

**CRAFTING
EFFECTIVE
PROPOSALS**





UNDERSTANDING DONOR EXPECTATIONS

- Pre-award stage
 - Well articulated project proposal with clear deliverables and a plan of action
 - Credentials of the Organization, the promoters and key officials who are going to be working in the project
 - Experience of the Organization in handling similar projects in the past
 - Providing timely response to due diligence data and/or any other information about the organization



UNDERSTANDING DONOR EXPECTATIONS

- Project implementation stage
 - Ensure the implementation is as per the activities planned and spend too is in line with the budget approved
 - Ensure timely reporting
 - Ensure compliance to specific grant conditionalities – procurement, sub-granting, marking of assets, etc
 - Seek approval for changes (if any), in timelines well in advance
 - Seek approval for changes (if any), on budget and utilisation in a timely manner



UNDERSTANDING DONOR EXPECTATIONS

- Post Completion Stage or Close Out Stage
 - Complete the reporting requirements in time
 - Facilitate the audit or project evaluation processes (if any)
 - Deal with all project assets, as per donor agreements or as per donor instructions at the time of closure of the project



UNDERSTANDING DONOR EXPECTATIONS – HOW IT HELPS?

- It helps strengthening the relationship, building confidence and trust
- It helps in retaining the donor and to get renewal
- It facilitates in the growth and long-term sustainability of the organization





PLANNING – CRITICAL PART OF PROPOSAL WRITING

- Read all instructions, guidelines, direction and follow the same
- Are you really eligible? Ensuring good fit between the donor priorities and the proposed project
- Study donor's past grants
- Connect with donor in advance and get all the queries clarified
- Ensure complete clarity on all aspects of the project proposed for funding
- Decide if applying independently or jointly with a partner organisation
- Schedule sufficient time (Getting inputs from all the team members – drafting – editing – proofreading – final edits – required documentation – final submission)



THE WRITING PART

- Think of grants as partnerships or win-win situations
- Language – “Keep it simple”
- Flow – Ensure logical and easy to follow flow and clarity of thought
- Formatting – follow the prescribed format
- Most recent and relevant data/statistics with sources
- Honesty pays – both setbacks and successes
- Include available impact evaluations, case studies, stories, video links etc. to demonstrate impact



DEAL BREAKERS

- Exceeding word and character limits
- No alignment/force-fit
- Late submissions
- Hurriedly written and/or incomplete proposals (unclear proposals)

