

# Guideline Administration and Finance of Micro Grants



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## SECTION I PREFACE

**SGP Indonesia** is a Small Grants Programme in Indonesia which is a collaboration programme at the Southeast Asia level between The ASEAN Center for Biodiversity (ACB) and the Government of Indonesia through the Ministry of Environment and Forestry (KLHK) c.q. Directorate General of Conservation of Natural Resources and Ecosystems (Dirjen KSDAE). Program funding support was obtained from the German Government through the German Financial Cooperation/KfW (BMZ No. 2011 66545). This cooperation is contained in a Memorandum of Understanding (MoU) signed by KLHK c.q. ASOEN Chair Indonesia together with the ACB Executive Director dated May 21, 2015 in Jakarta with the Implementing Agency is the Directorate of Conservation of Natural Resources and Ecosystems. Specifically, ACB's program objective is: "Strengthening the protection of biodiversity and natural resource management in line with the basic needs of local populations in the ASEAN region and strengthening ACB in its role to promote the protection of biodiversity".

In Indonesia, SGP Indonesia is managed by Penabulu Foundation as the ACB implementing partner in coordination with KLHK c.q. Directorate General of Natural Resources and Ecosystems c.q. Directorate of Biodiversity Conservation through the mechanism of the National Steering Committee (NSC) and the National Working Team (NWT).

Through Penabulu Foundation as a Service Provider (SP), SGP Indonesia will provide financial support in the form of Small Grants and Micro Grants for the ASEAN Heritage Park (AHP) conservation project in Indonesia, namely Gunung Leuser National Park (GLNP) and Way Kambas National Park (WKNP). For this reason, a guideline is compiled by the Service Provider as a reference for partners who will be involved in small grant program activities.

This SGP Indonesia Micro Grants Administration and Finance Guideline is a manual for grantees/partners in managing and administering the grant funds received for small grant program activities. It contains the principles, the system of managing grant funds, the maximum cost standard that must be followed by SGP Indonesia's partners during their activities.



This guideline can also be used by prospective grantees/partners in preparing proposals and budgets that are effective and in accordance with the conditions set out in SGP Indonesia. This guideline was prepared based on the Program Management Manual of the ACB as a provision that must be followed in managing micro grant funds.

This guideline and other documents in managing small grant program funds are expected to support partners and related parties to be able to manage grant funds in a transparent and accountable manner.

### **1.1. Objectives**

The objectives of this guideline are:

1. To provide references to partners, prospective partners and Service Provider about financial procedures, use responsibilities, and financial reports;
2. To ensure administrative order in managing SGP Indonesia small grants.

### **1.2. Scope**

The scope of the guideline for managing this micro grants programme includes:

- a. Provisions and mechanisms for managing grants;
- b. Cost norms
- c. Financial administration;
- d. Monitoring and audit

## **SECTION II GRANTS MANAGEMENT**

Micro grants management refers to the SGP Program Management Manual (PMM) established by the ASEAN Center for Biodiversity. Each partner and prospective partner who will work together is expected to use this guideline in planning and managing micro grant funds in SGP Indonesia.

### **2.1. Type of Grants**

Micro Grants are granted with a maximum value of EUR 5,000 for a project period no longer than 6 months. Grantees are required to provide a self-help contribution of at least 20% of the total grant submitted in cash or in kind.

### **2.2. Project Financing Budget**

In budgeting the cost of a micro grant, each partner must pay attention to the following matters:

- a. The main components of small grant costs (direct and indirect costs):
  - Funding for micro grants programme activities consists of Direct Cost and Indirect Cost.
  - Direct Cost is cost directly related to the implementation of the activity and will only occur if the activity is carried out.
  - Indirect Cost is cost that not directly related to activities, but support the implementation of small grant activities. Examples are office overhead and permanent employee salaries.
  - It is expected that all costs are direct costs. The Small Grants Programme can only receive the largest indirect cost of 6.75% of the total budget.
- b. Cost Norms
- c. The preparation of the budget must pay attention to the cost standards (Cost Norms) that have been set in the Micro Grants Programme.
- d. Allowable costs are those used that can be verified, make sense for the benefit of the project.
  - Costs that are not allowed include:
  - Infrastructure development (roads, large buildings);

- Introduction/breeding of species not originating from the relevant national parks;
  - Armaments and ammunition purchases;
  - Resettlement or settlement of community groups or communities;
  - Trip/transportation costs not directly related to the project;
  - Honorarium for permanent employees not related to the project;
  - Management fee;
  - Costs for activities related to practical political activities;
  - Activities that discriminate against certain individuals or groups, gender, religion and ethnicity.
- e. Grantees are required to provide a self-help contribution of at least 20% of the total grant submitted in cash or in kind;
- f. The financing budget is prepared in the Activity-Cost-Milestone Plan (ACM Plan) as attached.

