

## Guidelines for SwedBio Partners regarding budget and financial follow up

*This document highlights which information SwedBio needs as the basis for analysis of budgets and financial reports when providing project and program support.*

### Budget in general

- The period of the budget shall correspond to the reporting period.
- The figures shall be in the local currency, i.e. in the currency of which the expenses will be paid. If another currency is used the exchange rate must be clearly stated.
- Tentative or secured activities and costs financed by other donors to the project must be provided.
- The budget should be provided in Excel to be able to validate the calculations.
- A budget narrative should be included that explains assumptions, unit costs, wage levels, inflation rate, etc., as well as connection to planned results and goals, to the various budget items.
- The budget shall contain underlying assumptions, units (e.g. hours), unit costs (e.g. hourly rate for a consultant) and quantity (e.g. number of hours). For conferences, the estimated number of meetings and participants should be stated, as well as costs for travels, lodging and consumption) and other costs e.g. meeting room rental. *For multi-year budgets, the level of detail can be adjusted in the work plan and budget for the coming year.*
- Costs should be in line with the organisation's internal guidelines, such as for travels and per diem (sitting allowance<sup>1</sup> is not an eligible cost). Policy documents shall be communicated to SwedBio, who will assess their reasonableness. Please note that only economy class is allowed for flights and, for overnight stays, the standard is a good middle-class hotel.

### Forwarding of funds

The total amount forwarded to third parties shall be clearly stated in the agreed budget, and must be distributed per party as applicable. It is important that the local currency used by third parties be indicated.

### Staff costs

Remuneration levels shall be in line with the organisation's approved payroll and remuneration policy, and assessed reasonable in relation to the local context.

The salary cost for each type of employment per month should be stated as well as the number of months planned for each person to work on the project. In cases where the organisation uses standard amounts for the calculation of personnel costs, the calculation model for flat-rate amounts should be clearly stated. SwedBio has a restricted policy when it comes to bonuses and other benefits. If present, they should be clearly stated, e.g. a thirteenth month's salary.

### Administration

If indirect/overhead costs are used, the principle for calculation shall be described. Information about the types of costs that will be financed by the administrative grant must be provided, and a statement shall be made of how the administrative costs contribute to the project.

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<sup>1</sup> Sitting allowance = allowance for participation

## Example of a budget and financial report outline

### Explanatory notes:

This example format illustrates dimensions sought in project financial budget and reporting. Discussion with SwedBio staff on details such as possible budget line items is encouraged.

- The contribution shall have a sufficiently detailed budget in order for SwedBio to assess the budget in relation to expected results or planned activities. The budget shall be possible to follow up.
- Add budget notes or columns/rows to explain relevant cost category quantities not apparent from the results framework or project/programme plan, such as quantity of staff and staff positions.
- All approved budgets versions should be included and identified with date of SwedBio written approval. Add/remove columns as relevant. Add lines if project is co-financed with other donors.
- Please refer to general conditions for eligible and non-eligible costs. *Note: exchange rate losses are not eligible.*

*For longer-term collaborations (more than one year), an annual work plan and revised budget is required.*

- The revised/updated budget shall include both overall anticipated costs and overall anticipated income, including income from other donors.
- A column with known (or anticipated) balance(s) from previous year(s) should be added.
- The balance(s) (deficit or surplus) from previous year(s) must be stated.
- Major changes from the original budget should be explained, i.e. more than 10% in the main budget lines.
- Separate/additional national level budgets should be made for each national/local project/partner if funds are transferred to and controlled at this level.

### Financial reporting

- The financial report shall be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items.
- When reporting, attach a balance sheet when required in accordance with the accounting principles applied.
- Add explanatory notes including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the project. Exchange rate gains should be reported as per the accounting principles.
- If applicable, ensure the amount of funds that has been forwarded to third-party Implementing Partners is reported.
- Clearly indicate the period covered.
- Clearly indicate the currency.
- The balance at the end of the year should be stated in the local currency as well as in SEK.
- Significant deviations from the budget should always be commented in notes to the report.

***See below an example of a budget outline. The template in Excel will be shared upon request.***

<b>Date of submission: DATE</b>	<b>Disbursement no 1 in SEK: AMOUNT</b>					
Project: TITLE	Disbursement no 1 in agreement budget currency: AMOUNT					
Currency of agreement budget and report: CURRENCY	Date of receipt no 1: DATE					
Accounting principles: (accrual based, cash based or modified)	Disbursement no 2 in SEK: AMOUNT					
	Disbursement no 2 in agreement budget currency: AMOUNT					
	Date of receipt no 2: DATE					
	<b>Period: 1 Jan - 31 Dec 2021</b>				<b>Period: 1 Jan - 31 Dec 2022</b>	
	<b>Budget</b> (approved DATE)	<b>1st Budget</b> <b>revision</b> approved DATE)	<b>Actuals</b>	<b>Dev. - actuals</b> vs latest approved budget	<b>Budget</b> (approved DATE)	<b>Actuals</b>
OPENING BALANCE	0	0	0	0	0	0
<b>INCOME</b>						
Contributions	0	0	0	0	0	0
Interest earned	0	0	0	0	0	0
Exchange rate gains	0	0	0	0	0	0
<b>Total funds available</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURE</b>						
1. Result/activity/cost category	0	0	0	0	0	0
1.1 Result/activity/cost category	0	0	0	0	0	0
2. Result/activity/cost category	0	0	0	0	0	0
2.1 Result/activity/cost category	0	0	0	0	0	0
<b>Total funds used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
CLOSING BALANCE in local currency	0	0	0	0	0	0
CLOSING BALANCE in SEK	0	0	0	0	0	0
Notes: add as relevant						
Signature: SIGNATURE				Name: NAME		
Date: DATE				Title of financial manager: TITLE		