grant proposal at MFA and makes use of the model budget at hand. The 'mapping' of all general ledger accounts according to the definitions in section 3.2.2. is used to appropriately allocate direct and indirect costs. The mapping process shows that of the total of the general ledger accounts of €100 million, €88 million can be allocated as direct costs in the general ledger accounts and €12 million as indirect costs. The indirect cost percentage therefore amounts 12% ($=€12 \text{ mln}/€100 \text{ mln}$). Since this meets the 15%-rule, the 12% can be used when drawing the activity budget.

If a general ledger account comprises both direct and indirect costs, a best estimate should be made of their pro rata allocation. In this example, €80 million can be posted as 100% direct costs, €12 million as 50% direct costs and €8 million as indirect costs. Direct costs therefore amount to €86 million ($=€80 \text{ mln} + 50\% * €12 \text{ mln}$) and indirect costs €14 million ($=€8 \text{ mln} + 50\% * €12 \text{ mln}$). In this case the indirect cost percentage is calculated at 14% ($€14 \text{ mln}/€100 \text{ mln}$).

3.2.2. Definitions of (allowed) indirect costs

A. Costs of support staff and indirect staff costs

Costs of support staff and indirect staff are part of overheads / indirect costs and cannot be attributed directly to the activities funded by MFA. This category mainly concerns:

- salary costs of management, finance, HR, IT, administration and other support staff;
- travel expenses if, unlike those described in section 3.1.C, they cannot be attributed to the activities being funded by MFA. In that case they may be charged as indirect costs in accordance with the organisation's applicable policy.

B. Administrative costs not related to the activity

Insurance

All types of insurance required for the applicant's normal business operations that cannot be attributed to specific (MFA-funded) activities, such as:

- directors' liability insurance;
- liability insurance;
- buildings insurance (if applicable);
- legally required insurance for vehicles;
- insurance relating to the employer's statutory obligations to employees;

- travel insurance;
- measures to mitigate financial risks such as foreign exchange risks – in this case policy and procedures must be in place to prevent speculative transactions.

Accountant and notary costs

All accountant and notary costs, related to the applicant's normal operations, that cannot be attributed to specific activities.

Consultancy and legal costs and other general costs

All consultancy and legal costs, related to the organisation's normal operations, that cannot be attributed to specific activities.

One-off legal costs (relating for example to a reorganisation or legal proceedings due to the dismissal of a staff member) are not considered indirect costs and are not therefore eligible for reimbursement.

Subscriptions, contributions and membership fees

Subscriptions, contributions and membership fees are only considered indirect costs if they relate to the organisation's normal development cooperation operations.

C. Other non-activity related costs

Office costs

All costs necessary to provide a good, clean and safe working environment consistent with the standards an employer should reasonably satisfy.

These costs include (in so far as they are not already covered under direct costs – see section 5.2 (D)):

- rent;
- general costs and in-house emergency personnel costs;
- utilities;
- maintenance of the premises;
- cleaning and security;
- communication/telecom costs;
- office supplies;
- other organisational costs.

IT licences and systems

The cost of regular maintenance of the ERP system such as SAP or Oracle (accounting system) and systems needed for the conduct of normal operations, that cannot be attributed to specific activities.

Translation costs

Translation costs that can be attributed to the organisation's normal operations. The costs of large one-off translation projects, in the context of a reorganisation for example, are not considered indirect costs and are not eligible for reimbursement.

Depreciation

Depreciation costs reflect decreases in the value of:

- premises;
- ICT equipment and systems;
- other fixed assets.

Depreciation can be included in the calculation of indirect costs if the depreciated assets:

- are used not only for the MFA-funded activities, but also for the conduct of normal operations; and/or

- are only used for a certain period while the activities are being carried out and still have a residual value thereafter.

The depreciation periods may vary according to the asset type.

If depreciation costs are charged, the organisation must adopt a consistent approach. This will be examined as part of the annual audit of the annual accounts.

Integrity policy and implementation

Any organisation that receives MFA funding to carry out activities is required to have procedures and a policy relating to integrity, including the appointment of at least one confidential adviser, rules protecting whistle-blowers and the option of engaging internal or external investigative capacity in response to a report of a breach of professional ethics or inappropriate behaviour. The cost of setting up and implementing this system is considered to be an indirect cost.

3.3. Non-allowable expenses

General costs for items that are not linked to the activities carried out for MFA are NOT eligible for reimbursement and cannot therefore be included in the model budget. They include:

- costs associated with developing or submitting a funding application and other costs that are incurred before receipt of a grant award decision;
- VAT (and income tax) that can be offset by the applicant;
- costs due to inflation which larger than 5% of the total eligible costs;
- investment costs and depreciation that are not directly related to the activities for which MOFA/BHOS grants have been awarded;
- profit margins on expenditure such as salaries;
- PR and marketing;
- costs of registering and maintaining intellectual property rights;
- that part of total indirect costs that exceeds the permitted maximum of 15% of the sum of direct and indirect costs. In the case of 20% total indirect costs, for example, 5% are considered ineligible.

3.4 Programme costs local partners

Costs incurred by local implementing partners (and possibly other third parties) necessary to achieve the objectives of the grant funding by MFA must be included under this cost category. Apart from direct costs, local partners may also include their indirect costs under this category.

