

Guidance for Grant Recipients

Preparing the budget for the preparation phase

IKI projects with an A-signature – Annex 3 template

The benefit for you: clean budgeting speeds up the review process

If your Annex 3 follows our recommendations and is complete (including supporting documents and calculations), we can review your application within a few weeks and prepare the ministry's decision. Our shared aim is to launch the preparation phase as soon as possible. Unclear or non-eligible items and the need for follow-up queries significantly extend the review process.

1. Legal and regulatory foundations for your budget and financing plan

- Please observe the [IKI Administrative Guidelines \(version 08/2025\)](#).

Notes:

- From 2026 onwards, the new budget recommendations below apply to administrative expenditure, own funds, personnel expenditure, flat rates and budget ceilings.
- These budget requirements will subsequently be anchored as binding provisions in future IKI Large Grants ideas competitions.

2. New recommendations for the preparation phase

Item	Requirement	Where to enter
Duration of the preparation phase	9 months	Basic Data
Maximum IKI grant in the preparation phase	EUR 500,000	Total Budget, cell D36 (auto-calculated)
Range of the administrative flat rate	max. 10-12.5% – a uniform rate for all consortium members' budgets (also applied in later implementation phase)	Total Budget ("Flat rate for administrative expenditures")
Funding rate	- max. 90% (co-financing with 10% own funds AND external / third-party funds) OR - max. 96.5% (co-financing with 3,5% or more own funds only)	Not entered directly; results from "Overview Financing" and "Total Budget"
Budget allocation – indicative ratios	Indicative ratios: - Personnel: approx. 30%; max. 50% of total budget - Rents: 0 - max. 3% - Items ≤/≥ EUR 800: max. approx. 1% - External Services: approx. 10%, max. 25% - Travel: approx. 5%, max. 20% - Events: approx. 3%, max. 10% - Administrative Flat Rate: approx. 9.09% (= 10% of personnel & other expenditure) Budget share of implementing partners (position B6 in the lead applicant's total budget): at least approx. 30%	—
Travel expenditure	Rates per the German Federal Travel Expenses Act (BRKG, domestic travel) and per the German Foreign Travel Expenses Administrative Regulation (ARVVwV, international travel – see info in checklist below)	Travel sheet
Event expenditure – recommended rates	Venue rent (all-inclusive, up to 40 participants): max. EUR 500 / day	Events sheet

Item	Requirement	Where to enter
	Materials: max. EUR 15 / participant / day Interpretation incl. equipment: EUR 450 / day Catering: EUR 40 / participant / day (exceeding the recommended rates requires justification)	
Personnel expenditure	As a rule, institutional management / leadership positions are NOT eligible for funding	Personnel sheet
External services	A final audit is NOT eligible during the preparation phase	External Services sheet

3. New IKI rules on the funding rate (co-financing share)

Going forward, the IKI funding rate will typically be capped at 90% or 96.5% depending on the composition of the co-financing. This reflects the principle of subsidiarity under German grant law (Zuwendungsrecht) and the economical use of public funds.

Annex 3 sheet “Overview Financing”:

- If ONLY “**Applicant’s own funds**” / lead’s own funds: **at least 3.5%** of the preparation phase budget (later also of the Implementation Phase), i.e. maximum funding rate 96.5%.
- If a mix of “**Applicant’s own funds**” + “**Implementing Partner’s own funds**” + / or “**External funding**” + / or “**Third Party grants**”: the combined co-financing must be **at least 10%**; so the maximum funding rate is 90%.

Notes: In-kind contributions do NOT belong in the budget – neither on the expenditure nor on the financing side. Only unrestricted funds (own, external or third-party) may contribute to project financing.

4. Practical tips that make a difference

- Where possible, include a short explanation of each budget item and the underlying basis of the calculation in the “Comments” column. Even very brief justifications help to review the budget.
- Send supporting documents and basis for the calculations together with Annex 3 – not only on request. The checklist on the following page indicates what we need and when.
- It is essential that your budget corresponds with the substantive project description in the Preparation Phase Proposal. We review expenditure items here particularly for plausibility.
- Please share an initial draft of your budget with us as early as possible. We will give you initial feedback as quickly as we can.

For questions: reach out BEFORE submission

In case of uncertainties or questions, just reach out to your contact persons at the IKI Office. A brief clarification by e-mail before submission can save weeks in the review process. For Annex 3, your primary point of contact is the administrative project manager at the IKI Office of ZUG. You will find the contact details in the IKI onboarding e-mail that you have received.

Checklist before submitting Annex 3

Please go through this list sheet by sheet. Items you can tick off here can usually be reviewed quickly – saving time on both sides. “Required” = indispensable; “Recommended” = significantly speeds up the review.

1. Basic Data

- ☐ Project title, duration (start / end), lead organisation, local action all entered.
- ☐ Bank details of the lead organisation complete (account holder, IBAN, BIC, name of bank).
- ☐ All declarations 1-9 ticked (no early start of the project, no double funding etc.).
- ☐ Place, date, name / position and signature of the authorised representative (text form is sufficient).
- ☐ Required document: proof of signing authority of the authorised representative.

2. Total Budget

- ☐ Flat rate (cell E8) entered as a value between 0.10 and 0.125 (10 - 12.5%).
- ☐ Grant allocation across the fiscal years (row 41) sums up to the IKI Grant total (cell D38).
- ☐ IKI grant total for the preparation phase ≤ EUR 500,000 (row 38, FI5).

