

Grant Management manual

Effective 01 Apr 2014



Delhi

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SECTION 1

PURPOSE AND SCOPE OF THE MANUAL

1.1 Purpose of the Manual

After the completion of the partner selection process the next logical step is to enter into a contract with the organizations for implementing the projects by providing them a clear understanding of:

- (a) the overall project,
- (b) the systems that need to be followed,
- (c) the obligations on the part of the provider of the grant **Collective action for Basic Rights Foundation** (herein after called CBRF) and the recipient of the grant (hereinafter called PROJECT PARTNER),
- (d) the financial disbursement process,
- (e) the accounting and the financial records to be maintained by the PROJECT PARTNER,
- (f) the financial and physical progress information to be furnished on a periodic basis and
- (g) the process of audit that will be undertaken.

This manual also provides the standard agreement format between CBRF and the PROJECT PARTNER.

This manual aims to make the entire process transparent. It clearly outlines the process of grant management and lays down the obligations on the part of CBRF and the PROJECT PARTNER as well as the other processes involved in Grant Management.

This standardizes the grant agreement process in CBRF.

1.2 Intended Users

The officers and the financial persons of CBRF and the Applicants, Project Coordinators and financial persons of the PROJECT PARTNER are the intended users of this manual.

1.3 Document Explanatory Map

This document has been developed to facilitate CBRF to handle the grant management for the different programs being implemented by CBRF and its PROJECT PARTNERS. The guidelines provided are generic and need to be appropriately used for specific projects.

This manual provides in detail the system to be adopted by partners in their organizations in order to be able to meet the reporting requirements of CBRF. This document also provides the different reporting obligations on both the financial and

physical progress of the grant. The document provides the guideline for appraisals and audits by CBRF as well other processes pertaining to continuation and termination of grants by either of the parties concerned. It also provides the details of the processes to be followed for closure of the grant.

1.4 Objectives

The objectives of this manual are:

- (a) To clearly capture the process involved in grant management and provide guidelines for the PROJECT PARTNER to follow
- (b) To outline the obligations on the part of the PROJECT PARTNER and the obligations on the part of the CBRF.
- (c) To enable CBRF and PROJECT PARTNER to understand the process and expectations in terms of PME systems to be maintained.
- (d) To be useful as a resource material for training personnel in grant management.

This manual is only meant to serve as a guideline and provide the purpose and principles but needs to be modified to suit the situation and the specific context.

1.5 Scope and Organization

- (a) This manual outlines the steps in the cycle from contracting to closure of the grant after completion of the grant.
- (b) It serves as a guideline for the organizations receiving the grant.
- (c) It describes the statements and documents that need to be maintained by the PROJECT PARTNER.
- (d) It outlines the process that will be adopted for fund release and the stages of fund release.
- (e) It stresses the necessity for correlating physical and financial progress.

1.6 Amendments

Once approved by the Governing Body of CBRF, this manual will be adopted for all its operations. However, while implementing the contents of the manual certain modifications and amendments may be required from time to time. Whenever, such requirement arises, the request for amendment needs to be sent to the Executive Director who will cause to examine the necessity for the amendment and issue authorization for the same. Amendments can be authorized only by the Executive Director of CBRF. The same will be brought to the notice of the Executive Committee at its next meeting for adoption.

This manual has to be reviewed periodically by the Governing Body of CBRF and operational experiences have to be incorporated along with the authorized amendments as and when required.

SECTION 2

CODE OF CONDUCT FOR PARTNERSHIP

2.1 **Basic Principles**

- (a) Sustain and adhere to the basic principles of democracy, social justice, equality, human rights and good governance.
- (b) Ensure transparency and integrity in all we do.
- (c) Protect the person's independence and autonomy.
- (d) Remain responsive to the needs and aspirations of the people they serve in rural areas especially the poorest of the poor, women, children and persons with severe and multiple disabilities.
- (e) Promote the application of best practices within the context of sustainable human development.
- (f) Support and encourage people's participation in the development process as the norm or the policy and not an option or a privilege.
- (g) Establish an Enabling Environment.
- (h) Strive for excellence in all we do.
- (i) Promote non violence in all our endeavours.

2.2 **Partners commit themselves to**

- (a) Promote an enabling environment that will facilitate the respect, protection and sustenance of the freedom of association, expression and conscience.
- (b) Promote and sustain an enabling environment in which communities can effectively participate in development issues that affect their lives.
- (c) Establish an enabling environment for staff to be creative and resourceful to the best interest of the organization, their beneficiaries and for their own growth and development based on mutual trust, honesty, and personal commitment.

2.3 **Values**

- (a) All values promoted should be in synch with the Basic Principles listed in 2.1 above.
- (b) While partners will remain diverse entities pursuing different objectives, they commit themselves to demonstrate values that are based on the desire to enhance people's knowledge of their development needs and rights and to build up people's capacity to attain the same.
- (c) Organizational values shall also be derived from the search for excellence, respect of culture and history of the people and promotion of people centered sustainable development.

- (d) Personal values of board members, staff, volunteers and partners shall not compromise the integrity of organizational values.

2.4 Team Spirit and Partnership

Recognizing the need to build and strengthen sustainable partnerships based on equality, trust and honesty, partners will:

- (a) Respect organizational values, policies, visions and objectives and will work together to find solutions and to achieve agreed goals using their complementary but different skills and experiences.
- (b) Support and promote partnerships that facilitate the pooling of resources, sharing power in decision-making¹, planning and monitoring², promoting effective co-ordination and being accountable to each other.
- (c) Promote sustainable partnerships which should result in shared vision, responsibility and accountability.

2.5 Transparency and Accountability

- (a) Partners commit themselves to ensure that management institutions including Boards of Directors, Boards of Trustees, Executive Committees, Councils and secretariats shall remain transparent in all their functions.
- (b) Partners reaffirm their commitment to:
- i. be accountable for their actions and decisions, not only to donors and governments but also to the community, project beneficiaries and staff
 - ii. be accountable for financial resources received from donors, government, members, community, other partner organizations or self-generated activities.

The same will be done in various ways like sharing of information at all levels, sharing reports of meetings, publishing accounts etc.

