

Better Cotton GIF Budget and Funding Guidelines 2023-2026

Introduction

This document provides applicants to Better Cotton GIF guidelines to complete the budget associated with their proposal.

Budget guidelines Small Farm Fund

Budget completion

- Small Farm Fund applicants are requested to complete a three-year budget in line with their application
- Please use the budget template provided in the online application form. The first tab of the Excel template includes guidance on how to complete the template.
- Note that applicants are asked to provide a detailed budget for year 1. For years 2 and year 3, we only ask you for the total for each of the main budget headings. Programme Partners whose applications are successful will receive more details on when the detailed budgets for Year 2 and Year 3 will be needed.
- We expect applicants to develop budgets bearing in mind inflation throughout the project lifetime. The inflation rate used will depend on current and projected inflation rates in the country where the project is being delivered, as well as the particular items of expenditure. Please base inflation rates on the official data of your country. We will question any rates which appear disproportionately high or low.
- Special note on salaries:
 - Programme Partners must comply with the relevant national/regional laws in relation to paying minimum wages for each position funded by the project. Projects which pay staff above the minimum wage will be looked on favourably.
 - Salaries must cover social charges, taxes and related benefits, such as health and life insurance.
 - Salaries should not include work-related expenses (fuel, transport costs, etc.).
 - There should be equal pay for equal work (between men and women and other excluded groups).
- Any expenditure not included in / exceeding- the approved and contracted budget will not be compensated by the Fund.
- Programme Partners are encouraged to provide a contribution to the project, either from their own sources (this can be in-kind contribution) or from other donors. In the case of corporate Programme Partners, we will expect a significant level of co-funding.

Currency and Exchange Rate

- The budget should be prepared in local currency. This will generate an equivalent Euro budget based on the exchange rate entered. The GIF will provide exchange rate for each country.
- The Fund will contract all funded Partners in Euro.
- The exchange rate used to report expenditures should be the actual exchange rate upon receipt of the disbursement.
- A disbursement is always equal to the amount invoiced and paid by GIF. Bank charges and fees must be accounted for as costs.

Activity Costs and Expenditures

- GIF will consider on a case-by-case basis funding of capital items that are needed for the delivery of the project. GIF will not usually fund building costs, the purchase of vehicles, land or heavy equipment. If the purchase of capital items is agreed please refer to the GIF Procurement policy and procedures for Programme Partners
- All applicants are required to disclose full project costs including their own contributions to the project or contributions from third party partners/other donors.
- Overhead costs are limited to 10% of the overall budget and must include an independent financial audit of project expenses. (The project audit should extend to co-funding. Where funds are from another donor, and already covered by a project audit, an additional project audit is not required. Project audits will require validation of in-kind contributions)

Ineligible costs include

- Activities that may lead to civil unrest
- Activities that discriminate against any group based on age, gender reassignment, disability, race, colour, ethnicity, sex and sexual orientation, pregnancy and maternity, religion or belief
- Statutory fines, criminal fines, penalties and associated legal costs
- Payments for works or activities that are fully funded by other sources whether in cash or in-kind, for example, if premises are provided free of charge
- Activities in breach of legislation
- Bad debts to related parties
- Payments for unfair dismissal and associated legal costs
- Replacement or refund of any funds lost to fraud, corruption, bribery, theft, terrorist financing or another misuse of funds.
- Costs incurred before the project start date, including those associated with preparing the application.