### **2.3. Disbursement of Micro Grant Funds**

Funds are granted in the amount of 90% of the total budget and the remaining 10% will be granted after submitting the final program report and financial report which is known by the Head of the Authority or representative, submitted to the Service Provider, and approved by the ACB. The request for funds is done by filling out the Cost Recapitulation and Fee Details.

### **2.4. Unused Grant Funds**

Remaining unused funds will be returned to the Service Provider for further arrangements with the NWT.

## SECTION III COST NORMS

Cost Norms of SGP Indonesia are:

Table 2. Cost Norms

|   | Unit                | IDR           | EUR | Remarks  |
|---|---------------------|---------------|-----|--|
| <b>1. Honorarium of Resource Person / Speaker</b>   |                     |               |     |  |
| a. Keynote Speaker of ministry or directorate general level   | Person/<br>Activity | IDR 1.000.000 |     | Does not include per diems and accommodation<br><br>These cost norms are for meeting activities at various levels (site, regional, provincial or national) |
| b. Speaker with more complex assignments and require technical knowledge, autonomy, analytical and problem solving skills, and clear communication skills | Person/<br>Activity | IDR 900.000   |     |  |
| c. The task requires the application of a methodology known as technical knowledge, autonomy, and analytical skills                                       | Person/<br>Activity | IDR 750.000   |     |  |
| d. Secretariat/administration support   | Person/<br>Activity | IDR 350.000   |     |  |

Table 2. Cost Norms

|  | Unit           | IDR                    | EUR                       | Remarks   |     |  |
|--|----------------|------------------------|---------------------------|---|-----|--|
| <b>2. Daily Allowance Standards (per diem)</b> |                |                        |                           |   |     |  |
| a. In Province                                 | Person/<br>Day | North<br>Sumatra       | IDR 386.500               | North<br>Sumatra  | €24 | Accommodation<br>included<br><br>Average cost of<br>the Government of<br>Indonesia |
|  |                | Lampung                | IDR 369.000               | Lampung   | €23 |  |
|  |                | Jakarta                | IDR 603.250               | Jakarta   | €38 |  |
| b. Out Province                                | Person/<br>Day | North<br>Sumatra       | IDR 900.000               | North<br>Sumatra  | €56 |  |
|  |                | Lampung                | IDR 780.000               | Lampung   | €49 |  |
|  |                | Jakarta                | IDR<br>1.206.500          | Jakarta   | €76 |  |
| <b>3. Accommodation</b>                        |                |                        |                           |   |     |  |
| Accommodation                                  | Person/<br>Day | 54% per diem on item 2 | 54% per diem on<br>item 2 | Rate 54% is<br>standard in 3<br>provincesi                      |     |  |
| <b>4. Meeting/Consumption Costs</b>            |                |                        |                           |   |     |  |
| a. Snack and lunch                             | Person/<br>Day | North<br>Sumatra       | IDR 60.000                | North<br>Sumatra  | €4  | 1 meal 2 snacks  |
|  |                | Lampung                | IDR 60.000                | Lampung   | €4  |  |
|  |                | Jakarta                | IDR 69.000                | Jakarta   | €4  |  |
| b. Dinner                                      | Person/<br>Day | North<br>Sumatra       | IDR 40.000                | North<br>Sumatra  | €3  |  |
|  |                | Lampung                | IDR 40.000                | Lampung   | €3  |  |
|  |                | Jakarta                | IDR 47.000                | Jakarta   | €3  |  |
| c. Meeting cost                                | Per<br>Package | North<br>Sumatra       | IDR 275.000               | North<br>Sumatra  | €17 |  |
|  |                | Lampung                | IDR 270.000               | Lampung   | €17 |  |
|  |                | Jakarta                | IDR 433.000               | Jakarta   | €17 |  |
| <b>5. Transportation</b>                       |                |                        |                           |   |     |  |
| d. Land  | Person/<br>Day | IDR 450.000            | €28                       | Return Trip   |     |  |
| e. Ferry/boat                                  |                | IDR 374.000            | €23                       | Must be completed<br>by a receipt<br>and supporting<br>evidence |     |  |
| f. Flight (domestic)                           |                | IDR 5.778.300          | €364                      |   |     |  |