2.6 Governance

- (a) Partners shall ensure the existence of democratic management institutions and that the people who serve in them are democratically elected through a participatory process.
- (b) Partners shall ensure that, once people are elected to positions of power or authority, they do not perpetuate their stay and should demonstrate high moral values and integrity.

¹ Inclusive Board Meetings could be one option - including PWDs and other Partners on the Board

² Put in place an inclusive committee to plan and take forward the intervention with representatives from the NGO, Staff, Community and PWDs and other NGO Partners.

- (c) Adequate political and social space shall be given to staff and project beneficiaries for them to determine their niche, roles and responsibilities in society and development in general.
- (d) Management shall be guided by basic principles of social justice, political wisdom and the ability to accept the shifting balance of power from institutions to people and communities.
- (e) Partners shall develop clear policies and management guidelines as the basic foundations for best practices.
- (f) Leaders shall avoid potential conflict of interest between their political and NGO interests.

2.7 Financial Management

Partners commit themselves to adhere to professional standards of accountancy and audit procedures as stipulated in law and in particular to:

- (a) fulfill all statutory financial, management and reporting requirements
- (b) establish proper and effective financial management policies, procedures and systems
- (c) establish an effective financial monitoring system through proper accounting systems.

2.8 Programme Management

Partners commit themselves to adhere to professional standards of Programme Management and procedures as stipulated by CBRF from time to time and in particular to:

- (a) Fulfill all management and reporting requirements.
- (b) Establish proper and effective programme management policies, procedures and systems.
- (c) Establish an effective programme monitoring system within the Organization.

SECTION 3

TERMS OF AGREEMENT FOR PARTNERSHIP

3.1 Issue of Grant Approval Letter

After the selection process is complete the project holder has to be informed that she/ he has been selected for implementing the proposed project. This needs to be communicated in the first instance through the **Grant Approval Letter** ([See Annexure 01](#)).

The following documents are annexed to the Grant Approval Letter:

1. Project Agreement between Collective action for Basic Rights Foundation (CBRF) and your Organization ([See Annexure 02](#))
2. Grant Management Manual
3. Approved Project Planner of PROJECT PARTNER
4. Approved Budget of PROJECT PARTNER
5. Administrative Norms
6. Bank Details

3.2 Release of Grants

The first installment of the grant will be released after the receipt of signed copies of the documents from the PROJECT PARTNER as specified in the Grant Approval Letter. Subsequent Grants will be released as per norms of CBRF made known from time to time.

SECTION 4

OBLIGATIONS OF REPORTING

4.1 Introduction

The reporting requirements from the implementation level to CBRF level are in terms of both activity and financial progress. The levels at which these are required are:

1. from CBRF level to the funding agencies and
2. from PROJECT PARTNER to CBRF on physical progress of the project and utilisation of funds.

The PROJECT PARTNER shall prepare and furnish to CBRF reports on progress (financial and physical progress) in implementation of the ACTIVITIES as may be required by CBRF from time to time and in a manner and substance satisfactory to CBRF.

Reports must be prepared in English according to format given by CBRF. The reports must be sent by mail or by e-mail as required by CBRF. **Photos and other presentations must be sent only on CD-ROM.**

4.2 Calendar for reporting

The Partner shall furnish CBRF with financial and progress reports and completion reports of the Project as required by the donor/CBRF as defined below:

Type of Report	Period of Report	Due Date
For Programmes with Start Date: Apr		
1 st Progress/interim report	1 st Yr.: Apr – Sep	5 th Oct
1 st Audit report	1 st Yr.: Apr – Sep	5 th Oct
2 nd Progress/interim report	1 st Yr.: Oct – Mar	5 th Apr
2 nd Audit report	1 st Yr.: Oct – Mar	5 th Apr
3 rd Progress/interim report	2 nd Yr.: Apr – Sep	5 th Oct
3 rd Audit report	2 nd Yr.: Apr – Sep	5 th Oct
4 th Completion report	2 nd Yr.: Oct – Mar	5 th Apr
4 th Audit report	2 nd Yr.: Oct – Mar	5 th Apr
For Programmes with Start Date: Oct		
1 st Progress/interim report	1 st Yr.: Oct – Mar	5 th Apr
1 st Audit report	1 st Yr.: Oct – Mar	5 th Apr
2 nd Progress/interim report	1 st Yr.: Apr – Sep	5 th Oct
2 nd Audit report	1 st Yr.: Apr – Sep	5 th Oct
3 rd Progress/interim report	2 nd Yr.: Oct – Mar	5 th Apr
3 rd Audit report	2 nd Yr.: Oct – Mar	5 th Apr
4 th Completion report	2 nd Yr.: Apr – Sep	5 th Oct
4 th Audit report	2 nd Yr.: Apr – Sep	5 th Oct

The above mentioned period of reporting and due dates have to be adhered to without fail. Failure to do so could result in discontinuation of partnership.

4.3 Activity Reporting

The physical progress reports can be classified as:

4.3.1 Half Yearly Activity Reports:

This report shall contain both qualitative and quantitative information on programmatic progress as per the approved format given by CBRF.

Each report should be cumulative in nature, that is, it should contain information on the progress of the project from the beginning of the concerned project year (starting 1 Oct or 1 Apr as the case may be).

4.3.2 Other Reports:

CBRF may request PROJECT PARTNERS to produce other reports from time to time depending on the need of the disability sector.

The Partner shall collect, maintain and report to CBRF such data, as may be asked by CBRF from time to time.

Each year the PROJECT PARTNER shall submit the Annual Report of the Organization.

4.4 Financial Reporting

4.4.1 Quarterly Budget Comparison Statements:

Quarterly Budget Comparison Statements shall be submitted as on 30 Jun, 30 Sep, 31 Dec and 31 Mar each year. They shall be in the approved format given by CBRF.

4.4.2 Half Yearly Audit Reports:

Audit Reports shall be submitted as on 30 Sep and 31 Mar each year. They shall be in the approved format given by CBRF.

The PROJECT PARTNER shall make available to CBRF along with the Audit Report its balance sheet, receipts and payments account and income and expenditure account.

The audit report must be accompanied by the Management letter duly signed by the auditor.

