

## EXPLANATORY NOTES FOR COMPLETING THE VTF BUDGET FORM

1. This document provides explanatory notes for each of the fields to be completed in the VTF Budget Form.

### Explanation of terms

#### *Name of Applicant*

2. The name of the implementing Government department or agency (division, directorate or unit) as well as the name of the State that is making the application should be included here. The information provided here should repeat the information provided in section 1 of the VTF Grant Application Form.

*Example: Strategic Trade Directorate, Ministry of Foreign Affairs, Australia.*

#### *Project Title*

3. The title that has been given to the project – as indicated in section 6 of the VTF Grant Application Form – should be inserted here.

*Example: Training workshop on the national control list*

#### *Implementation Period (Start Date, End Date)*

4. The implementation period indicated should correspond with the Start Date and End Date inserted in section 6 of the VTF Grant Application Form.

*Example: 1 January – 31 December 2018*

#### *Currency*

5. The amount of funding being sought for the project should be indicated in United States dollars (USD). Any amounts calculated in the local currency must be converted to USD before being inserted in the Budget Form.

### Categorisation of costs

6. All the costs associated with the activities of the project should be categorized within the following categories:
  - Personnel costs.

- Travel costs.
- Equipment costs.
- Operating costs.

7. An explanation of the types of costs to be included in each of these categories is provided below.

#### **Personnel costs**

8. Personnel costs of the project include the costs associated with personnel who will work on the project, other than State employees. They are defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the project implementation period. Personnel costs should be divided into Staff costs and Consultants costs.

#### **Implementing Partner**

9. This category covers direct costs (such as salaries) and other costs (such as taxes and social security charges) associated with employees of Supporting/Participating Agencies or Implementing Partner(s) (identified under section 4 of the VTF Grant Application Form), except where a Supporting/Participating Agency or Implementing Partner is a State or State agency.

10. **\*Please note:** the salaries of any staff members or employees of the State(s) implementing the project must be in-kind contributions and cannot be listed as direct costs in the Budget Form.

#### **Consultants**

11. This category covers fees paid to persons that are engaged to work directly on the project through a consultancy contract or arrangement (such as interpreters or researchers), but who are not permanent employees of the implementing State department or Supporting/Participating Agencies or Implementing Partner(s).

#### **Travel costs**

12. This category covers costs related to travel associated with the project undertaken by staff, consultants or, for example, participants in a training workshop or external experts. Travel costs should be further categorized under the following sub-categories:

- Transport (for example: flight tickets, rail tickets, bus tickets, taxi fare or transportation to/from an airport; petrol and mileage costs associated with use of own car); and
- Other (this can be used to include miscellaneous items related to travel that are not covered by the above category, such as vaccinations necessitated by travel or travel visas).

#### **Equipment costs**

13. This category covers expenditure (capital cost) related to any equipment that will be purchased in order to implement the project.

*Example: Computer and software to keep electronic records of export licences granted by the competent authority.*

## Operating Costs

14. The operating costs of the project are the expenses that are related to the operation of the project or any equipment purchased for the project (cf 'Equipment' above). They are the direct costs of resources used to implement the project. Examples include:

- Venue hire (for example, the cost of renting premises to hold a training workshop);
- Conference services (for example, the cost of having audio-visual equipment available at a training workshop, or of having interpretation provided);
- Meals (for example, the cost of providing lunch and dinner to participants in a workshop as well as experts and trainers. Project implementers should seek to pay caterers, restaurants or hotels that provide meals to workshop participants and trainers *directly* as part of a lump sum arrangement and should avoid giving out cash per diems to individual participants and trainers to pay for meals or accommodation);
- Daily Subsistence Allowances (DSA) (also known as 'per diem'). This is the amount of money given towards such charges as meals, accommodation and other expenses incurred by personnel (such as trainers, experts and consultants) associated with the project during official travel and transit directly related to the project;
- Accommodation (for example, the cost of hotel rooms for participants and trainers in a workshop taking place over several days where participants and trainers are expected to stay on the premises e.g. because they do not live locally. Project implementers should seek to pay lodges and hotels that provide accommodation to workshop participants and trainers *directly* as part of a lump sum arrangement and should avoid giving out cash per diems to individual participants and trainers to pay for meals or accommodation); and
- Publication costs (for example, the costs of producing training materials for a workshop, such as printing).

15. The operating costs listed in the Budget Form should not include indirect costs (such as general office supplies provided to staff in the normal course of work, communication costs such as the use of mobile phones or office phones, the costs associated with managing the payroll for staff, or the rental of the office space where staff work). Such costs are captured in the flat-rate percentage figure allowed for Total Indirect Support Costs (see below).

### Description of costs

16. A short description of each cost item must be provided that indicates who is involved and what the money will cover.

*Example: Operating costs – Hiring venue for 30 people for 2-day training workshop in capital city.*

17. A monetary figure then needs to be allocated to each item indicating the No. of Units, Units (days, months, persons, trips, copies), and Unit Cost in US \$. Continuing the example above, this might include the following:

*Example:*

<b>No. of Units</b>	<b>Units</b> (days, months, persons, trips, copies)	<b>Unit Cost in US \$</b>	<b>Amount in US \$</b>
2	days	\$2'000	\$4'000

18. This would indicate that the venue for the training workshop is going to be hired for **2 days**, at a cost of **\$2,000 per day**. The Amount in US \$ is then automatically calculated as **\$4,000** (2 days at \$2,000 per day).

**Calculation**

*Total Direct Costs*

19. This is an automatic calculation of the project costs that have been listed in the Budget Form.

*Total Indirect Support Costs (up to 7%)*

20. Indirect support costs are costs that cannot be traced unequivocally to specific activities of the project. Indirect costs may be incurred when performing the following functions: the recruitment and servicing of consultants for the project, accounting, reporting, and auditing. They also include general office supplies provided to staff in the normal course of work, the costs associated with managing the payroll for staff, or the rental of the office space where staff work.

21. Applicants are entitled to receive indirect support costs calculated as a percentage of the Total Direct Costs.

*Total Budget*

22. This is an automatic calculation of the Total Direct Costs plus the Total Indirect Support Costs and represents the total amount of funding the applicant is seeking from the VTF. The Total Budget, inclusive of direct and indirect costs, must not exceed the Budget cap of USD 100,000 except in instances where the project involves more than one State or a group of States where the budget may exceed USD 100,000. There is no specific budget cap for projects of this nature (i.e. where more than one State is applying to the VTF under the same project proposal). However, the VTF Selection Committee will determine what is reasonable on a case-by-case basis.

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