

## **Introduction**

Centre for Health Solution – Kenya (CHS) has developed these guidelines in order to guide applicants who are preparing budgets and subsequent budget narratives in readiness for submission to CHS. The guidance will facilitate the review and approval of a requested budget by ensuring that the required or needed information is provided. It is important for an applicant to justify all the items in the budget in a separate but detailed budget narrative.

The following are common budget categories that an applicant may consider when preparing a budget for submission to CHS:

### **Salaries and Wages**

For each requested position, outline the following information: monthly salary; level of effort/time budgeted for this project; total months of salary budgeted; and total salary requested. Also, provide a detailed narrative that describes the scope of responsibility for each position, relating it to the accomplishment of project objectives. **(See sample budget on Appendix 1 and sample budget narrative on Appendix 2 for more guidance)**

### **Fringe Benefits**

Fringe benefits are usually applicable to direct salaries and wages. Provide information on the rate of fringe benefits used and the basis for their calculation. If a fringe benefit rate is not used, itemize how the fringe benefit amount is computed. **(See sample budget on Appendix 1 and sample budget narrative on Appendix 2 for more guidance)**

### **Consultant Costs**

This category is appropriate when hiring an individual to give professional advice or services (e.g., training, expert consultant, etc.) for a fee but not as an employee of the grantee organization. Written approval must be obtained from CHS prior to establishing a written agreement for consultancy services. Approval to initiate program activities through the services of a consultant requires submission of the following information to CHS:

- a) Name of consultant;
- b) Organisational affiliation (if applicable);
- c) Nature of services to be rendered;
- d) Relevance of service to the project;
- e) The number of days of consultation (basis for fee); and
- f) The expected rate of compensation (travel, per diem, other related expenses) - list a subtotal for each consultant in this category.

If the above information is unknown for any consultant at the time the application is submitted, the information may be submitted at a later date as a revision to the budget. In the body of the budget request, a summary should be provided of the proposed consultants and amounts for each. **(See sample budget on Appendix 1 and sample budget narrative on Appendix 2 for more guidance)**

### **Equipment**

Individually list any equipment requested on the body of the budget showing the unit cost of each item, number needed, and total amount. Separately provide a budget narrative for the use of each item and relate it to specific project objectives. Maintenance or rental fees for equipment should be shown in the “other direct cost category.” **(See sample budget on Appendix 1 and sample budget narrative on Appendix 2 for more guidance)**

### **Supplies**

Individually list each item requested on the body of the budget showing the unit cost of each item, number needed, and total amount. Provide a separate budget narrative for each item and relate it to specific project objectives. If appropriate, general office supplies may also be shown by an estimated amount per month times the number of months in the body of the budget and a separate budget narrative relating them to overall project objectives. **(See sample budget on Appendix 1 and sample budget narrative on Appendix 2 for more guidance)**

### **Travel**

Amounts requested in the travel category should be for **staff travel only**. Travel for consultants should be shown in the consultant line item. Travel for other participants, advisory committees, review panel, etc. should be itemized in the same way specified below and placed in the “other direct cost category.” A separate budget narrative should be provided relating each travel to specific project objective. **(See sample budget on appendix 1 and sample budget narrative on appendix 2 for more guidance)**

### **Other direct costs**

This line item contains items/ activities not included in the previous budget categories. Individually list each item requested and provide appropriate justification related to the project objectives. **(See sample budget on Appendix 1 and sample budget narrative on Appendix 2 for more guidance)**

## Appendix 1: Sample Budget

Personnel	Rate (Ksh)	Level of effort	# of months	Year 1 (Ksh)	Year 2(Ksh)	Year 3(Ksh)	Total(Ksh)
Project coordinator	150,000	100%	12	1,800,000	1,800,000	1,800,000	5,400,000
Project officer	80,000	100%	12	960,000	960,000	960,000	2,880,000
Finance manager	100,000	10%	12	120,000	120,000	120,000	360,000
<b>Subtotal</b>				<b>2,880,000</b>	<b>2,880,000</b>	<b>2,880,000</b>	<b>8,640,000</b>
Fringe benefits (8%)				230,400	230,400	230,400	691,200
<b>Subtotal</b>				<b>230,400</b>	<b>230,400</b>	<b>230,400</b>	<b>691,200</b>
<b>Consultants Costs</b>	<i>Daily rate</i>		<i># of days</i>				
Consultant fee	10,000		21	210,000	-	-	210,000
<b>Subtotal</b>				<b>210,000</b>	<b>-</b>	<b>-</b>	<b>210,000</b>
<b>Equipment</b>	<i>Unit cost</i>		<i>Quantity</i>				
Computer	55,000		2	110,000	-	-	110,000
<b>Subtotal</b>				<b>110,000</b>	<b>-</b>	<b>-</b>	<b>110,000</b>
<b>Supplies</b>	<i>Unit cost</i>						
General office	5,000		12	60,000	60,000	60,000	180,000
<b>Subtotal</b>				<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>180,000</b>
<b>Travel</b>	<i>Unit cost</i>	<i># of days</i>	<i># of trips</i>				
Ground transport	2,000	10	40	800,000	800,000	800,000	2,400,000
Perdiem	1,000	5	10	50,000	50,000	50,000	150,000
Lodging	3,000	5	10	150,000	150,000	150,000	450,000
<b>Sub total</b>				<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>3,000,000</b>
<b>Other direct costs</b>	<i>Unit cost</i>						
Office security	40,000	25%	12	120,000	120,000	120,000	360,000
Office rent	140,000	15%	12	252,000	252,000	252,000	756,000
Workshops	450,000		10	4,500,000	4,950,000	4,950,000	14,400,000
Training	270,000		10	2,700,000	2,970,000	2,970,000	8,640,000
<b>Sub total</b>				<b>7,572,000</b>	<b>8,292,000</b>	<b>8,292,000</b>	<b>24,156,000</b>
<b>TOTAL</b>				<b>12,062,400</b>	<b>12,462,400</b>	<b>12,462,400</b>	<b>36,987,200</b>