4.4.3 FCRA Statement:

Each year the PROJECT PARTNER shall submit the Audited FCRA statement of the organization.

SECTION 5

CAPACITY BUILDING

5.1 Necessity for building capacity

Disability being a new field to many PROJECT PARTNERS, they may not have the required expertise in the technical areas required for implementation.

Again, some of the PROJECT PARTNERS may not have the managerial capacity to plan and execute the projects. The financial management capacity is mostly inadequate across NGOs and this, being an important requirement, also needs to be addressed. Project planning and management has to be developed based on evidences. The mind set needs to be changed to working with result orientation rather than implementation and keeping the organizations afloat.

The capacity to analyze evidences that are detected from time to time, harness the strengths of the community, leverage the strengths of the different stakeholders and work and think strategically to achieve results is another key area that needs to be addressed.

The ability to analyze and abandon certain strategies that have worked at certain points in time and move ahead with new or modified strategies is essential if the program itself has to move forward.

This requires intensive capacity building to enable the partners achieve and this needs to be planned and integral to grant management.

5.2 Objectives of Capacity Building

Capacity strengthening involves a long term commitment. This commitment is characterized by a spirit of accompaniment, flexibility and responsiveness. This commitment goes beyond specific project activity, based rather on a shared vision of and commitment to ongoing joint action. CBRF and the PROJECT PARTNER agree:

- To facilitate and promote the strengthening of the capacities of the chief functionary and the personnel of the partners.
- To engage in joint and mutual organizational self-assessment and planning processes in which both organizations collaboratively identify their strengths, priority areas needing improvement and create their own action plans.
- To work together to strengthen the capacities of PWDs, their family members, other community stake holders, Disabled Persons Organizations (DPOs) at various levels.

5.3 Planning for capacity building

In CBRF a large chunk of the Capacity Building of Programme staff has been delegated to training centers across the country. At the moment these are:

- Sanchar AROD in West Bengal
- Bethany Society in Meghalaya and
- ADD India in Bangalore.

These centers are paid a fee for their services as specified in the contracts entered into between CBRF and the concerned Training Centre. These amounts are paid by PARTNERS from the Budgets allocated to them by CBRF. PARTNERS are expected to pay the centers the entire amount allocated for the year as “Training Centre Fee” before they commence the training.

Capacity building of the Finance personnel is cared for by the Finance Department of CBRF. The Programme Department of CBRF and Resource Persons of CBRF also give additional training to the staff/ Management of PARTNERS.

In all capacity building endeavours:

- The first step in the process is to gain an understanding of the capacity building needs at the different levels of the organization. After assessment of the needs it will be required to prioritize the capacity building requirements based on vital, essential and desirable analysis of the needs.
- The next step will be to develop the training curriculum, the methods through which the training will be imparted and development of the training modules and facilitators guide for conducting the training.
- Developing a Training Calendar and development of resource persons will be the next step in the capacity building plan development.
- Identifying institutions where the training can be housed will be another important step.
- Rolling out of the capacity building and documenting the outcomes and proceedings of the training courses and analyzing the content and process evaluation reports will be key steps.
- Review and re-design of the program after initial roll out and periodically assessing the utility of the capacity building plan and curriculum periodically are also important steps in making the capacity building effective.

5.4 Assessing impact of capacity building

- Field monitoring of the trained personnel at their work and the reports by Applicants/ Coordinators regarding the ability of the trained personnel in performance before and after the training programs will form part of the assessment process.

- The Training Centres have to send a report after concluding each training session specifying the content, process and outcomes of the training.
- In addition, Training Centers have to submit an organizational assessment report once a year evaluating the performance of each PROJECT PARTNER and individual staff members working for the project.

The overall performance of the organization in terms of its ability to monitor the implementation and taking corrective steps based on evidence itself can be a pointer to the improving capacity of the organization

The ability of the organization to assess its own strengths and weakness is another pointer towards capacity improvement

SECTION 6

CLOSURE OF CONTRACT

6.1 Process of closure

- A. Key elements of contract closure are:
 - i. preparation of the partner organization
 - ii. development of exit strategy with the community
 - iii. development of sustainability plans to transition the implementation project, to just carry out the maintenance or to maintain the momentum of impact are other steps necessary before the closure of the contract.

- B. An evaluation made by the persons with disability and the community of the impact that the project has made also needs to be carried out prior to closure of the contract.

- C. Preparing the PROJECT PARTNER organization for closure with the following documents will be essential:
 - i. Grant closure report
 - ii. Final accounts and take over or hand over of assets
 - iii. Obtaining the proprietary intellectual property rights
 - iv. Signing of formal closure
 - v. Appreciation letter to the organization for its contribution.

SECTION 7

ANNEXURES

Annexure 01

GRANT APPROVAL LETTER

Ref:

To,

.....

Dear Sir/ Madam,

Subject: Grant Approval Letter

We are pleased to convey the approval for your Project Proposal titled for Grant at a total cost of Rs. Your **Project No.** is Please quote your Project No. given above for all future correspondence with **Collective action for Basic Rights Foundation (CBRF)**.

The following documents are enclosed along with this Grant Approval Letter:

1. Project Agreement between **Collective action for Basic Rights Foundation (CBRF)** and your Organization
2. Grant Management Manual
3. Approved Project Planner
4. Approved Budget
5. Administrative Norms
6. Bank Details

The details of our Grant support are as follows:

1. Duration of the Project: _____
2. Date of commencement of the Project: _____
3. Date of end of the Project: _____

The terms and conditions of release of Grant are as mentioned in the Project Agreement. Kindly let us know the name of the contact person from your side. Do note that release of instalments will be based on satisfactory progress of the project as given in the Approved Project Planner.

You are requested to send back one copy of the Project Agreement, Approved Project Planner and Approved Budget duly signed by the chief functionary of the organization with official seal. Each page shall be initialled and affixed with official seal. On receipt of your signed documents, we will arrange to release the first Instalment.

In case you need any clarification, you can call on us during official working hours. Kindly arrange to send us a copy of this letter duly signed and sealed as a token of your acceptance of the terms and conditions.