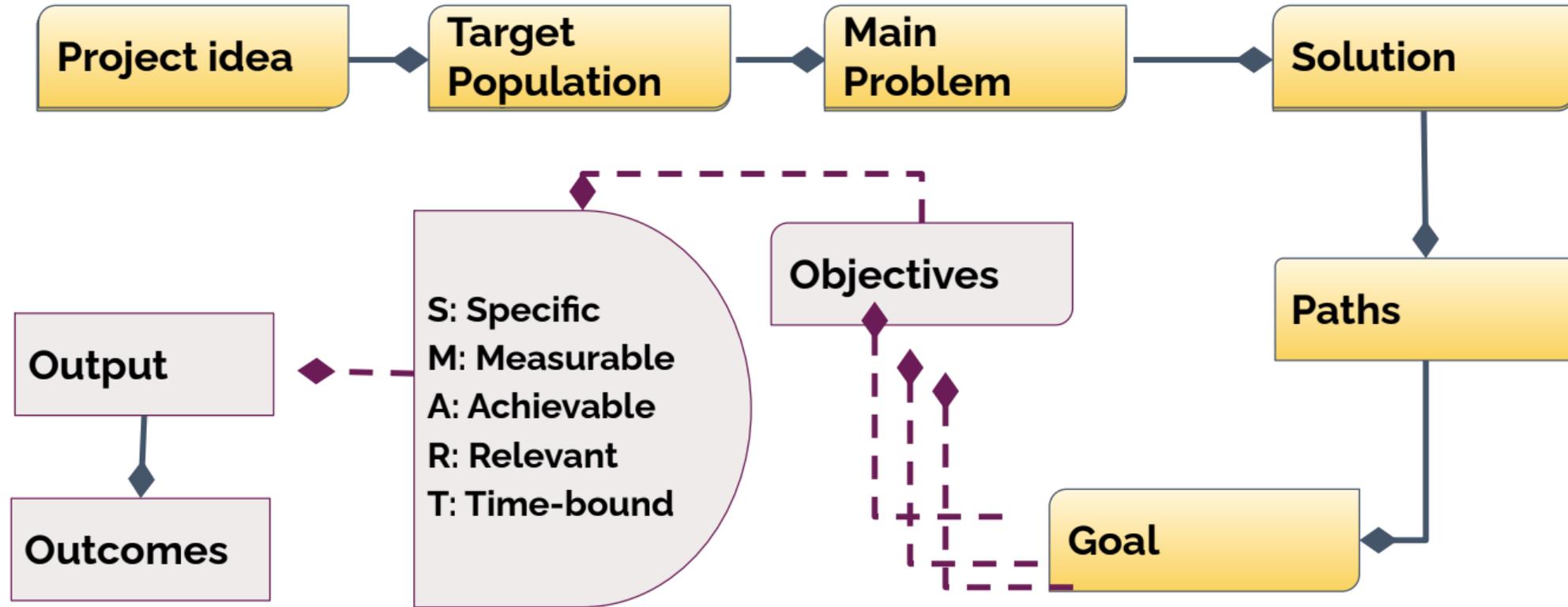


PROPOSAL OUTLINE

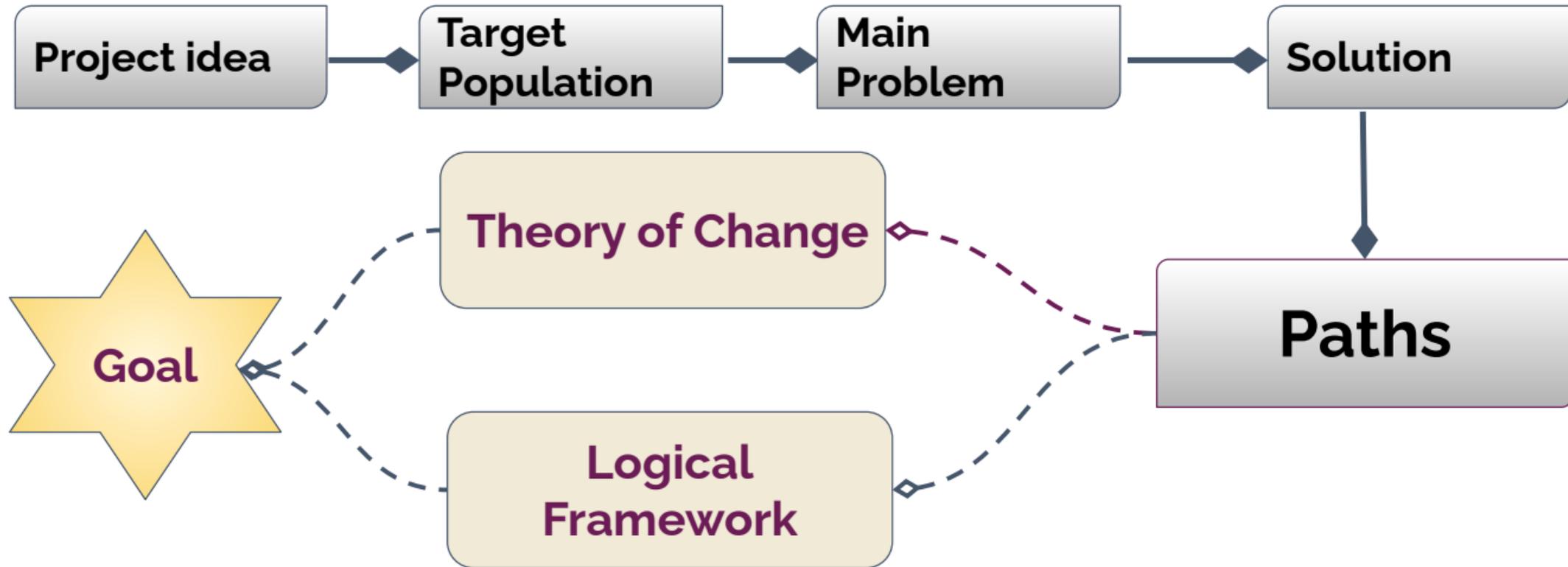
- **Planning phase**
 - What is your fundable project/program idea
 - Target population
 - Main problem that you are trying to address
 - Solution that you propose through your project
 - Goal - rephrase your problem
 - Impact
- **Preparation phase**
 - Key requirements
 - Specific, concise and simple
 - Use data
 - testimonies and personal stories
 - Short para - headings and subheadings
 - Submission date and time



PROPOSAL FLOW



PROPOSAL FLOW



TOC VS LFA

TOC

- Macro approach - goal level, and work backwards
- Complex flexible diagram- shows different pathways to goal
- If we do X then Y will change because...
- Tool for program design and evaluation

LF

- Micro approach - programme level and work forwards
- Organized logical linear matrix - single clear pathway
- We plan to do X which will give result Y
- Tool for monitoring



**DONOR
STEWARDSHIP
THROUGH
IMPACTFUL
REPORTING**



WHAT IS PROJECT REPORTING?

