Applying to the Subsidy Fund

Procedure for the application and management of the Fund

PRO200 - Subsidy Fund procedure - 2019-12-20
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Subsidy Fund Procedure

Introduction

I. The Humanitarian Quality Assurance Initiative

HQAI’s objective is to improve the Quality and Accountability of organisations working with people in need through the provision and promotion of meaningful and adapted independent quality assurance. Its services are intended to build capacity in the sector and provide consistent measurable data in the delivery of quality action, thus improving principled, accountable, efficient provision of aid to vulnerable and at-risk populations.

To all its stakeholders, HQAI is an accountable, open and trustworthy partner, which applies the internationally recognised ground rules of auditing that are impartiality, competence, responsibility, openness, confidentiality and responsiveness to complaints. Our policies, procedures and tools for independent quality assurance follow relevant ISO standards requirements.

HQAI has developed robust tools to measure efficiently where an organisation stands in relation to the Core Humanitarian Standard (CHS) on Quality and Accountability. Tools related to other standards may be developed in the future.

II Scope

This procedure implements the Subsidy Fund Policy (POL200)

III References

The following referenced documents can usefully complement this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

Document can be downloaded from HQAI web-site (hqai.org/publications)

- PRO049 - Appeal and Complaints procedure
- POL200 - Subsidy Fund Procedure

IV Definitions

The terms and definitions provided in the Core Humanitarian Standard and ISO/IEC 17000:2004, Conformity assessment, vocabulary and general principles apply, unless otherwise specified in the text.
1. Process

Applicants

1.1 For initial audits, as a first step in the application process, organisations shall:

i. Fill in HQAI application form. This form has two purposes:
   a. Information about the application fee;
   b. Collection of basic information on the organisation to allow HQAI’s Secretariat to develop a detailed budget.

ii. Pay the application fee. This provides resources for HQAI to evaluate the application, go back to the organisation as necessary and elaborate a quote for the initial audit and an estimation of costs for the whole process.

   **Note:** The application fee is deducted from the final invoice at the end of a quality assurance audit. A potential grant will thus include the application fee in the calculation of support. However, if the organisation decides not to pursue the process, including if this because the subsidy has not been granted, the fee is due.

1.2 If costs appear to be a barrier the organisation can apply for a subsidy. They shall:

i. Have paid the application fee;
ii. Provide the name of two referees (partner organisations);
iii. Demonstrate they are a legal entity in the country where they are based;
iv. Demonstrate they have robust finance control mechanisms that, at a minimum, respond to the applicable national legal requirements (this demonstration may include providing the last audited financial statement);
v. Identify the level of support they require;
vi. Demonstrate the need for the subsidy and the implication for their field activities if they had to pay the full extent of the audit; and
vii. Show how they will be able to undergo the whole process, in case of independent verification or certification. In particular they shall indicate the extent to which they may depend on on-going support from the Fund.

   **Note:** POL200 identifies the priorities by which grants are attributed. The amount of the requested support has no influence on the priority. However, as no partial grant is attributed, keeping the request as low as realistically possible increases the likelihood of support. Organisations are thus urged to make a careful estimation of the requested support, keeping it as low as realistically possible to ensure the Fund can help a maximum of organisations.

1.3 For any surveillance audit, the organisation shall:

i. Identify the level of support they require, based on a quote of HQAI;
ii. Demonstrate the need for the subsidy and the implication for their field activities if they had to pay the full extent of the audit; and
iii. Show how they will be able to undergo the rest of the process, in case of independent verification or certification. In particular they shall indicate the extent to which they may depend on on-going support from the Fund.

1.4 Applications shall be made before the audit agreement letter is signed and reach HQAI’s Secretariat at least one month in advance of the attribution meeting. Late applications will be deferred to the next attribution round.

HQAI’s Secretariat

1.5 Before transmitting the application to the Committee, the Secretariat shall:

   i. Check that the applicant has provided all the required information;
   ii. Check that due process has been followed (as identified in this procedure);
   iii. As relevant, justify any deviation from 1.2i and 1.2ii above.

1.6 In preparing for a subsidy attribution meeting, HQAI’s Secretariat shall send to the Committee, at least two weeks in advance to the meeting:

   i. The financial status of the Fund before the meeting;
   ii. A summary of all applications submitted to the meeting;
   iii. A folder per applicant containing all the required information;
   iv. The projected financial status of the Fund if all application that are presented are accepted;
   v. An update on a one-year estimation of the Fund’s situation.

Committee

1.7 The committee shall decide whether to grant a subsidy:

   i. After reviewing the information provided by HQAI’s Secretariat; and
   ii. Assessing the extent to which the need is justified.
   iii. Following the order of priority identified in POL200.

2. Management fee

2.1 A management fee corresponding to 8% of the grant is charged to the Fund.

2.2 This fee is charged by HQAI’s Secretariat to the Fund and does not diminish the amount the organisation receives.

2.3 The management fee covers the costs of managing the Fund, including organising face-to-face meetings of the Committee, whenever they happen.

2.4 If annual Fund management costs are lower than the annual amount of fees collected, the surplus will be transferred to the Fund, to be used the following year.