Thanking you and with all good wishes,

Yours sincerely,

For Collective action for Basic Rights Foundation (CBRF)

We accept the above terms and conditions.

Authorised Signatory of Partner Organization

Date: _____

Annexure 02

PROJECT AGREEMENT

The following project agreement has been concluded on the _____³ day of _____⁴, _____⁵ between:

Collective action for Basic Rights Foundation,

registered under the Societies Registration Act

and having its administrative office at _____⁶

and its registered office at _____⁷

OF THE FIRST PART which expression shall unless repugnant to the context be deemed to include its successors, here after referred to as **CBRF**.

and

_____⁸

registered under _____⁹

and having its administrative office at _____¹⁰

and its registered office at _____¹¹

OF THE SECOND PART which expression shall unless repugnant to the context be deemed to include its successors, administrators, heirs, assigns and nominees

hereafter referred to as **PROJECT PARTNER**.

Project Title	
Partner Name	
Funding Affiliate	
Agreement Period	
FCRA Number	
FCRA Bank Account Number	

³ Mention **Date**

⁴ Mention **Month**

⁵ Mention **Year**

⁶ Mention **Admin Office address of CBRF**

⁷ Mention **Registered Office address of CBRF**

⁸ Mention **Legal Holder name of NGO Partner**

⁹ Mention **Mode of Registration of NGO Partner (Legal Holder)**

¹⁰ Mention **Admin Office address of NGO Partner (Legal Holder)**

¹¹ Mention **Registered Office address of NGO Partner (Legal Holder)**

Project Specifications and Objectives:

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Whereas CBRF has been formed with the object of carrying on charitable activities especially with persons with disability in any part of India.

Whereas the PROJECT PARTNER has been established with the sole purpose of undertaking various social development and charitable activities enumerated in detail in the memorandum, rules and regulations of the PROJECT PARTNER a copy of which is attached hereto (**Annexure A**).

Whereas the PROJECT PARTNER is competent to receive funds from CBRF as it has registered itself under the provisions of the Foreign Contributions (Regulation) Act 1976 with F.C.R.A. Registration No. _____¹³ a copy of which is attached hereto (**Annexure B**).

And Whereas the Partner has represented to CBRF that it is carrying on social development charitable activities and has requested CBRF for financial support for specified activities (hereafter called “**Approved Project Plan**”) assuring CBRF that the money/ material given by CBRF will be used for the specific purposes for which it is given and as specified in the Approved Project Plan attached hereto (**Annexure C**).

And Whereas CBRF has agreed to extend financial support to the PROJECT PARTNER within the limits specified in the “**Approved Budget**” enclosed hereto as **Annexure D**, on the basis of the assurance by the PROJECT PARTNER that the money/ material so given by CBRF shall be utilised only for the Project accepted by CBRF as delineated in the Approved Project Plan.

And Whereas this specific grant has been received from _____¹⁴ being Grant # - _____¹⁵ entrusted to CBRF for _____¹⁶, this being the purpose of implementation of the specified project;

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH ABOVE AND BELOW, THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. Implementation of the Activities

The PROJECT PARTNER shall be guided by the guidelines given in the **Grant Management Guidelines** enclosed hereto as **Annexure E** and shall take forward the project based on this AGREEMENT as further specified in the Approved Project Plan, Approved Budget referred to above and the **Administrative Norms** enclosed hereto as [Annexure F](#).

¹² Brief list of project specification and objectives
¹³ Mention FCRA Number of NGO Partner
¹⁴ Mention name of individual donor or agency
¹⁵ Mention unique identification number of this Grant
¹⁶ Mention purpose for which this grant was given by the donor

The PROJECT PARTNER shall submit to CBRF the necessary documents and reports as specified by CBRF from time to time.

2. Duration of this AGREEMENT

This AGREEMENT shall remain in FORCE from _____¹⁷ to _____¹⁸ unless terminated earlier in accordance with the provision of this AGREEMENT or in the event the period is extended through a mutually agreed amendment to this AGREEMENT.

3. Time of Reporting

During the term of the agreement the project will be implemented and reports submitted as per Calendar for Reporting. Failure to do so could result in delay in transfer of funds.

4. Project Financing

The total financial grant given by CBRF shall not exceed INR. _____¹⁹ (Rupees _____²⁰ Only).

On her/ his part, the PROJECT PARTNER shall raise not less than 15% of the total cost incurred in cash in view of meeting the expenses of the project.

Amounts committed to this project by CBRF and the PROJECT PARTNER are specified below:

	1st Year	2 nd Year	Total
CBRF Contribution in cash			
Local Contribution in cash			
Total			

The PROJECT PARTNER agrees to use the funds allocated efficiently and economically and for the purpose for which it has been sanctioned.

5. Disbursement

On signing of the Agreement by the PROJECT PARTNER and submission of all other relevant documentation, CBRF shall release the first grant instalment amount as per the terms of disbursement specified in the agreement. Disbursements to the PROJECT PARTNER shall be made in Indian Rupees only.

In the event the implementation of the Project is not as per this AGREEMENT, CBRF reserves the right to withhold or reduce the grant instalment approved to the PROJECT PARTNER or to stop further disbursement of grant instalments to the PROJECT PARTNER. In such event, CBRF, shall identify the particular activities/ situations which are not implemented in accordance with this AGREEMENT together with the effect thereof and inform the PROJECT PARTNER in writing. Release of future grant instalments shall be made upon remedying the unsatisfactory work/ situation and on resolution of the outstanding queries by the PROJECT PARTNER, to the satisfaction of CBRF.

¹⁷ Mention start date of project

¹⁸ Mention end date of project

¹⁹ Mention total amount sanctioned in figures

²⁰ Mention total amount sanctioned in words

Disbursements shall be made based on **Bank Transfer details** provided by the PROJECT PARTNER (**Annexure G**).

6. Previous Communication

This AGREEMENT between the parties supersedes all previous communications, whether oral or written, in relation to the implementation of the ACTIVITIES to be undertaken in accordance with this AGREEMENT

7. Changes to or Withdrawal from the Contract

Changes to the regulations contained in the annexes must be submitted and justified in writing within the period of validity. Changes may be made only with the mutual consent of both contract partners.

