PEAK PATH EDUCATIONAL INSTITUTE

CERTIFIED NON-PROFIT ACCOUNTING PROFESSIONAL

CNAP

CERTIFICATION SYLLABUS

Building Professional Expertise in Non-Profit Financial Management

1. Introduction to CNAP

The **Certified Non-Profit Accounting Professional (CNAP)** is a specialized certification designed to develop the accounting and financial management skills required in non-profit organizations, including NGOs and INGOs. It focuses on the unique financial reporting, accountability, and compliance requirements of the non-profit sector.

Through practical learning and relevant case studies, CNAP equips participants with essential knowledge of fund accounting, donor-funded projects, financial reporting, multi-currency transactions, internal controls, and donor compliance. The certification aims to strengthen participants' ability to manage non-profit finances accurately, transparently, and professionally.

2. Intended Users

- **NGO and INGO Employees:** Individuals currently working in non-profit organizations who wish to strengthen their accounting, financial management, and donor compliance skills.
- **University Graduates:** Graduates seeking to develop specialized knowledge and pursue career opportunities in the NGO and INGO sector.
- **Career Changers:** Professionals from other sectors who intend to transition into the non-profit sector and understand its financial and operational requirements.
- **Aspiring Sector Professionals:** Individuals interested in learning about the NGO and INGO sector, its financial systems, donor-funded projects, and professional practices.

3. Main Objectives

The main objective of CNAP is to provide a comprehensive, practical learning pathway in non-profit financial accounting, taking participants from the fundamentals of accounting to professional financial reporting, project accounting, and budgeting. The program is designed to build the knowledge and practical skills required to manage the financial activities of NGOs and INGOs effectively.

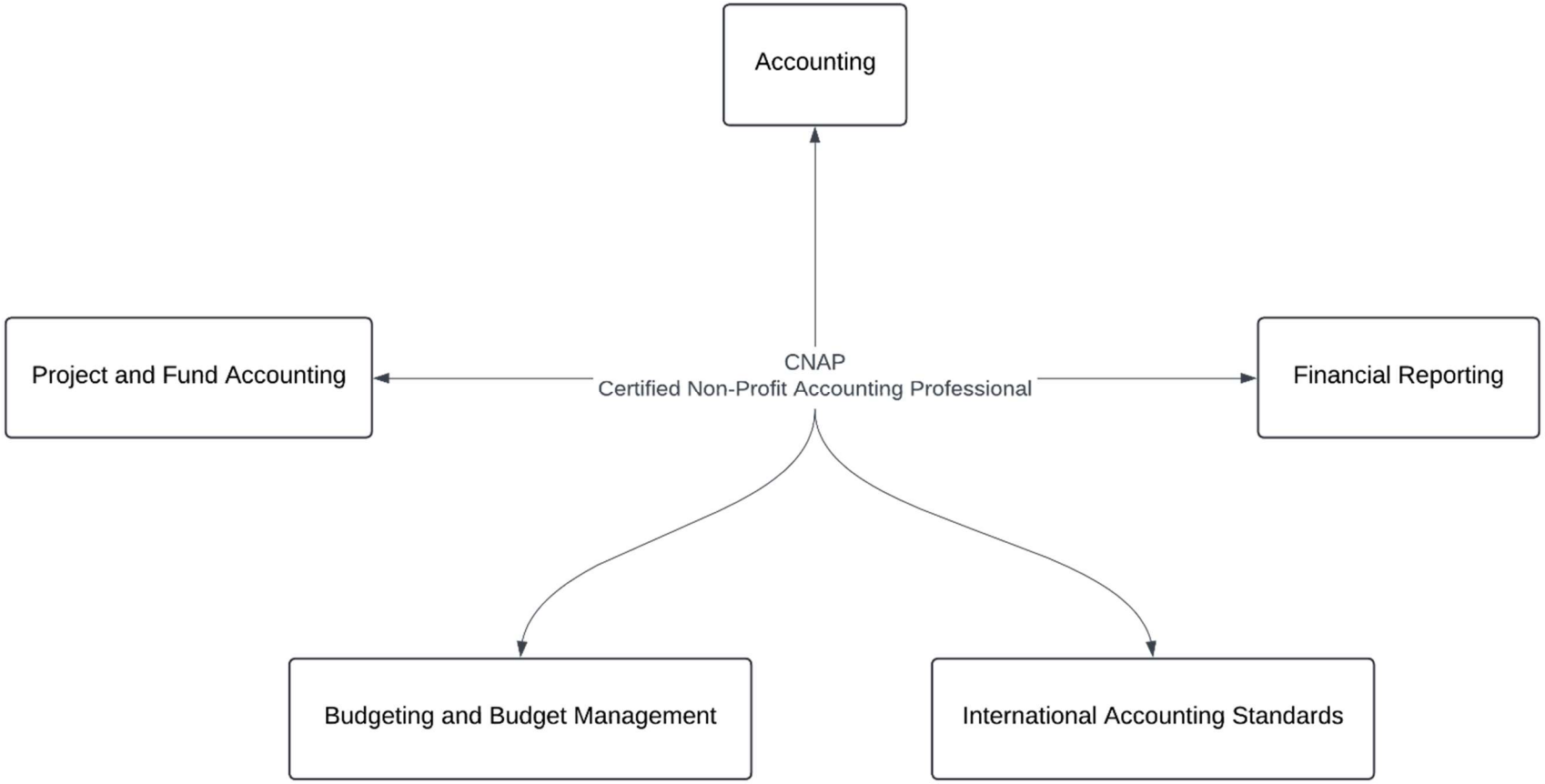
The program aims to:

- **Build Strong Accounting Foundations:** Develop a clear understanding of accounting principles, bookkeeping, journal entries, ledgers, trial balances, and financial adjustments.
- **Master Non-Profit Accounting:** Understand fund accounting, grants, donations, donor restrictions, and the financial treatment of non-profit activities.

- **Develop Financial Reporting Skills:** Prepare, analyze, and interpret financial statements and other essential financial reports for non-profit organizations.
- **Strengthen Project Financial Management:** Manage project expenditures, track donor funds, allocate costs, and prepare project-specific financial reports in line with donor requirements.
- **Develop Budgeting Competencies:** Prepare project budgets, monitor actual performance against budgets, analyze variances, and support effective financial planning.
- **Understand Donor Compliance and Internal Controls:** Apply appropriate documentation, financial controls, and accountability practices to support transparency and responsible use of funds.
- **Address Afghanistan's Operating Environment:** Emphasize practical financial challenges faced by NGOs and INGOs in Afghanistan, including local accounting practices, applicable regulatory and tax requirements, multi-currency transactions, donor-specific procedures, and project reporting needs.
- **Prepare Participants for Professional Practice:** Equip learners with practical, job-relevant skills that support entry into, career development within, or transition to the non-profit sector.

4. Syllabus

The CNAP program is structured into five main parts, providing a progressive learning pathway from fundamental accounting concepts to practical financial management in the non-profit sector.



Part 1: Accounting

This part builds a strong foundation in financial accounting, taking participants from basic accounting concepts to the complete accounting cycle. It emphasizes practical bookkeeping, transaction recording, ledger management, reconciliations, and adjustments, using examples relevant to NGOs and INGOs operating in Afghanistan.

1. Introduction to Accounting
An overview of accounting, its purpose, and its role in financial management. Participants will learn the importance of accurate recordkeeping, financial accountability, and maintaining reliable accounting records in non-profit organizations.

2. Accounting Principles and Concepts
Introduction to fundamental accounting principles and concepts, including the accrual basis, consistency, materiality, going concern, and the distinction between cash-based and accrual-based accounting.

3. The Accounting Equation and Types of Accounts
Understanding the accounting equation and the classification of accounts into assets, liabilities, equity or net assets, income, and expenses. Participants will learn how financial transactions affect these accounts.

4. Double-Entry Bookkeeping
Understanding the principles of debits and credits and how every financial transaction affects at least two accounts. Participants will practice recording transactions using the double-entry system.

5. Source Documents and Supporting Documentation
Identifying and using essential accounting documents, including invoices, receipts, payment vouchers, bank statements, purchase documents, and other supporting records. Emphasis will be placed on documentation, authorization, and audit trails.

6. Journal Entries and Transaction Recording
Learning how to analyze business transactions and record them through general journal entries. Participants will practice recording receipts, payments, purchases, expenses, income, and other common transactions encountered in non-profit organizations.