It is keeping up to date, detailed and accurate data related to the project on the below topics:

- Financial Status – Funds committed, received and utilised
- Project Status - Project status, results, achievements, challenges and learnings



STRUCTURE OF A DONOR REPORT

- Executive Summary
- Background
- Progress Review
- Deviation from the objectives/key results/goals
- Project Risks and Issues
- Challenges & Actions Taken
- Lessons Learned
- Conclusions and Way Forward
- Financial Status
- Volunteering Requirements in the project
- Upcoming Events and Initiatives
- Annexures



FIVE TIPS FOR OUTSTANDING REPORTING

- Don't be afraid to tell the truth
- Develop a Reporting Calendar and Timeline
- Engage stakeholders in a planned manner
- Tell a consistent story in all your reports with data and insights
- Don't surprise your donor
- As for feedback and co-create the report with the donor



POINTS TO REMEMBER

- Ensure that members who are responsible for report writing have appropriate training.
- Make sure that all members involved in the submission of reports are aware of schedules and deadlines.
- Before reports are submitted, look at them critically, as if you were the recipient.
- Ensure that reports are are easily accessible for future reference



BUDGETING FOR NGOS



BUDGETING – COSTS(1/2)

- **Fixed Cost**

It does not change with an increase or decrease in the number of goods or services produced or sold or programs conducted. These are expenses that must be paid by an organisation, independent of any specific program activities. Examples include rent, electricity, audit fees, internet, etc.

- **Variable Cost**

It changes with change in the output/activities.

For example, in case of the ration distribution cost, if the number of beneficiaries is 100, the cost will be Rs. 95,000/- (Rs. 950 per ration multiplied by number of beneficiaries). If the number of beneficiaries increases by 10, the ration distribution cost will increase proportionately to Rs. 1,04,500 (existing cost of Rs. 95,000 plus Rs.9,500/- (950 per ration multiplied by 10)).



BUDGETING – COSTS(2/2)

- **Program Cost [Direct Cost]**

The costs that are associated with the programs run by the organisation are regarded as program costs

Examples include Ration Costs as ration distribution is one of the programs of NGO, Costs incurred on Salary of a person doing only distribution work.

- **Administrative/Functional costs [Indirect Cost]**

The Costs which are supporting the organization to run its programs are regarded as administration costs.

- Administrative expenses
- Rent
- Utility bills
- Office supplies
- Equipment costs
- Legal fees



BUDGETING – DRAWBACKS

- No information on Balances available.
- No indicators of survival
- No Timing of payment
- No strategy to cover gaps in funding
- No segregation of funding sources
- No investment plan



SMART BUDGET

- Specific- don't use miscellaneous- FTE (Full time Employee)
- Measurable - FTE Project Manager (PM) @200 days x Rs. 1200 per day = Rs. 2,40,000
- Achievable - make it sensible - match resources to your budget
- Relevant - Is the PM's role part of your project design? Then include PM in your budget.
- Timeframe - breakdown the budget by year



**CORPORATE
SOCIAL
RESPONSIBILITY**



INTRODUCTION TO CSR

- CSR is mandatory obligation for certain companies in India.
- The legal framework of CSR in India has evolved significantly, with the government introducing new regulations and guidelines to promote CSR.
- Recent developments in CSR in India have focused on sustainable development, social entrepreneurship, impact assessment, and COVID-19 relief measures.
- Companies are expected to continue expanding their CSR activities due to increasing awareness of its importance.
- Besides benefiting society, CSR helps improve a company's reputation and brand image, leading to cost savings and attracting and retaining customers, employees, and investors.