Both contract partners may terminate the Agreement on serious grounds without prior notice. Terminations must be made in writing.

Serious grounds constitute the following:

- i. the project agreement has been concluded under false pretences or includes incomplete information from the PROJECT PARTNER;
- ii. should CBRF notice a lack of progress in the implementation of the project by the PROJECT PARTNER and the PROJECT PARTNER fails to take corrective steps within 30 days of a written notice being served to this effect;
- iii. the PROJECT PARTNER has not used the funds provided, for their intended purpose;
- iv. the PROJECT PARTNER does not fulfil his/ her obligation regarding accounting procedures (as specified by CBRF from time to time) and reporting in spite of written reminders;
- v. the PROJECT PARTNER is required by Local or Central government or court to terminate the grant;
- vi. the PROJECT PARTNER loses its approval from the administrative authorities for this kind of work/ activity;
- vii. CBRF does not fulfil the commitments it has made to the PROJECT PARTNER;
- viii. the donor of the grant requests or requires CBRF to suspend or terminate the grant for whatever reason.

8. Refund of unspent Funds

CBRF reserves the right to demand return of unspent funds (this includes the 15% share of the PROJECT PARTNER) from all PROJECT PARTNERS.

9. Conclusion

Verbal supplementary agreements have not been made. The agreements made in this contract remain binding until the full closure of the project.

The following annexes are part of the Project Agreement:

- Annexure A Memorandum, rules and regulations of the PROJECT PARTNER
- Annexure B F.C.R.A. Certificate of the PROJECT PARTNER
- Annexure C Approved Project Plan
- Annexure D Approved Budget
- Annexure E Grants Management Guidelines
- Annexure F Administrative Norms
- Annexure G Bank Transfer details



WHEREOF, the parties hereto have caused this AGREEMENT to be signed in their respective names on the day and year first above written.

Secretary
CBRF
(For and on behalf of CBRF)

Director
(....Name of Partner NGO....)
President
(For and on behalf of PROJECT PARTNER)

Place:

Annexure F

ADMINISTRATIVE NORMS ACCOMPANYING AGREEMENT

1 Construction of this AGREEMENT

- 1.1 This AGREEMENT shall be governed by and construed in accordance with the laws of India.

2 Definitions

- 2.1 “PROJECT PARTNER” means the partner organization that has been selected for implementing the project in a particular geographic area and is a party to the agreement.
- 2.2 “CBRF” means CBRFor its State Offices acting for and on behalf of CBRF that is a party to this AGREEMENT.
- 2.3 “AGREEMENT” means this AGREEMENT between CBRFand the PROJECT PARTNER.
- 2.4 “ACTIVITIES” means those activities oriented towards provision of services/ support / facilitation to intended beneficiaries that shall be performed by the PROJECT PARTNER for which CBRF has agreed to provide funds and which are specifically defined in the “Approved Project Plan” and considered part of this AGREEMENT.
- 2.5 “Approved Budget” means the budget sanctioned by CBRF for the implementation of the ACTIVITIES based on which, the grant funds shall be released in instalments.

3 General Instructions and Approvals

- 3.1 The PROJECT PARTNER shall carry out the Activities with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, and in particular in accordance with the provisions of this AGREEMENT.
- 3.2 The PROJECT PARTNER must inform CBRF immediately of any significant events within the project/ organization which may affect the budget and achievement of goals.
- 3.3 The PROJECT PARTNER shall grant CBRF and/ or the persons designated by CBRF access to on-site measures for examining the administration of the project. **This access has to be given to CBRF up to six months after the closure of partnership.(see 4.4 (xiv) below)**

- 3.4** CBRF shall not provide grant funds in respect of work done outside the scope of work and/or the geographical area as defined in the Approved Project Plan and forming part of this AGREEMENT and takes no responsibilities whatsoever for such work.
- 3.5** The PROJECT PARTNER shall not make any claim to third Parties that it is an agent of and/or representative of CBRF. It shall also not enter into any Agreement with third Parties on behalf of CBRF
- 3.6** Nothing stated in this Agreement between CBRF and the PROJECT PARTNER hitherto shall be construed as creating the relationship of employer and employee; master and servant; or principal and agent.
- 3.7** The PROJECT PARTNER shall not be entitled to cede, assign or transfer all or any of its rights and/or obligations in terms of this Agreement, without first obtaining the prior written consent of CBRF.
- 3.8** The PROJECT PARTNER shall facilitate any research effort initiated by CBRF.
- 3.9** The PROJECT PARTNER will adhere to appropriate Strategy Paper(s) of CBRF, in working out the programme design.
- 3.10** Any news release, public announcement, advertisement or publicity material to be released by the PROJECT PARTNER highlighting the name of CBRF in connection with this Agreement must have the prior written approval of CBRF.
- 3.11** In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force and effect.
- 3.12** The waiver by any party of any default or breach of this Agreement shall not constitute a waiver of any other subsequent default or breach.
- 3.13** CBRF and the PROJECT PARTNER agree that all confidential information or documents that arise in the participation of this Agreement shall not be disclosed to others unless otherwise agreed in writing by CBRF and the PROJECT PARTNER.

4 Project Finance Administration

4.1 Budget Approvals/ Management:

- i. The PROJECT PARTNER cannot implement the activities under the Project until it receives written approval from CBRF. CBRF shall not be responsible for any expense or any activity undertaken by the PROJECT PARTNER without such prior approval.

- ii. The PROJECT PARTNER shall ensure that the funds provided by CBRF are utilized for the purposes of the project as specified in the Grant Approval Letter, the Approved Project Planner and the Approved Budget and funds should be used efficiently and economically.
- iii. The PROJECT PARTNER in general shall not alter or modify any of its activities as submitted in its detailed plans and budget and approved by CBRF. Variance, up to a maximum of 5% only, is permitted under individual budget line provisions, provided such modifications are within the total approved budget. Under specific unforeseen situations, modification of budget line provisions within the total approved budget may be made with prior written approval of the Executive Director of CBRF. Such modifications can be approved only during the allocation period.
- iv. Budget control: Compliance with the budget must be reviewed at regular intervals. To do so, the results of the voucher list sorted by budget items may be taken over into the budget control list.