7. Ledger Accounts and Posting
Understanding the structure and purpose of general and subsidiary ledgers. Participants will learn how to transfer journal entries into ledger accounts, calculate balances, and maintain organized accounting records.

8. Cash and Bank Accounting
Accounting for cash receipts, cash payments, bank transactions, transfers, and bank charges. Participants will also learn cashbook management, petty cash procedures, and bank reconciliation.

9. Accounts Receivable and Payable
Recording and managing amounts receivable and payable, including outstanding supplier invoices, advances, recoverable amounts, and other balances. The section will cover reconciliation and monitoring of outstanding balances.

10. Inventory and Non-Current Asset Accounting
Understanding the accounting treatment of inventory, property, equipment, and other non-current assets. Participants will learn asset acquisition and disposal, depreciation, inventory valuation basics, and maintaining asset registers.

11. Payroll and Employee-Related Transactions
Recording salaries, wages, employee benefits, payroll deductions, and related liabilities. Practical examples will address the documentation and accounting procedures commonly required in NGO and INGO operations.

12. Accruals, Prepayments, and Other Accounting Adjustments
Understanding how to account for income earned but not received, expenses incurred but not paid, prepaid expenses, accrued income, and other period-end adjustments. Participants will also learn the accounting treatment of depreciation, provisions, and relevant estimates.

13. Trial Balance Preparation
Learning how to extract account balances from the ledger and prepare an unadjusted trial balance. Participants will use the trial balance to assess the arithmetic accuracy of accounting records and identify possible discrepancies.

14. Errors and Their Correction
Identifying common accounting errors, including omissions, incorrect postings, errors of principle, and incorrect amounts. Participants will practice correcting errors through appropriate journal entries and adjustments.

15. Adjusted Trial Balance and the Accounting Cycle
Bringing together the accounting process, from source documents and journal entries to ledgers, reconciliations, adjustments, and the adjusted trial balance. Participants will complete practical exercises covering a full accounting cycle in preparation for the financial reporting part of the program.

16. Practical Accounting Systems and Procedures
Applying accounting knowledge through spreadsheets or accounting software. Participants will practice maintaining accounting records, organizing financial documents, reconciling balances, and following structured accounting procedures relevant to NGO and INGO environments in Afghanistan.

Part 2: Financial Reporting

This part focuses on preparing, presenting, and interpreting financial reports for non-profit organizations, using terminology and reporting practices commonly applied in the NGO and INGO sector. Participants will progress from preparing basic financial statements to producing complete financial reports that support management decisions, donor accountability, audits, and applicable reporting requirements in Afghanistan.

1. Introduction to Non-Profit Financial Reporting

Understanding the purpose of financial reporting in non-profit organizations and its role in transparency, accountability, stewardship, and decision-making. Participants will learn the differences between financial statements prepared for general-purpose reporting, internal management, and external stakeholders.

2. Non-Profit Financial Reporting Terminology and Structure

Understanding common non-profit accounting terminology, including support and revenue, expenses, surplus or deficit, net assets, donor-restricted funds, unrestricted funds, and fund balances. Participants will learn how these terms differ from conventional business accounting terminology and how financial information is structured for non-profit reporting.

3. Statement of Financial Position

Learning to prepare and interpret the Statement of Financial Position, commonly known as the Balance Sheet. This section covers the presentation and classification of assets, liabilities, and net assets, including current and non-current balances, receivables, payables, cash balances, property and equipment, and relevant donor restrictions.

4. Statement of Activities

Understanding and preparing the Statement of Activities, which presents an organization's support, revenue, expenses, and changes in net assets over a reporting period. Participants will learn how to present grants, contributions, other income, program expenses, administrative expenses, and the resulting surplus or deficit using appropriate non-profit terminology.

5. Changes in Net Assets and Fund Balances

Understanding how net assets or fund balances change during a reporting period. Participants will learn to reconcile opening and closing balances by considering contributions, operating results, transfers where appropriate, releases from donor restrictions, and other relevant adjustments. The presentation may be incorporated into the Statement of Activities or provided through a separate schedule, depending on the applicable reporting framework.

6. Statement of Cash Flows

Learning to prepare and interpret the Statement of Cash Flows by classifying cash movements into operating, investing, and financing activities. Participants will understand the distinction between cash movements and accounting income or expenses and will learn both the direct and indirect methods of preparing operating cash flows.