3. Overview of Financing

- ☐ Type of financial contribution: use only the dropdown values in column C – “Applicant’s own funds” / “Implementing Partner’s own funds” / “External funding” / “Revenue” / “Third party grants”.
- ☐ Total co-financing: at least 3.5% (if only lead’s own funds) OR at least 10% (if a mix of several sources).
- ☐ Required document for (unrestricted!) third-party funds: written commitment by the third-party funder (does not apply to Implementing Partner’s own funds).
- ☐ Recommended for IP’s own funds: statement by the IP on the source and valuation of their own funds (mandatory: unrestricted funds that are actually available for the project).

4. Personnel

- ☐ Each person entered with reference to output, category (Lead / Manager / Expert / Assistant), function and short task description.
- ☐ Institutional management / leadership positions and functions are NOT eligible as personnel expenditure – they are covered by the administrative overhead / flat rate.
- ☐ Personnel expenditure: gross salary + employer’s social security contributions required by law + any additional benefits arising from collective agreements or employment contracts.
- ☐ Required document: copy of the internal salary rules (or reference to TVöD – Collective Agreement for the Public Service of the Federation) AND one anonymised sample employment contract for the highest salary listed in the budget.
- ☐ In principle: submit the self-declaration on the applicability of the “Besserstellungsverbot” (prohibition on paying above German federal public-service rates). If applicable: observe this rule.

5. Rents

- ☐ Precise calculation on a full-time-equivalent (FTE) basis – indicate in column D which project staff use the office.
- ☐ Required document: copy of the current lease/rental agreement(s) for the office(s).

6. External Services

- ☐ Per procurement: reference to output; Local Action “Yes / No”; contractor (TBA; only exceptionally the name of the contractor with justification); type of service; short description with reference to work package; daily rate × quantity.
- ☐ Value ≥ EUR 10,000 net: submit supporting documentation / benchmark values / earlier contracts to plausibilise the amount.
- ☐ No final audit during the preparation phase – please omit.

- ☐ Recommended: submit sample contracts from earlier projects or contract-value estimates as plausibility anchors.

7. Events

- ☐ Per event: reference to output; number of participants; number of days; description; location.
- ☐ Please respect the recommended rates – provide justification / evidence if you exceed them: materials EUR 15 / participant / day; venue rent EUR 500 / day (up to 40 participants); interpretation incl. equipment EUR 450 / day.
- ☐ Catering: justify with the market rates of the country where the event is located (max. EUR 40 / participant / day).

8. Travel

- ☐ Per travel cluster: reference to output; region; description; number of persons; number of trips.
- ☐ Air fares: economy class is mandatory; business class is only permitted for individual flights exceeding 9 hours; required document = one quote or internet search screenshot (in supporting documents).
- ☐ Daily allowances and accommodation flat rates:
Domestic travel in Germany: per *German Federal Travel Expenses Act* ([Bundesreisekostengesetz/BRKG](#)) for domestic travel in Germany (daily allowance: EUR 28 for a full 24h day, EUR 14 for arrival/departure days or days with 8 to 24 hours of absence, Accommodation: actual documented expenditure, e.g. hotel bill)
International Travel: per *General Administrative Regulation on the Recalculation of Per Diem Rates for Days Spent Abroad and Overnight Stays Abroad* ([ARVVwV for international travel](#)) (see country table for various destinations; if a country is not listed, use rates for Luxembourg).
- ☐ Day of arrival / day of departure: half the daily allowance. If meals are provided at events, reduce the daily allowances by 20% for a provided breakfast and 40% for a provided lunch and dinner.
- ☐ Local travel: explain the mode of transport and route and justify the necessity.

9. Total Expenditures IP (subgrants to Implementing Partners)

- ☐ Per Implementing Partner (IP): name; reference to output; description of activities; total expenditure.
- ☐ Enter any own funds and third-party funds of the IP on the “Overview Financing” sheet.
- ☐ A separate Annex 3 must be submitted for each IP.
- ☐ Subgrant amount = IKI-Grant amount as shown in the IP’s own Annex 3 (consistency requirement: total expenditure of the IP minus own funds / third-party funds of the IP = IKI subgrant).

10. Other sheets

- ☐ Items ≤ 800 / > 800: use specific descriptions rather than “miscellaneous”; items > EUR 800 must be entered in an inventory list.
- ☐ Local Action: allocation of IP shares locally / non-locally in line with the IKI Local Action rules; the ratio in the preparation phase may be < 50%, but must reach ≥ 50% across the entire project.
- ☐ Expenditures per Outputs: as far as possible, each budget position in your Annex 3 should be allocated to an output.

11. Final checks before submission

- ☐ Annex 3 submitted as Excel file.
- ☐ As many “Comments / Use for additional explanations” columns as possible filled in with meaningful content.
- ☐ List of annexes: overview of all supporting documents on a cover sheet.
- ☐ Consistency across consortium Annexes 3: values in the lead applicant’s Annex 3 relating to IPs match the values in the IPs’ Annex 3 budgets.
- ☐ Any uncertainties clarified with the IKI Office before submission.

Thank you – we look forward to receiving your application.

IKI Office | Z.U.G. – Zukunft. Umwelt. Gesellschaft. gGmbH