4.2 Disbursement of Funds:

- i. Transfer of Funds - the contribution from CBRF shall be released in advance in installments (as specified in the AGREEMENT) taking into account the progress of the project.
- ii. The PROJECT PARTNER is expected to contribute/ raise 15% of the total cost of the project. This contribution must be in cash only.
- iii. No new installment will be released before 85% of the previous installment of CBRF and 85% of the partner's contribution is spent. The final installment will be released only after the complete utilization of the 15% partner's share.
- iv. The PROJECT PARTNER shall prepare a request stating the amount needed for the next six month period. The requested amount shall be calculated on the basis of a cash flow projection taking into consideration all Project income and expenditure from the beginning of the project. The request shall be signed by at least one authorized representative.
- v. The disbursement of funds may be made only for payment obligations which have been incurred during the allocation period only.

4.3 Financial Records:

- i. The PROJECT PARTNER shall ensure that the Books of Accounts of this Project are kept separately. Proper documentation must be kept for all project transactions and suitable books of account and Subsidiary Records for Project funds should be maintained as specified below.
- ii. Books of Accounts to be maintained: (manual or computerized)
 - a. Cash Book

- b. Ledger
 - c. Journal
 - d. Subsidiary Books of Accounts
 - e. Separate Books as per FCRA or other legal or funders' requirements.
- iii. Subsidiary Records include the following:
- a. Fixed Assets Register
 - b. Travel records
 - c. Salary Register
 - d. PF Account
 - e. Procurement related documents
 - f. Record of transactions relating to compensation of employees (e.g. salaries, allowances and incentives)

4.4 Financial Management:

- i. Only the Bank Account specified in the FCRA Certificate must be used for managing project funds given by CBRF.
- ii. The Partner must update the Books of Accounts of the Project on a daily basis and should make them available for any stakeholder's verification at the Project office. Separate accounts with reference to the funds received from CBRF shall be maintained.
- iii. The PROJECT PARTNER must ensure the existence of proper systems of internal control. The PROJECT PARTNER should put in place adequate procedures for the authorisation of payments and documentation of each transaction as per generally accepted accounting practices. Payments shall be authorised by at least two persons.
- iv. All income must be evidenced by means of an original pre numbered receipt per item.
 - a. Each donation made by CBRF must be acknowledged immediately.
 - b. Any income from project activities or other project income must be listed separately and be collected and paid out via project account.
- v. Any expense must be evidenced by means of an original voucher per item and contain the following information:
 - a. Assignment to the project (project number, allocation to project vehicle and/or training measure, if applicable)
 - b. allocation to the budget item
 - c. voucher number
 - d. name of purchaser/recipient
 - e. place, date, name of seller
 - f. A brief but accurate description of the expense item in English
 - g. Proof of payment (copy of cheque, bank debit note, receipt, etc.)
- vi. The salaries to the Project staff must be paid through account payee cheque/ demand draft/ bank transfer only. The Partner shall maintain

other necessary records like salary register, appointment letters, attendance register, leave records etc.. Salary vouchers paid to personnel employed within the project must include the following details:

- a. Position of the employee in the project
 - b. Period for which the salary has been paid
 - c. Amount of salary including allowances and benefits
 - d. Amount of social security contribution payments made by the employer
 - e. Signature of the employee acknowledging receipt of the salary.
- vii. All expense vouchers have to be supported by original bills and not by self made vouchers.
 - viii. The Partner shall make no payments in cash to Suppliers/Vendors/Consultants for purchase of materials or for any service provided by them. All payments shall be made through cheque/demand draft only.
 - ix. All advances to Contractors, Vendors and Employees must be settled by the Partner within 3 working days of completion of the activity.
 - x. All expense vouchers must be sorted according to budget items. They are to be included in the voucher list on a daily basis.
 - xi. The vouchers must be legible. All vouchers and original supporting documents pertaining to this project must be defaced with the stamp – PAID AND ACCOUNTED FROM CBRF PROJECT.
 - xii. Interest / Other Project Income: Interest and other income generated from project activities must be documented and used for the purpose of the project. In case the total amount spent on the project is more than the amount received from CBRF and in case of co-financed projects, the same has to be accounted both in the receipts and payment details.
 - xiii. Documentation / Retention period: Original documents / vouchers of all the costs incurred for the purpose of this project have to be retained by the local partner in an orderly manner for a period of 10 years in the event of an audit by CBRF.
 - xiv. If the Partner fails to prove the genuineness of the expenditure, or if CBRF detects any discrepancies such as forgery, bogus claims, inflated expenditure, CBRF reserves the right to disallow such claims and also proceed with appropriate civil or criminal action for recovery of such amounts.
 - xv. If the Partner fails to perform any of its duties or tasks under this Agreement within two months after payment of the initial disbursement by CBRF, the Partner shall refund the said amount forthwith to CBRF.

- xvi. The Partner must ensure that any interest earned on funds provided by CBRF is credited to the Foreign Contributions (Regulation) Act Account only and that such income is available for CBRF's approved Project only.
- xvii. CBRF may from time to time at its sole and absolute discretion vary or alter the terms and conditions for utilization of the funds given to the Partner and the Partner shall forthwith abide by such conditions.
- xviii. Any unutilized funds at the end of the Project are returnable to CBRF. It is explicitly agreed that such funds will not be utilized for any other purpose without the prior written permission of CBRF.
- xix. The PROJECT PARTNER should not have solicited or obtained funds nor will obtain or solicit funds for the items proposed and approved in this project from any other source without the knowledge of CBRF.

4.5 Funding Partners:

- i. will be the principal funder of the Project in the geographical area approved by CBRF. However, the PROJECT PARTNER is strongly encouraged to obtain funds from Government, Banks and other Financial Institutions for use in in this Project, with the prior written consent from CBRF.
- ii. If the project is supported by CBRF's donors, the PROJECT PARTNER also agrees to comply with additional donor requirements.

