COST SHARING POLICY

yeryüzü çocukları
children of earth

Implemented July 2025| Version 1.1

I. Purpose

The purpose of this policy is to define how the principle of cost sharing will be implemented in projects carried out by YEÇED in collaboration with partner organizations, governments, donors, and other stakeholders. The policy aims to ensure that cost sharing is conducted in a transparent, traceable, and accountable manner.

II. Scope

This policy applies to all projects and programs implemented by YEÇED that involve a cost sharing agreement with partners (e.g., UN agencies, public institutions, private sector entities, or other NGOs).

III. Definition

Cost Sharing refers to the partial coverage of direct costs of a program or project implemented by YEÇED, through financial (cash) or in-kind contributions made by partner entities. These contributions are used to serve the objectives of the project and promote national ownership.

IV. Principles

- **Partnership and Ownership:** Cost sharing reflects the commitment and ownership of the involved parties.
- **Transparency and Accountability:** All cost-sharing contributions must be clearly documented, monitored, and reported.

- **Compliance:** Contributions must comply with YEÇED's financial management procedures and the financial rules of collaborating organizations (e.g., UN agencies).
- **Purpose-Oriented Use:** Contributions must only be used in line with the specific goals and expected outcomes of the relevant project.
- **Auditability:** Expenditures made under cost sharing arrangements must be open to independent audits.

V. Types of Cost Sharing

- **Cash Contributions:**
  - Direct financial resources transferred to YEÇED by the partner.
  - These funds are used by YEÇED within the scope of the project budget.
- **In-Kind Contributions:**
  - Contributions in the form of personnel, office space, equipment, materials, or services provided by the partner.
  - The monetary equivalent of these contributions is reflected in the project budget.
- **Third-Party Contributions:**
  - Contributions made by non-governmental donors or organizations.
  - These are managed by YEÇED or provided through the partner.

VI. Roles and Responsibilities

Responsible Party	**Duties and Responsibilities**
YEÇED Board of Directors	Approval of the policy and overall oversight
Chair of the Board	Signing of cost sharing agreements and supervision of their implementation
Project Managers	Monitoring contributions and integrating them into the project budget
Finance Department	Accounting, reporting, and auditing of contributions
Partner Organizations	Providing contributions in a timely and agreed manner

VII. Agreement Process

Each cost sharing arrangement must be documented through a written **Cost Sharing Agreement (CSA)** signed by the parties.
The agreement includes the type and amount of contribution, payment schedule, reporting arrangements, and applicable audit mechanisms.

VIII. Reporting and Monitoring

- All cash and in-kind contributions are tracked as separate items in project budgets and financial reports.
- The use of contributions is reported regularly and integrated into internal audit systems.
- Upon request, an audit report in compliance with the UN system can be provided.

IX. Audit and Compliance

- Cost sharing contributions are audited within YEÇED's financial management systems.
- All supporting documents (invoices, transfer receipts, proof of in-kind contributions) are archived for a minimum of five years.
- In case of any non-compliance, the relevant partner will be informed, and corrective measures will be taken.

X. Review and Update

This policy is reviewed every three years and updated if necessary. Any updates come into force upon approval by the YEÇED Board of Directors.