

#3: FINANCIAL REPORTS

A note to all partners

CAFOD funding is intended to cover only those costs presented in the project proposal and budget, and agreed with CAFOD. Funds may not be used for any other purpose (without CAFOD's prior agreement).

Confirming funds are safely received

When you have received the funds, you should immediately return CAFOD's form acknowledging receipt of the grant together with a copy of the bank document relating to grant receipt. Where a grant or other source of income was transferred in foreign currency, please state the actual amount received in the local currency. Please also confirm the amount in the currency in which it was transferred and the date of receipt, so that the exchange rate can be verified.

Regular financial reporting

It is a condition of a CAFOD grant that CAFOD receives mid- and year-end financial reports from partners. Reports should be independently validated or, in certain circumstances, audited.

FINANCIAL REPORT CHECKLIST

- (1) Clearly indicate the period covered by the financial report
eg FROM: 1 October 2006 TO: 30 September 2007
- (2) Please indicate:
 - The opening balance (ie the funds in the project account at the start of the current period)
 - Each grant for the project which has been received during this period, from CAFOD and also from other donors
 - Interest received on project funds deposited at the bank, and income and receipts from any other sources
- (3) Present a summary statement of actual expenditure over the period, using the same currency and headings as presented in the budget proposal that was submitted to CAFOD. Report all expenditure against the appropriate budget line and not against any "contingency" line in the budget.
NOTE: For end of year reports where there is a difference of 10% or more on any heading or budget line between actual expenditure and that anticipated in the budget, make a separate note to explain why. Clearly account for any payments made in currencies other than local currency.
- (4) Indicate the closing balance (ie any funds remaining) to be carried forward to the next reporting period.
NOTE: If this balance turns out to be negative, state how the project is being funded.
- (5) Check that the account adds up, ie that when you add the funds you had at the start of the reporting period (opening balance) to money received (during the reporting period) the answer is the same as what you spent (during the reporting period) plus any remaining funds (the closing balance). The Project Manager and the person with responsibility for financial oversight should sign-off the report, after which the accounts should be validated or audited, according to your organisation's standard practice.
- (6) If you are implementing more than one project, please send CAFOD a copy of the annual consolidated accounts for your organisation, when they have been finalised and agreed.

The checklist above should help you prepare financial reports for the project that CAFOD is supporting. We may seek further clarification from you if any of the information required is not clearly identifiable in your report. This may delay the processing of future payments.

ADDITIONAL NOTES:

- (a) If a project funded by CAFOD is part of a larger programme, then the financial reports and accounts should encompass the whole programme, with expenditure against the CAFOD grant clearly indicated. Balances against each donor grant should also be noted separately.
- (b) CAFOD does not need to receive copies of project invoices, bills or receipts, but CAFOD partners must retain all such project-related records and receipts for seven years.
- (c) CAFOD may request an independent audit or validation of project accounts.
- (d) All equipment (eg computers, fax machine, motorcycle, vehicle) provided by CAFOD should remain the property of the partner organisation or project and not of an individual.

Example: Sihlangu Project, Account for the period 1 January 2006 - 31 December 2006

Receipts	Budget	Actual	Notes
Balance at 1 January 2006		2,410.20	XYZ dollars
of which from CAFOD			410.00 XYZ dollars
CAFOD 26 February	10,000	10,000.00	
Local donors	6,500	8,017.00	
Fund-raising events	600	518.95	
Sale of Project Materials	400	376.34	
Interest on bank account	<u>30</u>	<u>25.72</u>	
TOTAL	<u>17,530</u>	<u>21,348.01</u>	XYZ dollars
Payments			
Salaries	8,600	8,600.00	
Rent and insurance	1,800	1,800.00	
Water	200	204.21	
Electricity	1,000	1,047.90	Increased unit charge for electricity
Phone	1,280	1,367.84	Increase related to internet/modem charges
Postage	500	489.50	
Repairs and Maintenance	400	345.75	
Office Equipment	500	452.50	
Stationery	350	318.67	
Travel	<u>2,900</u>	397.64	Vehicle repairs paid for by a local supporter
Sundry		<u>250.00</u>	Waterproofs for field staff, item not budgeted
TOTAL	<u>17,530</u>	<u>15,274.01</u>	XYZ dollars
Balance at 31 December 2006		6,074.20	XYZ dollars
of which from CAFOD			2,748.45 XYZ dollars
			We will use some of this for the new motorbike as per 2007 budget

This report is for the full financial year and incorporates the six-month account for the period January to June 2006, forwarded to CAFOD on 19 July 2006.

Account prepared by: Validated by:
 Project Coordinator Diocesan Treasurer
 Date:/...../..... Date:/...../.....

CAFOD Guidelines for Partners:

- #1: Project Proposals (2007)**
- #2: Progress Reports (2007)**
- #3: Financial Reports (2007)**

- #4: Reviews and Evaluations (2007)**
- #5: Assessing your own Organisation (2007)**
- #6: Humanitarian Responses (2007)**

*Please ask for copies or visit CAFOD's website
 (www.cafod.org.uk)*