5 Procurement and Assets Management

- 5.1** The PROJECT PARTNER must call for quotations from at least three suppliers for any purchase of services or goods of more than Rs. 2,000 in value. The contract must be awarded to the most favourable bidder. A documentation of the process followed should be submitted to CBRF.
- 5.2** The PROJECT PARTNER will place on the supplies and equipment funded or provided by CBRF such markings as will be necessary to identify them accordingly.
- 5.3** Assets purchased by the Project with CBRF funds are to be used for the agreed purpose only. If they are used for other than agreed purpose, CBRF reserves the right to take back and/or reallocate such assets. A record shall be maintained of all such assets by the Partner. The record of annual depreciation within acceptable limits should be maintained.
- 5.4** In case of damage, theft or other losses of equipment/assets made available by CBRF to the Project, the PROJECT PARTNER shall provide CBRF with a comprehensive report giving full details of the events, including police report, where appropriate.

- 5.5** CBRF shall have a lien over all movable assets that might be given either directly by CBRF or purchased directly by the PROJECT PARTNER with CBRF funds. The total rights over such movable assets shall vest with the PROJECT PARTNER, if and only if, there is a specific written communication to that effect by CBRF to the PROJECT PARTNER.
- 5.6** Any assets (including but not limited to computers, vehicles, furniture, office equipment etc.,) given by CBRF and / or acquired by the Project out of funds provided by CBRF cannot be sold, given on hire, leased, hypothecated, transferred (either to the community or any other organization), or disposed of in any manner without prior written approval of CBRF.
- 5.7** The quantities specified in the “Approved Budget” may not be exceeded without prior consent by CBRF. The target must be reduced correspondingly if prices are exceeded.
- 5.8** Procurement Levels and Minimum requirements for each Level:
- i. Any purchase should have a Valid Bill.
 - ii. Up to INR 10,000
 - a. Minimum three quotations to be obtained.
 - b. Analysis to be done
 - c. Analysis and Recommended decision to be documented.
 - d. Basis for the decision should be the Approved budget.
 - e. Approval of Director mandatory before purchase.
 - iii. INR 10,000- to INR 100,000
 - a. Minimum three quotations to be obtained.
 - b. Purchase Committee to be formed with a minimum of three members.
 - c. Separate Meeting to be held and minutes of meeting should be documented – specifying decision made as regard choice of quotation.
 - d. Basis for the decision should be the Approved budget
 - e. Approval of Director mandatory before purchase.

6 Inventory and Stock

- 6.1** A list of all major investments must be prepared. All assets with a purchase price exceeding Rs. 2,000 must be entered in the Inventory List and Balance Sheet of the PROJECT PARTNER.
- 6.2** The inventory list must be updated from the beginning to the end of the project and include the following details:
- Reference number of the article
 - Date of purchase
 - Purchase price of the article
 - Specification/description of the article
 - Location of the article
- 6.3** If an article is discarded, the reason and the time must be stated. If an article is sold with the consent of CBRF, the proceeds, based on the current market value, must be reimbursed to project account.

6.4 The inventory list must be submitted together with the final report and a proposal on the further use of these goods. This proposal is subject to approval by CBRF.

6.5 A Stock Register is to be maintained and updated regularly. This has to be checked and signed periodically by the authorized person.

7 Use of Goods Purchased with Project Funds

7.1 All goods purchased with project funds may be used only for the objectives stipulated in the project. Without written consent by CBRF they may not be sold, rented, offered for leasing or otherwise disposed of.

7.2 All goods purchased with project funds must be treated with reasonable care. CBRF is entitled to use the goods purchased by the PROJECT PARTNER free of charge at any time during the agreed term of the project.

7.3 Prior to the end of the project, both parties must enter into a supplementary agreement defining the future use of the items purchased and property transfer.

8 Personnel

8.1 Appointment of project staff should be as per the approved budget line item.

8.2 Appointment of staff should be based on minimum qualification with adequate experience for the prescribed post as per norms circulated from time to time by CBRF.

8.3 Appointment letters or employment contract for all staff should be issued including period of contract and salary with benefits.

8.4 Roles, responsibilities and job description of each staff to be well defined, written and attached to the appointment letter.

8.5 Salaries should be paid as per the budget.

8.6 The salaries paid must be paid BY CHEQUE and within the normal local limits and must be paid out in compliance with valid national laws.

8.7 The PROJECT PARTNER keeps a list of all project personnel including name, function, date of employment, end of employment and the monthly salary. Changes in the staff plan may be made only with the consent of CBRF.

8.8 Services of a particular staff should not be shared between projects. Every staff paid through this project is a full time worker for this project.

- 8.9** The names, designations and addresses of the person in-charge of the Project and all Project staff being paid through this Project should be provided to CBRF. In case a staff leaves service or is asked to do so, the applicant should inform CBRF of the same within 15 days of its occurrence and also apprise CBRF of the plan to replace the concerned staff.

9 Training / Capacity building

- 9.1** A session report must be prepared for training and educational measures and include the following items:

- Location, time and title of the event
- Programme/training schedule/agenda
- Number of participants
- Resource person invited
- Content, objectives and outcome of the event
- Brief evaluation.

Such a report should also be prepared for the training sessions imparted by the approved training centres of CBRF.

- 9.2** Payment vouchers showing the allocation to each of the training measures must prove expenses. A cover reporting on the expenses per training measure and copies of the original respective payment vouchers are to be enclosed with the respective session report.

10 Governance

- 10.1** The Governing Body/Management of the PROJECT PARTNER would control the affairs of the Project fully and will be personally accountable/ responsible/ liable in case of any default by the PROJECT PARTNER to CBRF.

- 10.2** The names, designations and addresses of each member of the Governing Body/ Management should be provided to CBRF and updated whenever there is a change.

- 10.3** The Governing Body/Management members should be individuals whose education and experience enable them to exercise independent judgment on the affairs of the organization. This provision should not exclude genuine local leaders if they are authentic representatives of the people.

- 10.4** No two persons related by blood or marriage should be members of the Governing Body/ Management.

- 10.5** Members of the Governing Body/ Management shall not be paid from the funds provided by CBRF for any purpose whatsoever.

- 10.6** Any change of address of the registered office of the Partner shall be duly notified in writing to CBRF.

- 10.7** CBRF will have formal access to the Governing Body/ Management to discuss any matter relating to the affairs of CBRF funded Project. At every

Governing Body/ Management meeting a representative of CBRF will be a special invitee when CBRF funded Project matters are discussed.