Table 2. Cost Norms

|  | Unit     | IDR         | EUR | Remarks                                      |
|--|----------|-------------|-----|--|
| <b>6. Translator</b>                             |          |             |     |  |
| Indonesian to English translators and vice versa | Per Page | IDR 125.000 | €7  | Paper Size A4<br>Single space<br>Arial 12 pt |

Cost Norms of SGP Indonesia were developed with reference to the following documents:

- a. Minister of Finance Regulation No.32/PMK.02/2018;
- b. Guidelines for Activity Cost Norms mentioned in the Regulation of the Secretary General of the Ministry of Environment and Forestry No.P.4/SETJEN/ROKEU/KEU.1/8;
- c. Standard Activities and Cost Norms in the field of Conservation of Natural Resources and Ecosystems 2018 issued by the Secretariat of the Directorate General of Natural Resources and Ecosystem Conservation;
- d. Standard Fees for the United Nations (UN) as published at <https://icsc.un.org/>; and
- e. ASEAN Standard Fee Rates.

SGP Indonesia's Cost Norms are subject to change at any time following changes in the reference documents.



## **SECTION IV**

### **FINANCIAL ADMINISTRATION**

#### **4.1. Partner Financial Administration**

Matters that must be met in partner financial administration:

- a. SGP Indonesia partners are required to carry out administrative and financial management of the funds received.
- b. Partners must be able to demonstrate a management and supervision system through the appointment of personnel with clear duties and responsibilities in ensuring accountable management.
- c. Financial statements must be accompanied by documents and financial evidence that can be accounted for.
- d. SGP Indonesia's funds can only be used to finance agreed activities.
- e. Project financial transactions are recorded using a Microsoft Excel-based Daily Transaction Record (DTR) to be able to present financial information consisting of:
  - Budget Realization Report (BRR)
  - Financial Position Report (FPR)
  - Funds Revenue and Expense Report (FRER)
  - Detail of Down Payments
- f. Reporting on program costs is based on cost items in the Expenditures Statement and Detailed Breakdown of Expenditures documents and sent to the Service Provider.
- g. The financial statements are written in English.
- h. Partners must be able to report financial statements according to a predetermined schedule and signed by the person in charge of the project.
- i. Partners are obliged to keep all documents relating to the implementation of the micro grant program for 10 years starting from the end of the Partner's fiscal year concerned, as stipulated in Chapter II, Article 11 (1), Law No.8 of 1997 dated March 24, 1997 concerning Company Documents.

## 4.2. Project Bank Account Management

The rules of project bank account management are as follows:

- a. Micro grantee partners are required to open a special bank account to accommodate all micro grant programme transactions at trusted banks.
- b. Partners must notify the Service Provider in writing the name and address of the bank and the bank account number used through the proposal form.
- c. Submission of the institutional account number is accompanied by a statement from the institution that the account used is an institution account specifically for the project in the micro grant programme and the certificate must be signed by the agency head.
- d. Concerned Partners need to pay attention to the following matters:
  - The bank used is a national bank with a wide network.
  - All banking transactions related to micro grants programme must be recorded in a separate bank account.
  - The bank account used is an account that can send and receive funds at any time.
  - The bank account is opened under the name of INSTITUTION.
  - In special cases, partners can open accounts in the name of the two management of the institution after obtaining approval from the Service Provider.
  - Every banking transaction must be signed by at least two people, in accordance with the position set by the Partner.
  - For security purposes, the bank account book should be held by someone who is not authorized to withdraw funds from the account.
  - Bank interest received from program grant funds must be reported together with financial statements to the Service Provider.
  - All direct transactions are recorded in a bank book on the day of the transaction or on the day it receives evidence of a banking transaction.
  - All deposit slips, withdrawal slips/withdrawal slips and fund transfer slips through the project bank account must be stored and available in full whenever needed and attached to the relevant Bookkeeping Evidence.
  - Bank account balances in financial statement format must match bank balances.
  - Bank book or copy of checking account for a micro grants programme bank account, a copy of the notification from the Service Provider regarding the transfer of funds and a letter of confirmation of receipt of funds by the Partner to the Servicer Provider, must be complete and stored in an orderly manner.