7. Statement of Functional Expenses and Expense Classification

Understanding how non-profit expenses are classified according to both their nature and function. Participants will learn to present expenses by nature, such as salaries, rent, travel, and supplies, and by function, such as program services, management and general, and fundraising where applicable. Emphasis will be placed on understanding cost allocation and presenting expenses transparently.

8. Notes to the Financial Statements

Learning how to prepare and understand notes that explain and support the figures presented in financial statements. Topics include significant accounting policies, the composition of important balances, property and equipment, commitments, contingencies, related-party transactions, and relevant information about restricted resources and funding arrangements.

9. Preparing a Complete Set of Financial Statements

Bringing together the individual financial statements and supporting notes into a complete reporting package. Participants will learn to use an adjusted trial balance, reconcile account balances, identify inconsistencies, ensure the statements agree with the underlying records, and prepare financial statements for a complete accounting period.

10. Comparative Financial Reporting and Financial Analysis

Learning to compare financial results across reporting periods and interpret financial information to evaluate organizational performance. Participants will cover horizontal and vertical analysis, trend analysis, relevant financial ratios, and the interpretation of changes in assets, liabilities, net assets, revenue, expenses, and cash flows.

11. Internal Management Financial Reports

Understanding the financial reports required by management, finance departments, and organizational leadership. Topics include monthly and quarterly financial reports, cash position reports, accounts receivable and payable reports, expenditure summaries, financial performance indicators, and other reports used to monitor financial operations.

12. Financial Reporting for Accountability and Audit Preparation

Learning how to organize financial information and supporting schedules for management review, external reporting, and financial audits. Participants will focus on reconciliation, consistency between accounting records and reported figures, supporting documentation, reporting deadlines, and the preparation of clear and reliable financial information.

13. Practical Financial Reporting Case Study

Applying the concepts covered throughout this part to a practical case involving a non-profit organization. Participants will work from an adjusted trial balance and supporting information to prepare the Statement of Financial Position, Statement of Activities, Statement of Cash Flows, relevant expense analysis, and supporting notes, followed by a review of the completed financial statements.

Part 3: Project and Fund Accounting

This part focuses on the accounting and financial management of donor-funded projects and restricted funds within NGOs and INGOs. Participants will learn how to record, classify, monitor, and control financial transactions at both project and fund levels, ensuring that resources are used for their intended purposes and that financial records meet organizational and donor requirements. Particular emphasis will be placed on the practical procedures, documentation, and challenges commonly encountered by NGOs and INGOs operating in Afghanistan.

1. Introduction to Project and Fund Accounting

Understanding the purpose of project accounting and fund accounting in the non-profit sector. Participants will learn how these two approaches differ from general organizational accounting and how they support donor accountability, project monitoring, and the proper use of funds.

2. Fund Accounting Principles and Fund Classification

Understanding how funds are identified, recorded, and monitored according to their intended purpose and restrictions. Topics include unrestricted funds, donor-restricted funds, designated funds where applicable, and the distinction between restricted resources and funds available for general organizational use.

3. Accounting for Grants and Contributions

Learning how to account for grants, donations, and other contributions received by non-profit organizations. Participants will cover cash contributions, promises to give or contribution pledges where applicable, conditional and unconditional contributions, grant-related conditions, and the accounting implications of donor restrictions.

4. Establishing Projects and Fund Structures

Learning how to establish project and fund records within an accounting system. Participants will understand project codes, fund codes, donor identification, cost centers, account dimensions, and

the use of a structured chart of accounts to distinguish transactions by project, donor, funding source, and expenditure category.

5. Project Transaction Recording and Cost Classification

Recording project-related income and expenses and assigning transactions to the correct project and accounting categories. Topics include salaries, travel, training, procurement, equipment, operational expenses, and other common project costs, with emphasis on accurate coding and appropriate supporting documentation.

6. Donor-Restricted Funds and Restrictions Management

Understanding how to track resources subject to donor-imposed restrictions and monitor their use against approved purposes. Participants will learn to identify restricted balances, distinguish restricted from unrestricted resources, account for qualifying expenditure against donor restrictions, and monitor funds that remain available for future eligible activities.