11 Projects wherein CBRF is the Legal Holder

- 11.1** For any project implemented on behalf of CBRF accounting and auditing of expenditures would be thus:
- i. CBRF is the Legal Holder for this program and all partners are implementing the program on behalf of CBRF. Hence it is very important that all original vouchers and bills are sent to CBRF along with a statement.
 - ii. Expenses met should be considered as ADVANCE given for the program and should appear in the cash book and ledger as ADVANCE only.
 - iii. A statement of expenses with all relevant details should be prepared at the PROJECT PARTNER level and sent to CBRF along with original bills and vouchers for re-imburement.
 - iv. On receipt of money from CBRF as reimbursement of expenditure met it will be credited to the advance a/c. Thus expenditure will not be booked at PROJECT PARTNER level.
 - v. Only the advance a/c will come under the purview of the auditor at PROJECT PARTNER level.

12 Review, Monitoring and Evaluation

- 12.1** CBRF shall review and monitor annually the performance and progress of the PROJECT PARTNER in implementation of the ACTIVITIES. The PROJECT PARTNER shall participate in and facilitate such review by the CBRF.
- 12.2** The Partner shall permit CBRF and its representatives to inspect the accounts and visit the Project for audit/financial/Project review.
- 12.3** The PROJECT PARTNER shall take steps to improve performance and progress in implementation of ACTIVITIES, as may be required by CBRF on the basis of review referred to in 12.1 above.
- 12.4** CBRF shall undertake or cause to undertake, evaluation of the impact and cost effectiveness of the ACTIVITIES. Such evaluation shall be carried out during the tenure of this AGREEMENT. The PROJECT PARTNER shall, cooperate with such teams during the review, provide access to the Accounts and Records pertaining to the ACTIVITIES whether on computer or in manual form, provide copies of accounts and records, provide oral or written explanations of the records as may be reasonably required during the evaluation.

13 Audit

- 13.1** CBRF reserves the right to conduct an independent external audit. The terms of reference for the audit will be drawn up by CBRF in consultation with the PROJECT PARTNER.
- 13.2** The books of accounts, vouchers and other documentations will be shown to any authorised CBRF personnel for verification at any time of the project period during the project period and at least 12 calendar months after the completion of the project period.
- 13.3** The Partner shall cooperate fully when its accounts are audited by the independent Auditor appointed by CBRF or its Donor. No further funds will be released to the Partner without proper audit compliance.

14 Amendment

- 14.1** This AGREEMENT shall be amended by written mutual consent of the parties to this AGREEMENT. The amendments shall be documented and allotted a distinctive number.

15 Force Majeure

- 15.1** If the performance of this AGREEMENT by either party is delayed, hindered or prevented or is otherwise frustrated by reason of force majeure, which shall mean war, civil commotion, fire, flood, action by any Government or any event beyond the control of the parties to this AGREEMENT, then the party so affected shall promptly notify the other party in writing specifying the nature of the force majeure and of the anticipated delay in the performance of this AGREEMENT. From the date of the notification CBRF shall at its discretion, either terminate this AGREEMENT forthwith or suspend the performance of this AGREEMENT for a period not exceeding 6 months. If at the expiry of such period of suspension, any of the reasons for the suspension still remain, CBRF and the PROJECT PARTNER shall either agree to a further period of suspension or treat this AGREEMENT as terminated.
- 15.2** If at the expiry of the second period of suspension, the reasons for the suspension still remain, CBRF and the PROJECT PARTNER shall treat this AGREEMENT as terminated.

16 Conflict of Interest

- 16.1** Neither the PROJECT PARTNER, nor their personnel, agent, network partner or service provider nor their personnel shall engage in any personal business/professional activities during the course of this AGREEMENT, which conflict with or could potentially conflict with the object of the ACTIVITIES.

- 16.2** The PROJECT PARTNER shall notify CBRF immediately of any such activities or circumstances, which give rise to or could potentially give rise to a conflict and shall advise CBRF how, they intend to avoid such a conflict.
- 16.3** In the event of a conflict as described above arising during the tenure of this AGREEMENT, CBRF reserves the right to terminate this AGREEMENT on giving written notice to the PROJECT PARTNER.

17 Legal Compliance

- 17.1** The PROJECT PARTNER has to comply with the requirements of the Foreign Contribution (Regulation) Act and Rules 1976 or any other amendments made to the above from time to time. As such he has to:
- i. Report the receipt and utilization of the amount to the Ministry of Home Affairs on Form FC-3 covering the period from 1st April to 31st March within 60 days of the close of the financial year.
 - ii. Send a copy of FC-3 and consolidated financial statements by the end of June in each year to CBRF.
 - iii. Accept full responsibility for any failure to comply with the provisions of the said Act.
- 17.2** Funding shall stop immediately if the PROJECT PARTNER's permission under the FCRA Certification is cancelled.
- 17.3** The PROJECT PARTNER has to comply with the provisions of the Income Tax Act 1961 with special reference to TDS compliances.
- 17.4** The PROJECT PARTNER agrees to comply with all applicable laws in India.
- 17.5** The PROJECT PARTNER also agrees to ensure that it will not promote or engage in violence, terrorism, money laundering or any such anti-social activity, nor will it make sub-grants to any entity that engages in these activities.

18 Dispute resolution

- 18.1** In the event of any dispute/differences arising between the Parties, the Civil Courts of Delhi to the exclusion of all other Courts will have exclusive jurisdiction to settle the same.

19 Termination of partnership

- 19.1** In the event of the death, resignation, incapacity, termination of contract or diversion of the time and effort of the Project Director/ Chief Functionary/ Key Personnel of the Partner, this Partnership Agreement will automatically be subject to re-negotiation.
- 19.2** Further in the event of any violation of the Partnership Agreement, CBRF reserves its right to inform all relevant Government departments/ funding



agencies/ other organizations/ donors regarding such mis-utilization by the Partner.

- 19.3** CBRF may at its sole and absolute discretion terminate or withdraw the financial support to the Partner without assigning any reason whatsoever by giving three months notice in writing to the Partner.