## 4.3. Required Supporting Evidence

Partners are required to provide evidence of payment with a stamp duty of IDR 6,000 for transactions above IDR 1,000,000 and stamped LUNAS or PAID. For transactions in the field and/or village where no evidence or memorandum is available, it must be replaced with an Acknowledgment Receipt signed by the recipient of the funds. Each evidence of payment/receipt must be completed by adequate supporting evidence. The following are the Supporting Document Tables required:

Table 3. Supporting Documents

| No  | Type of Transaction  | Supporting Evidence   |
|-----|--|---|
| 1.  | Honorarium Facilitator/<br>Speaker/ Moderator/<br>Researcher | <input type="checkbox"/> Payment Evidence<br><input type="checkbox"/> Curriculum Vitae (CV)<br><input type="checkbox"/> Employment Contract   |
| 2.  | Honorarium of personnel<br>in the project structure          | <input type="checkbox"/> Payment Evidence<br><input type="checkbox"/> Curriculum Vitae (CV)<br><input type="checkbox"/> Employment Contract<br><input type="checkbox"/> Time sheet  |
| 3.  | Communication  | <input type="checkbox"/> Purchase/Payment Evidence<br><input type="checkbox"/> Bill from the communication provider, complete with<br>the name and address of the store<br><input type="checkbox"/> Postpaid bills come with details of the call used |
| 4.  | Internet   | <input type="checkbox"/> Payment Evidence<br><input type="checkbox"/> Bill from internet service providers  |
| 5.  | Stationery   | <input type="checkbox"/> Payment Evidence<br><input type="checkbox"/> Bill with the store name and address  |
| 6.  | Vehicle Rent   | <input type="checkbox"/> Payment Evidence<br><input type="checkbox"/> Copy of evidence of vehicle ownership and vehicle<br>owner ID   |
| 7.  | Accommodation  | <input type="checkbox"/> Payment Evidence<br><input type="checkbox"/> Invoice with billing details<br><input type="checkbox"/> Guest folio per room stating the name of the guest<br>and room number  |
| 8.  | Local transportation   | <input type="checkbox"/> Payment evidence or bill if using online<br>transportation<br><input type="checkbox"/> Acknowledgement Receipt if evidence is not<br>available   |
| 9.  | Regional Transportation                                      | <input type="checkbox"/> Payment Evidence<br><input type="checkbox"/> Boarding pass<br><input type="checkbox"/> Airport tax (if available)  |
| 10  | Document Duplication   | <input type="checkbox"/> Payment evidence that includes the name and ad-<br>dress of the store<br><input type="checkbox"/> 1 set copy of document duplication   |
| 11. | Documentation  | <input type="checkbox"/> Payment evidence<br><input type="checkbox"/> Invoice with multiple photo prints  |

|     |  |  |
|-----|--|--|
| 12. | Consumption of meetings  | <input type="checkbox"/> Consumption bill<br><input type="checkbox"/> List of attendees<br><input type="checkbox"/> Minutes of results<br><input type="checkbox"/> Meeting documentation |
| 13  | Procurement of goods and services valued at ≤ EUR 500 uses internal procedures | <input type="checkbox"/> Completeness is based on procedures in the partner SOP of Finance   |
| 14. | Procurement of goods and services worth more than EUR 500                      | <input type="checkbox"/> Completeness is based on the Procurement Program procedure  |

## **SECTION V MONITORING AND AUDIT**

### **5.1. Monitoring**

Service Provider will monitor the management of grants at least once a year.

The objective of monitoring is to examine reports that originate from managing micro grants programme activities and oversee the use of grant funds. Monitoring is also carried out to measure the extent to which partners are able to manage grant funds responsibly.

Partners must cooperate and support the implementation of monitoring by the Service Provider by providing correct data and information. Service Provider will use partner financial statements as a basis for monitoring.

To monitor the management of grants, partners must submit financial statements regularly. The financial statements consist of:

#### **5.1.1. Quarterly Report**

Quarterly report is sent no later than the 10th of the following month to the Service Provider. This report includes:

- a. Daily Transaction Records;
- b. Budget status report;
- c. Expenditures and receipts report;
- d. Checking account;
- e. Statement Expenditures and Detailed Breakdown of Expenditures;
- f. Financial evidence with supporting documents affixed with LUNAS or PAID stamps

### 5.1.2. Final Report

Grantees are required to submit a final financial report to the Service Provider after the micro grant funds have been used at 90% or the micro grant contract period ends.