CSR LEGISLATION IN INDIA-TIMELINE

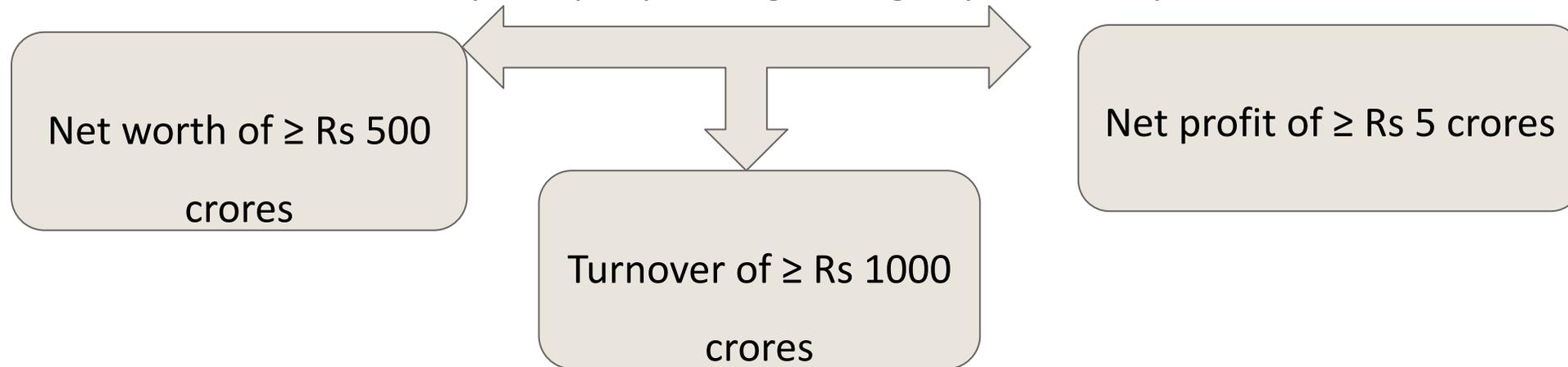
Year	Amendments	Major changes
2013	Enactment of Companies Act, 2013	Companies fulfilling specific criteria, mandated to spend 2% of average net profits of last 3 years on CSR activities or, disclose unspent amount
2014	Section 135 of the Companies Act, 2013 on CSR comes into force	Notification of CSR Rules, Constitution of CSR Committee, Specification of CSR expenditure and disclosure formats etc.
2015	High Level Committee (HLC)-2015 constituted for improved monitoring of implementation of CSR policies- Report submitted to MCA	Existing penalty clause for non-compliance sufficient, Unspent balance of CSR funds to be carry forwarded, Unspent balance to be transferred to one of the funds listed in schedule VII, Boards/ CSR committee to be responsible for due diligence of implementing partners, etc.
2018	HLC-2018 submitted recommendations on the CSR framework to MCA	Carry forward of unspent balance for a period of 3-5 years, Imposing monetary penalty for non-compliance, Mandating impact assessment, Strengthening the reporting for CSR, Registration of IA with MCA, additional 5% admin exp for companies undertaking need and impact assessment, etc.
2019	Companies Amendment Act, 2019	Immediately preceding FY for eligibility under Sec 135 notified, Not notified -transfer of unspent amount to Fund mentioned in Schedule VII, Carry forward of unspent amount of ongoing project, Introduction of penalty clause for non-compliance including imprisonment
2020	Companies Amendment Act, 2020	Carrying forward of excess spend and unspent amount relating to ongoing projects, Transferring of unspent amount not relating to ongoing project into Schedule VII fund, Monetary penalties for non-compliance
2021	The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021	



APPLICABILITY OF CSR

According to Sec135 (1) of the Companies Act 2013,

Every company having during any financial year



shall constitute a **Corporate Social Responsibility Committee** of the Board consisting of **three or more directors**, out of which at least one director shall be an independent director.



WHAT ARE CSR ACTIVITIES AS PER SCHEDULE VII

- Eradicating hunger, poverty and malnutrition, ‘promoting health care including preventive health care’ and sanitation.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga
- Protection of national heritage, art and culture
- Measures for the benefit of armed forces veterans, war widows and their dependents
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports; construction, renovation, maintenance of stadiums, gymnasiums and rehabilitation centres.
- Contribution to Prime Minister’s National Relief Fund/Prime Minister’s Citizen Assistance and relief in Emergency Fund(PM CARES Fund)or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Tribes, other backward classes, minorities & Women;
- Rural development projects;
- Slum area development,
- Disaster management