7. Project Expenditure Eligibility and Donor Compliance

Understanding how donor agreements define eligible and ineligible expenditures. Participants will learn to assess expenditure against approved project purposes, budget categories, contractual conditions, supporting documentation requirements, and donor-specific financial procedures. Practical examples will address common compliance issues in NGO and INGO projects.

8. Shared Costs and Cost Allocation

Learning how to allocate common expenses among multiple projects, donors, and organizational functions. Topics include direct and indirect costs, shared staff costs, office rent, utilities, transport, administrative support, and the application of consistent, reasonable, and documented allocation methods in line with donor agreements and organizational policies.

9. Staff Costs, Timesheets, and Payroll Allocation

Understanding how employee costs are charged to donor-funded projects. Participants will learn about staff budgeting records, timesheets where required, allocation of salaries and benefits, shared personnel costs, and documentation needed to support the distribution of employee expenses across projects.

10. Advances, Liquidations, and Outstanding Balances

Accounting for operational advances, staff advances, supplier advances, and advances issued to project partners where applicable. Participants will learn how to record advances, examine liquidation documents, reconcile outstanding balances, identify unsupported expenditures, and ensure timely settlement in accordance with organizational procedures.

11. Procurement, Assets, and Inventory under Donor-Funded Projects

Understanding the accounting treatment and tracking of purchases financed by project funds. Topics include procurement documentation, goods and services received, inventory purchased for project implementation, equipment and other capital assets, asset registers, project-funded asset identification, and the treatment of assets at project completion in accordance with donor agreements.

12. Multi-Currency Project and Fund Accounting

Managing project transactions involving multiple currencies, including donor currencies, the organization's functional currency, and local-currency expenditure. Participants will learn how to record foreign-currency receipts and payments, apply appropriate exchange rates, recognize exchange differences, reconcile currency balances, and monitor the financial effects of currency fluctuations.

13. Inter-Project Transfers and Fund Reconciliation

Understanding how to account for authorized transfers and movements between project or fund records where permitted. Participants will learn to reconcile project ledgers with the general ledger, bank accounts, cash records, advances, and fund balances. Emphasis will be placed on preventing unauthorized transfers and identifying discrepancies between project records and accounting balances.

14. Project Financial Monitoring and Expenditure Analysis

Learning how to monitor project expenditure and funding utilization throughout the implementation period. Participants will analyze actual expenditure by project, donor, cost category, and activity; identify unusual or unsupported transactions; monitor available funding; and interpret financial variances. Detailed budget preparation and budget variance management will be covered in the Budgeting part of the program.

15. Project Financial Reporting and Donor Schedules

Understanding the preparation of project-level financial information for donors and internal management. Topics include expenditure schedules, donor fund utilization summaries, funding received and spent, outstanding advances, project balances, cost-category summaries, and reconciliation of project reports with the underlying accounting records. The emphasis will be on project-specific reporting rather than the preparation of general-purpose financial statements.

16. Project Closure and Final Fund Reconciliation

Learning the financial procedures required when a donor-funded project reaches completion. Participants will cover final expenditure review, reconciliation of project accounts, settlement of outstanding advances and liabilities, review of unspent balances, treatment of remaining assets, resolution of questioned costs, and preparation of supporting financial information for project closeout in accordance with donor requirements.

17. Practical Project and Fund Accounting Case Study

Applying the concepts covered throughout this part to a realistic NGO project involving multiple funding sources or donor restrictions. Participants will practice recording project transactions, maintaining fund balances, allocating shared costs, accounting for advances, handling foreign-currency transactions, reviewing expenditure eligibility, reconciling project accounts, and preparing a project financial summary supported by accounting records.

Part 4: International Accounting Standards

This part introduces participants to major accounting standards relevant to non-profit organizations, particularly those governing contributions, inventory, property and equipment, provisions, employee benefits, foreign currency transactions, and other common financial activities. It combines FASB Topic 958, which specifically addresses not-for-profit entities under US GAAP, with relevant International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs). The focus is on

understanding the principles and applying them to practical NGO and INGO accounting scenarios, with particular relevance to organizations operating in Afghanistan.

1. Introduction to International Accounting Standards

Understanding the purpose, importance, and application of international accounting standards in non-profit financial management. Participants will learn the distinction between US GAAP and IFRS, understand how accounting standards influence recognition and measurement, and identify the relevance of specific standards to common NGO and INGO transactions.