Matters that need to be met in preparing the final financial statements:

- a. All transactions in the reporting period have been recorded;
- b. Bookkeeping has been closed with the last transaction in the current period, including receipt of bank services and charging bank fees for the last month in the reporting period concerned;
- c. Cash has been physically calculated;
- d. A reconciliation has been made between bank books and bank account books;
- e. Debts due to receipt and submission of advances have been settled;
- f. Expenditures have been recorded according to the program code.

The compiled Financial Statements must be able to show:

- a. Funds received by the Micro Grants Programme, or the remaining funds at the end of the previous reporting period.
- b. The remaining funds at the end of the reporting period must be able to show:
  - Remaining funds in cash.
  - Remaining funds in a bank account.
  - Down Payments for activities that have not been carried out at the reporting date, which have not been accounted for, or unpaid bills (if any).

Partners are obliged to provide further explanation and details for each information presented in the financial statements and other reports if requested. The final disbursement of funds takes place after the final financial report has been received and approved by ACB.

### 5.2. Audit

In the context of carrying out supervision of the management of grant funds, the Service Provider will conduct an internal audit at least once a year of the financial statements submitted by grantees. The Service Provider will submit the audit report to ACB and NWT.

In addition to internal audits, external audits are also funded by ACB. The external audit was carried out by a nationally recognized independent accounting firm chosen by the Service Provider with ACB and accepted by the NWT.



## **SECTION VI CLOSING**

This Micro Grants Administration and Financial Guideline document will continue to be evaluated and refined by Service Providers based on input from parties, especially partners working in the field.



## Annex:

1. Sample Form Acknowledgment Receipt;

2. Statement of Expenditures;

3. Detailed Breakdown of Expenditures;

### Annex 1. Sample Form Acknowledgment Receipt

This financial document is used for expenses that are not accompanied by evidence from the recipient of funds.

Inset Logo of  
Organization

Insert Name of Organization  
Insert Address of Organization

## ACKNOWLEDGEMENT RECEIPT

Date \_\_\_\_\_

RECEIVED from \_\_\_\_\_ Indicate Name of Organization

the sum of \_\_\_\_\_

\_\_\_\_\_ ( )

as full/partial payment for \_\_\_\_\_

\_\_\_\_\_

**Received by:**

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Date**

## Annex 2. Statement of Expenditures

### Statement of Expenditure

| Project-Reference No.:.....                            |  | Project/Programme Name:.....                                 |  |   | Accounting Period: from..... to.....                             |  |
|--|--|--|--|---|--|--|
| Column 1*  | 2  | 3  | 4  | 5   | 6  |  |
| Consecutive No. and description of individual measures | Amount of measure (as agreed)/<br>Currency: Euro | Expenditure in preceding accounting period<br>Currency: Euro | Expenditure in current accounting period<br>Currency: Euro | Total expenditures (column 3 plus column 4)<br>Currency: Euro | Still to be disbursed (column 2 less column 5)<br>Currency: Euro |  |
|  |  |  |  |   |  |  |
|  |  |  |  |   |  |  |
|  |  |  |  |   |  |  |
|  |  |  |  |   |  |  |
| <b>TOTAL</b>   |  |  |  |   |  |  |

\_\_\_\_\_

Date

\_\_\_\_\_

Signature over Printed Name of Authorized Party

### Annex 3. Detailed Breakdown of Expenditures

| Cost category /<br>measures                          | Description/<br>Particulars | Payment<br>Reference<br>No. | Recipient of<br>payment | Date of<br>payment | Amount Paid |        |
|--|-----------------------------|-----------------------------|-------------------------|--------------------|-------------|--------|
|  |                             |                             |                         |                    | Currency    | Amount |
|  |                             |                             |                         |                    |             |        |
|  |                             |                             |                         |                    |             |        |
|  |                             |                             |                         |                    |             |        |
|  |                             |                             |                         |                    |             |        |
| Subtotal per cost category<br><b>TOTAL (in Euro)</b> |                             |                             |                         |                    |             |        |

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature over Printed Name of Authorized Party


Contact



PENABULU FOUNDATION  
GRANT MANAGEMENT

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