LIST OF EXCLUSIONS FROM CSR ACTIVITIES

- Activities in pursuance of **normal course of business**. However, a company in R&D of vaccines, drugs and medical devices may undertake COVID-19 related R&D as CSR for 3 FYs starting 2020-21
- Activities undertaken outside India except for training of Indian Sports personnel representing State or Union Territory at National Level or India at International Level;
- Contribution of any amount, directly or indirectly, to any political party under section 182 of the Act;
- Activities benefitting employees of the company as defined in clause(k) of the section 2 of the code on wages, 2019 (29 of 2019);
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services like One-off events such as marathons/awards/charitable contribution/advertisements/sponsorships of TV programmes, etc.;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India



PROVISIONS ON CSR EXPENDITURE

- Companies on which provisions of Section 135 is applicable needs to spend 2% of the average net profit of the previous three financial years on the CSR Activities.
- Further, the expenses in salaries and other administrative work towards CSR function are also considered as legitimate part of CSR expenditure by a company



ADMINISTRATION EXPENSES

The administration over head shall **not exceed 5%** of the total CSR Expenditure of the Company for the financial year.

Definition of Administration Overheads

Means the expenses incurred by the Company for 'general management and administration' of CSR functions in the Company. It does not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or program.



TREATMENT OF UNSPENT AMOUNT

If the Company fails to spend 2% of the Average net profit, then the treatment of the unspent amount shall depend upon the type of Project- Single year or Multi Year project.