2. FASB Topic 958: Not-for-Profit Entities

Studying the principal accounting guidance specifically designed for non-profit organizations under US GAAP. Participants will learn the financial accounting treatment of contributions, donor restrictions, and other transactions unique to non-profit entities.

Key areas include:

- Classification of net assets with and without donor restrictions.
- Distinction between contributions and exchange transactions.
- Conditional and unconditional contributions.
- Cash contributions, pledges, and promises to give.
- Donated goods, in-kind contributions, and contributed services.
- Endowments and donor-imposed restrictions.
- Recognition and release of donor restrictions.
- Application of non-profit accounting principles to practical donor-funded transactions.

3. IAS 2: Inventories

Understanding the recognition, measurement, and accounting treatment of inventory held by non-profit organizations, including supplies and materials used in project implementation or service delivery. Participants will learn how to account for inventory purchases, determine inventory costs, and recognize inventory-related expenses.

Key areas include:

- Recognition and initial measurement of inventory.
- Cost of purchase and other costs included in inventory.
- Inventory costing methods, including FIFO and weighted average.
- Measurement at the lower of cost and net realisable value, where applicable.
- Inventory write-downs and inventory losses.
- Recognition of inventory costs as expenses.
- Practical inventory accounting scenarios involving NGO project supplies and operational materials.

4. IAS 16: Property, Plant and Equipment

Learning how to account for long-term assets acquired or used by non-profit organizations, including office equipment, vehicles, computers, furniture, buildings, and project equipment. Participants

will understand how these assets are recognized, measured, depreciated, and removed from accounting records.

Key areas include:

- Recognition criteria for property, plant and equipment.
- Initial measurement and the determination of asset cost.
- Capital expenditure versus revenue expenditure.
- Subsequent expenditure and asset improvements.
- Depreciation methods, useful lives, and residual values.
- Depreciation calculations and changes in estimates.
- Asset disposals and derecognition.
- Practical accounting for donor-funded assets and maintaining fixed asset registers.

5. IAS 37: Provisions, Contingent Liabilities and Contingent Assets

Understanding how to account for uncertain obligations and potential assets arising from an organization's activities. Participants will learn to distinguish present obligations from future operational plans and assess when provisions or contingent items should be recognized.

Key areas include:

- Definitions and recognition criteria for provisions.
- Identifying legal and constructive obligations.
- Measurement of provisions and determination of the best estimate.
- Accounting for restructuring obligations where applicable.
- Onerous contracts and their financial implications.
- Contingent liabilities and contingent assets.
- Practical cases involving legal disputes, contractual obligations, and project-related commitments.

6. IAS 21: The Effects of Changes in Foreign Exchange Rates

Understanding the accounting treatment of foreign-currency transactions and the financial effects of exchange-rate movements. This is particularly relevant to NGOs and INGOs receiving donor funding in foreign currencies while incurring expenses in Afghan afghanis or other currencies.

Key areas include:

- Identification of functional and presentation currencies.
- Initial recognition of foreign-currency transactions.
- Selection and application of appropriate exchange rates.
- Translation of monetary assets and liabilities at reporting dates.
- Recognition of foreign exchange gains and losses.
- Accounting for foreign-currency advances and outstanding balances where applicable.
- Practical exercises involving donor receipts, project expenditures, and foreign-currency bank balances.

9. IAS 20: Accounting for Government Grants and Government Assistance

Understanding the accounting treatment of government grants and assistance when IAS 20 applies. Participants will learn how grant-related conditions and the reasonable assurance criteria affect recognition and the presentation of grants in financial records.

Key areas include:

- Distinguishing government grants from other forms of funding.
- Recognition criteria for government grants.
- Accounting for grants related to income.
- Accounting for grants related to assets.
- Recognition of grant income over appropriate periods.
- Treatment of grants subject to repayment.
- Practical cases involving government-supported projects and grant-funded assets.

10. IFRS 15: Revenue from Contracts with Customers

Understanding revenue recognition for exchange transactions in which an organization provides goods or services in return for consideration. This section will help participants distinguish these arrangements from contributions and donations that fall under other applicable accounting guidance.

