

FY24

Revenue Classification | Standards summary

This standards document defines Water.org's revenue categories at a high-level in alignment with the organization's strategic direction for philanthropic funding. These revenue categories have been designed to best support our operating model and programmatic implementation, so we can effectively accept and direct philanthropic funding to the organization's key priorities.

Please note that these standards are meant to be referenced in conjunction with the [Revenue Classification Types and Attributes Matrix](#), which outlines in more detail how each funding category is treated operationally across Strategic Development, Global Impact, Finance, and Insights. Please refer to the matrix for additional attributes affiliated with each revenue category described below.

Unrestricted

Unrestricted funding supports Water.org's general operations and/or mission. The grant agreement or award letter does not designate them for any purpose, nor does it require tracking of expenditures at the grant level, nor does it have language pertaining to the right of return or time limitations regarding the expenditure of funds.

- **Purpose:** general operations; mission support
- **Programmatic Interventions:** any – including general operations, administration, personnel, programmatic costs, overhead, etc. – as determined through the Internal Funding Request (IFR) process.
- **Impact messaging:** indirect; global CPP; global KPIs
- **External Financial Reporting:** annual organizational budget and/or organizational audit
- **Programmatic Reporting:** global organization-wide activities and illustrative impact stories
- **Minimum Award Amount for Reporting:** \$25,000/year
- **Desirability:** highly desired

Undesignated

Funds that are not designated for any particular purpose, but that require tracking of expenditures at the grant level due to the right of return or time limitations in the grant agreement.

- **Purpose:** general operations; mission support
- **Programmatic Interventions:** n/a – in March and September of every fiscal year, undesignated funds are rebooked to cover personnel costs previously charged to unrestricted
- **Impact messaging:** indirect; global CPP; global KPIs
- **External Financial Reporting:** annual organizational budget and/or organizational audit
- **Programmatic Reporting:** global organization-wide activities and illustrative impact stories
- **Minimum Award Amount for Reporting:** \$25,000/year
- **Desirability:** highly desired

Pooled Philanthropic Funds

Gifts that have either a thematic or geographic restriction to a region or country are pooled into designated funds. Revenue considers this funding to be flexible as it has only one major restriction – the purpose of the pooled fund.

Thematic

- **Purpose:** dedicated to a theme (e.g., water and climate, gender, WaterCredit)
- **Programmatic Interventions:** restricted to the theme –determined by the fund's guidelines
- **Impact:** specific to the fund and the fund's guidelines
- **External Financial Reporting:** overall fund actuals against fund budget
- **Programmatic Reporting:** specific to the fund and the fund's guidelines
- **Minimum Award Amount for Reporting:** \$25,000/year
- **Desirability:** desired

Geographic

- **Purpose:** regional/country operations
- **Programmatic Interventions:** first used to cover personnel and overhead costs; if pooled fund amount exceeds personnel/overhead costs, can then be allocated to specific projects within the designated geography
- **Impact messaging:** indirect; regional/country CPP and/or regional/country KPIs
- **External Financial Reporting:** overall fund actuals against fund budget
- **Programmatic Reporting:** regional/country activities and illustrative impact stories
- **Minimum Award Amount for Reporting:** \$25,000/year
- **Desirability:** desired

Lightly Restricted

Gifts that require 1:1 direct impact but have flexibility with programmatic implementation are lightly restricted. While still considered restricted, lightly restricted funding is preferable to highly restricted as it allows Global Impact to select interventions, partners, and activities and make programmatic changes throughout the grant period without the donor's approval.

- **Purpose:** a project that achieves direct impact (most likely has a geographic restriction)
- **Programmatic Interventions:** any that achieve direct impact and meet restrictions – determined by Global Impact
- **Impact Messaging:** 1:1 direct; CPP calculated based on the award amount and target KPIs
- **External Financial Reporting:** grant actuals against grant budget
- **Programmatic Reporting:** activities completed under the grant and project-specific impact stories
- **Minimum Award Amount for Reporting:** \$150,000
- **Desirability:** desired

Highly Restricted

Specific projects that are proposed, agreed upon, and funded by a donor are highly restricted. Highly restricted funding may include other restrictions imposed by the donor, including district/region/basin geographic restrictions, type of partner, and specific studies.

- **Purpose:** specific project proposed and agreed upon by donor
- **Programmatic Interventions:** partners/activities proposed and agreed upon by donor
- **Impact Messaging:** 1:1 direct; CPP calculated based on the award amount and target KPIs
- **External Financial Reporting:** grant actuals against grant budget
- **Programmatic Reporting:** activities completed under the grant and project-specific impact stories

- **Minimum Award Amount for Reporting:** \$250,000
- **Desirability:** least desired

Revenue Classification Decision Tree

The following decision tree can be used to help classify the funding type based on the agreement's terms and conditions, impact messaging, and purpose of the gift.