## **Appendix 2: Sample Budget Narrative**

**Personnel** **Ksh 6,220,800**

**Project Coordinator** **Ksh 5,400,000**

This position has overall responsibility for the project and major responsibilities include overall supervision of the project staff, the planning and implementation of all project activities in partnership with the donor and other agencies. 100 % of salary will be supported by the project funds.

**Project Officer** **Ksh 2,880,000**

This position will be responsible for administrative duties in the course of project implementation. He will be responsible for reservation of venues for events, purchasing of office supplies and minor office equipment, correspondence and liaising between vendors and the project. 100% of salary will be supported by funds from the project funds.

**Finance Manager** **Ksh 360,000**

This position will supervise and manage the daily functions of the financial and operations and is responsible for monitoring and reporting on all project expenses, tracking, reconciling and managing budgets. The position will report to the Director of Finance and Administration. 10% of salary will be supported by the project funds.

**Fringe Benefits** **Ksh 460,800**

Funds are requested for local staff fringe benefits (8% of total staff salary) which will cater for staff health insurance, pension scheme, taxes and social security.

**Consultancy Costs** **Ksh 210,000**

Funds are requested for a local consultant fees who will conduct a baseline assessment for 21 days at an estimated daily rate of Ksh 10,000. 100% of these expenses will be supported by the project funds.

### **Equipment**

**Computer** **Ksh 110,000**

Funds are requested to purchase two dell desktop computers for use by the project coordinators in report writing and basic communication with regard to the project activities.

### **Supplies**

**General Supplies** **Ksh 180,000**

Funds are requested for the purchase of general office supplies for use in the office during the course of project implementation. They include such consumable items as pens, pencils, writing pads, paper, file folders, etc. The budgeted amount also allows the purchase of basic cleaning supplies for office maintenance including trashcan liners, detergents, sponges etc.

## **Travel**

### **Ground Travel**

**Ksh 3,000,000**

The project estimates that for each year, the project coordinator will have 40 domestic trips within Kenya each averaging 10 days in the course of the project implementation. A quarter of these domestic trips will require overnight stays and are estimated at an average length of 5 days. The purposes of the trips will include program implementation, site assessments and other necessary activities.

### **Other Direct Costs**

#### **Office Security**

**Ksh 360,000**

Funds are requested to cover 25% of the office security expenses for the offices in the course of project implementation. Methodology is as follows: Ksh 10,000 per month X 12 months =Ksh 120,000 total cost per annum and Kshs 360 for the three years.

#### **Office Rent**

Funds are requested to cover 15% of the office rent expenses for the offices in the course of project implementation. Methodology is as follows: Ksh 21,000 per month X 12 months =Ksh 252,000 total cost per annum and Ksh 756,000 for the three years.

#### **Workshop**

**Ksh 14,400,000**

This training will bring together 1,000 health care workers from private health facilities in the Country targeted at 100 per month for 10 months. The participants will be brought to a central venue and will thus require transport reimbursement from their workstations to the training venue. The participants will also require hotel accommodation during the training duration. Unit cost for all the cost elements under this training are estimates but are reasonable and are in keeping with prevailing rates within the training area. This training involves training health care providers on guidelines on the management of TB and reporting at the national level.

### **Total Budget**

**Ksh 36,987,200**

### **Appendix 3: Required Information for Consultant Approval**

This category is appropriate when hiring an individual who gives professional advice or provides services for a fee and who is not an employee of the grantee organization. All consultants require prior approval from CHS annually. Submit the following required information for consultants:

1. Name of consultant: Identify the name of the consultant and describe his or her qualifications.
2. Organisational affiliation: Identify the organisation affiliation of the consultant, if applicable.
3. Nature of services to be rendered: Describe in outcome terms the consultation to be provided including the specific tasks to be completed and specific deliverables. A copy of the actual consultant agreement should not be sent to CHS.
4. Relevance of service to the project: Describe how the consultant services relate to the accomplishment of specific program objectives.
5. Number of days of consultation: Specify the total number of days of consultation.
6. Expected rate of compensation: Specify the rate of compensation for the consultant (e.g. rate per hour, rate per day). Include a budget showing other costs such as travel, per diem, and supplies.
7. Method of accountability: Describe how the progress and performance of the consultant will be monitored. Identify who is responsible for supervising the consultant agreement.