The treatment for Unspent amount is given in the next slide

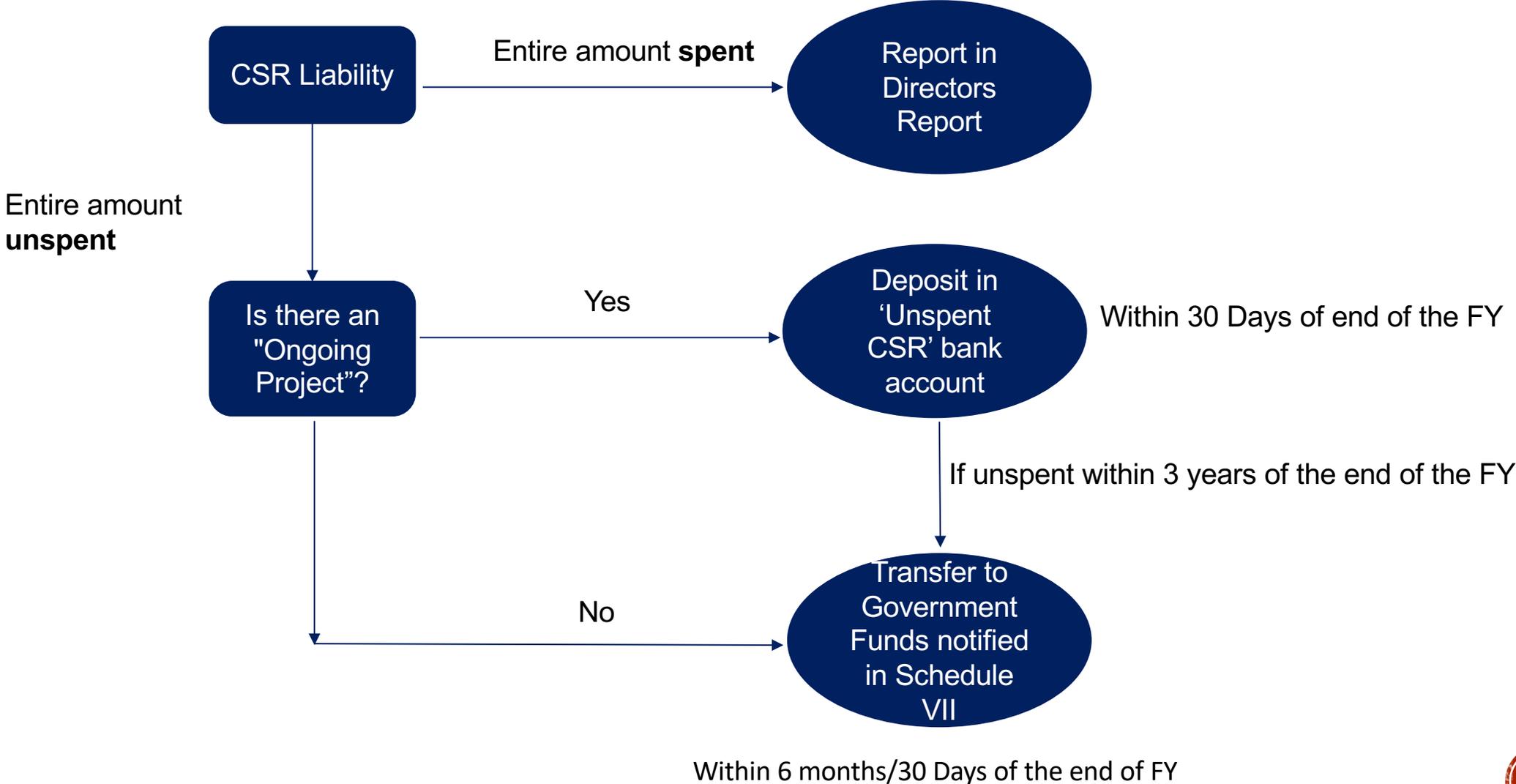


SINGLE YEAR PROJECT VS MULTI - YEAR PROJECT

	Single-year Project	Multi-year Project/Ongoing
1. Period of engagement between CSR donor and NGO	CSR projects that end in a single financial year.	CSR projects by a company having: <ul style="list-style-type: none"> Multi-year agreement (max. commencement year +3 years); or It can also include projects where duration was 1 year initially, but duration was then extended beyond 1 year by the board (on reasonable justification).
2. Unspent CSR Funds lying with the NGO to be transferred	<ul style="list-style-type: none"> To be transferred to a Fund specified in Schedule VII Please note NGO is not allowed to spend the CSR amount after the end of the FY (during the 6 months given to transfer the unspent funds). 	<ul style="list-style-type: none"> If not spent by the end of the FY, then to be transferred to a special account in any Scheduled Bank- Unspent CSR Account. If not spent by the end of 3 years, transfer the amount to a Schedule VII Fund.
3. Timeline to Transfer the unspent funds	Within 6 months from the end of the FY.	Within 30 days from the end of the Financial Year ('FY').
4. Reporting in case of unspent funds	<ul style="list-style-type: none"> CSR report disclosures and Board agreement, if period to be extended. 	<ul style="list-style-type: none"> CSR report disclosures and CSR committee required.
5. Other Standard Compliance requirements	<ul style="list-style-type: none"> CSR -2 Disclosure in Board report Documentation as per companies act 	<ul style="list-style-type: none"> Remains same



WHAT ARE IMPLICATIONS IN CASE OF UNSPENT CSR FUNDS?



PENALTY CLAUSE (1/2)

Penalty clause incase a **company** fails to

- **disclose unspent amount** in annual report on CSR, or/ and
- **transfer** unspent amount into fund specified in **Schedule VII** within specified time, or/ and
- **transfer** unspent amount relating to **ongoing project into unspent CSR account** within specified time, or/ and
- **transfer** amount remaining utilized in **unspent CSR account after 3 years** into fund specified in **Schedule VII** within specified time



PENALTY CLAUSE (2/2)

Penalty on Company

- **twice the amount** to be transferred to the Fund specified in Schedule VII/ Unspent CSR a/c
- **one crore rupees, whichever is lower**

Penalty on Officer in default-

- **1/10th of the amount** to be transferred to the Fund specified in Schedule VII/ Unspent CSR a/c
- **two lakh, whichever is lower**



CSR FAQs

What is the role of the Government in monitoring CSR provision compliance?

- The government monitors the CSR provisions compliance through the disclosures made by the companies on the MCA portal. The government can initiate action for any violation of CSR provisions against the non-compliant companies after due examination of records.



CSR FAQs

What is the meaning of surplus arising from CSR activities?

- Surplus refers to income generated from the spend on CSR activities, e.g., revenue received from the CSR projects, interest income earned by the implementing agency on funds provided under CSR, disposal/sale of materials used in CSR projects, and other similar income sources. The surplus arising out of CSR activities shall be utilised only for CSR purposes.



CSR FAQs

Whether companies must carry out CSR only in their local areas?

Section 135(5) of the Act provides that the company should give preference to local areas around where it operates. However, with the advent of IT and the emergence of new-age businesses like process-outsourcing companies, e-commerce companies, and aggregator companies, it becomes difficult to determine the local area for various activities. Thus, the preference to the local area mentioned in the Act is only directory and not mandatory, and companies need to balance local area preference with national priorities



RECENT DEVELOPMENTS IN CSR

- Digitalisation of CSR
- The inclusion of COVID-19 relief measures under CSR
- Emphasis on Education
- Partnership with Non Profits
- The promotion of social entrepreneurship
- The focus on impact assessment:
- Transparency and Accountability



THANK YOU!
FEEDBACK & QUESTIONS