3.5 Contingencies

Unexpected circumstances like extreme weather events can result in additional costs for MFA-funded activities that are not covered by the activity budget.

The item 'contingencies' is intended to cover these costs.

A percentage of costs to cover contingencies can be included in the activity budget. The percentage will of course depend on the expected uncertainty stemming from the nature of the policy area and the organisation's operational context. A maximum of 4% of the sum of direct and indirect costs is applied in the MFA model budget.

The item 'contingencies' cannot be used while the activities are being carried out without the prior approval of the MFA budget holder.

3.6 Inflation

In recent years, inflation has dramatically increased costs for implementing organisations. This section describes how to incorporate inflation into a budget for future activities:

- a) It is possible and sensible to incorporate future inflation in the cost structure when preparing a multi-year budget for newly started activities. The maximum percentage to be used for this purpose is 5% per year. For example, if the hourly rates are still €100 in 2023, they may be set to a maximum of €105 for 2024, etc. for the years thereafter.
- b) If, during implementation, it turns out that inflation rate exceeds the rate budgeted under 'a', the implementing organisation will have to discuss with the MFA budget holder how to deal with this. The budget holder has the freedom to decline a higher rate.
- c) Should the budget holder want to work towards a solution with the implementing organisation, this will mainly lie in the sphere of adjusting downwards pre-agreed activities and results.
- d) Under no circumstances is it allowed to include inflation rates in any form or stage of implementation under 'Contingencies' (refer to section 3.4).
- e) Nor is it allowed to 'hide' inflation adjustments under 'indirect costs'. This also will be nearly impossible since for grants MFA works with a mandatory model budget with a maximum percentage of indirect costs of 15%. What percentage applies to a particular organisation is not arbitrary (refer to section 3.2), but based entirely on a mapping process of the general ledger accounts of that organisation.

In case the implementing organisation has not taken inflation into account in the initial budget of the grant (and has kept the costs for the entire duration at the level of the starting year of the project), it has to follow steps b to e above - in case of a request to be allowed to process inflation during the project.

Annexe – Activity budget to be included in the grant application

The activity budget to be included in the **Contributing to Peaceful and Safe Societies 2024-2031 grant application** should be based on the standardized model budget (section 2 of this guide), the theory of change and intervention strategies. The intervention strategies define the type and duration of the activities and necessary interventions in relation to the intended results and required resources.

- The activity budget consists of three overviews which can be found in the following document: Appendix 4vi Model budget format Excel - Contributing to Peaceful and Safe Societies 2024-2031 (which can be found here: <http://www.government.nl/ministries/ministry-of-foreign-affairs/decrees/2023/11/09/subsidy-framework-contributing-to-peaceful-and-safe-societies-2024-2031>):
 1. budget by year
 2. budget by result area
 3. budget by country

Key points before filling out the Excel Model Budget!

- **The excel version of the budget should be annexed to your application.** The document at hand (guide to the model budget) should NOT be annexed to your application.
- In line with The Ministry of Foreign Affairs Grant Decree⁴, a narrative explanation must be added to the budget by year (Sheet 1 of the Excel version of the Model Budget), giving insight in how all figures of Sheet 1 were developed. In the narrative explanation staff costs (e.g., cost category I and (partly) II of table i above) have to be elaborated down to categories of staff members level (e.g., project managers, MEL advisers, support staff, etc.). It is not necessary to include a PxQ-explanation per individual staff member.
- The applicant also must submit all underlying PxQ-calculations of Sheet 1 of the Excel version of the Model Budget.
- The budget by year (Sheet 1) - apart from the expenses - has to give insight in the income related to the MFA funded activities. At the bottom of Sheet 1, various income sources are included, which the applicant may choose from. In case that the MFA funded activities generate income, please:
 - Fill in the amount per source per year in the correct rows/columns in Sheet 1;
 - Add an explanation on the sources and amount of income to the narrative explanation belonging to Sheet 1. The explanation e.g. describes the origin and identity of the source, assurance of income, etc.
- In case MFA needs clarification on the (financial) information submitted with the application, further explanation can be requested from the applicant at any time during the assessment process, be it with due regard for article 7, third paragraph of the MFA Grant Decree.⁵
- Apart from the budget by year (Sheet 1) and budget by result area (Sheet 2) for ODA-activities also a cost division by country should be provided (Sheet 3). It goes without saying that Sheet 2 and 3 are also based on the intervention strategies (and the ToC).
- The indirect cost percentage is explained in section 3.2.
- In multiyear budgets inflation and annual salary increases should be incorporated as laid down in the collective labour agreement (refer to section 3.6).
- In the light of the activities' progress and new circumstances, annually adjustments within budgets may be made. Provided MFA's explicit permission has been obtained. The proposal to adjust the budget must be compatible with the ministry's intended results and acceptable in the light of the activity's circumstances.

⁴ <https://wetten.overheid.nl/BWBR0018039/2013-07-01>

⁵ If Article 4:5 of the General Administrative Law Act has been applied, application of the first and second paragraph implies that the date receipt of the grant application shall be the date the grant application was supplemented.