Key areas include:

- Identifying contracts and contractual obligations.
- Identifying performance obligations.
- Determining the transaction price.
- Allocating the transaction price to performance obligations.
- Recognizing revenue when or as obligations are satisfied.
- Applying the principles to training services, consultancy assignments, service agreements, and other relevant non-profit activities.
- Distinguishing service revenue from grants and contributions.

12. Practical Application of Standards in Non-Profit Organizations

Integrating the standards covered in this part through practical accounting exercises based on NGO and INGO operations. Participants will analyze transactions, identify relevant accounting requirements, prepare journal entries, calculate adjustments, and determine the resulting effects on financial statements.

The exercises will emphasize donor-funded projects, inventory and asset accounting, employee expenses, foreign-currency transactions, grant arrangements, provisions, and other common situations encountered in Afghanistan. Participants will also learn to identify which accounting framework and requirements apply to a particular reporting situation.

Part 5: Budgeting and Budget Management

This part focuses on the preparation, consolidation, implementation, and monitoring of project budgets in NGOs and INGOs. Participants will learn how to translate project activities into realistic financial plans, calculate required resources, prepare budgets according to donor guidelines, and monitor financial performance throughout the project lifecycle. The program emphasizes practical project budgeting methods and the financial

procedures commonly used by NGOs and INGOs operating in Afghanistan, including local cost structures, foreign-currency funding, and donor-specific budget requirements.

1. Introduction to Budgeting in Non-Profit Organizations

Understanding the purpose of budgeting in donor-funded projects and its importance in financial planning, resource allocation, cost control, and accountability. Participants will learn how a project budget connects planned activities, available resources, expected costs, and project objectives.

2. Understanding Project Plans and Budget Requirements

Learning how to interpret a project proposal, work plan, logical framework, and activity schedule before preparing a budget. Participants will identify the resources needed to implement activities and understand how project objectives, deliverables, timelines, and staffing requirements influence budget preparation.

3. Budgeting Principles and Key Concepts

Understanding the fundamental principles of effective budgeting, including accuracy, realism, consistency, transparency, cost-effectiveness, and justification of expenses. Participants will learn key budgeting concepts such as budget ceilings, unit costs, quantities, cost assumptions, eligible expenses, and budget periods.

4. Understanding Donor Budget Guidelines and Formats

Learning how to interpret donor-specific budgeting instructions, templates, eligible cost categories, financial restrictions, and supporting requirements. Participants will understand the importance of preparing budgets in accordance with the approved proposal, funding agreement, and applicable donor rules.

5. Identifying and Classifying Project Costs

Understanding how project costs are identified and categorized for budget preparation. Participants will distinguish between personnel costs, activity costs, travel, procurement, equipment, operating costs, direct costs, and indirect costs. Emphasis will be placed on selecting appropriate budget categories and ensuring that all necessary project costs are included.

6. Personnel and Human Resource Budgeting

Learning how to calculate the costs of employees and personnel required for project implementation. Topics include salaries, benefits, employer contributions where applicable, recruitment costs, staff allocation percentages, and shared personnel costs across multiple projects.

Participants will practice calculating personnel budgets based on staffing structures, salary rates, project duration, and the proportion of time allocated to each project.

7. Activity-Based and Program Budgeting

Learning how to estimate the financial resources required for individual project activities. Participants will calculate costs for training sessions, workshops, awareness campaigns, field visits, distributions, seminars, and other common NGO activities using quantities, unit rates, and activity schedules.

The focus will be on linking every budget line to a specific activity, required resource, or project deliverable.

8. Procurement and Materials Budgeting

Understanding how to estimate the costs of goods and materials needed for project implementation. Topics include office supplies,

training materials, consumables, project supplies, equipment, and other purchased items.

Participants will learn to prepare cost estimates using quantities, expected unit prices, quotations where appropriate, and relevant procurement requirements.

9. Travel, Transportation, and Field Operations Budgeting

Learning how to calculate travel and field operation costs for project staff, consultants, beneficiaries, and other relevant participants. Topics include transportation, accommodation, meals, travel allowances, vehicle rental, fuel, and other eligible field-related expenses.

Practical examples will reflect common NGO and INGO operations in Afghanistan, including travel between provinces and project implementation in remote locations.

10. Equipment, Assets, and Other Project Costs

Understanding how to budget for equipment, computers, vehicles, furniture, and other assets required for project implementation. Participants will consider purchase costs, delivery, installation, maintenance where applicable, and donor requirements governing the procurement and use of project-funded assets.

11. Administrative and Operational Cost Budgeting

Learning how to estimate costs necessary to support project implementation, including office rent, utilities, communications, internet, printing, office supplies, and other operational expenses. Participants will understand how these costs should be included in project budgets and how to distinguish project-specific costs from shared organizational expenses.

12. Direct and Indirect Costs and Cost Allocation

Understanding the difference between direct costs that can be attributed to a particular project and indirect costs incurred to support broader organizational operations. Participants will learn how to identify shared expenses, develop appropriate allocation methods, and calculate project cost allocations using documented and consistent approaches that comply with donor requirements.

13. Budget Calculations, Cost Estimation, and Assumptions

Learning how to calculate budget amounts using appropriate quantities, unit rates, duration, and resource requirements. Participants will develop cost estimates, identify assumptions underlying the calculations, and consider factors such as price changes, inflation, project duration, and market conditions.

Practical exercises will emphasize the importance of using supportable assumptions rather than arbitrary estimates.

14. Foreign Currency and Exchange Rate Considerations in Budgeting

Understanding how to prepare project budgets when funding is provided in a foreign currency but expenses are incurred in Afghan afghanis or other currencies. Participants will learn how to select and document budgeting exchange-rate assumptions, convert local costs into the donor's reporting currency, and assess the potential effect of exchange-rate fluctuations on project costs.

Examples will address common multi-currency budgeting challenges faced by NGOs and INGOs in Afghanistan.

15. Consolidating Functional Budgets into a Project Master Budget

Learning how to combine individual budget components into one comprehensive project budget. Participants will prepare personnel, activity, travel, procurement, equipment, and operational cost budgets and consolidate them into a project master budget aligned with the project work plan and donor template.

They will also learn to review the consolidated budget for completeness, duplication, calculation errors, and consistency with the project implementation period.

16. Preparing Budget Narratives and Cost Justifications

Understanding how to explain and justify the costs included in a project budget. Participants will learn to prepare budget narratives that describe the purpose, calculation, quantity, unit cost, and relevance of each major budget item.

Emphasis will be placed on making budget assumptions clear, demonstrating the connection between expenditure and project activities, and providing explanations that meet donor review requirements.

17. Budget Review, Validation, and Approval

Learning how to review a project budget before submission or implementation. Participants will examine calculations, cost classifications, activity coverage, eligibility, allocation methods, and consistency with donor guidelines.

The section will also cover the importance of internal review, appropriate approval procedures, documented revisions, and obtaining donor approval where required.

18. Budget Monitoring and Variance Analysis

Understanding how approved budgets are used to monitor project financial performance. Participants will learn to compare budgeted amounts with actual expenditure, calculate variances, identify overspending and underspending, explain material differences, and assess their implications for project implementation.

They will also learn to distinguish between timing differences, cost changes, implementation delays, and other factors affecting budget performance.

19. Budget Revisions and Reallocation

Learning how to revise project budgets when activities, implementation schedules, or cost assumptions change. Participants will understand budget reallocation between categories, changes in quantities or unit costs, revised project activities, and the importance of following donor approval thresholds and amendment procedures.

20. Project Cash Flow Forecasting

Understanding the difference between a project budget and a cash flow forecast. Participants will learn how to estimate when project funds will be received and when expenditures will be paid, helping organizations plan funding requirements, manage liquidity, and avoid interruptions to project implementation.

21. Practical Project Budgeting Case Study

Applying the concepts covered throughout this part to a realistic donor-funded project. Participants will interpret a project work plan, identify required resources, calculate costs, prepare functional budgets, allocate shared costs, apply exchange-rate assumptions, consolidate a project master budget, and prepare a budget narrative.

The case study will also include a budget review and a comparison of budgeted amounts against actual expenditure to introduce practical budget monitoring and variance analysis.

5. Examination and Certification

Upon completion of the CNAP program, each participant will be required to undertake a final examination to assess their understanding of the concepts and practical skills covered throughout the course. **Successful completion of the required examination is a prerequisite for receiving the Certified Non-Profit Accounting Professional (CNAP) certificate.**