

What kind of financial information do I need to provide for a grant?

It is essential to keep accurate records of monies coming in and going out of your charity, so you can keep track of how much your organisation is spending and so you can explain to your donors how their donations are being spent.

All organisations must provide a copy of your most recent formal accounts for a 12 month financial year prepared on either a:

- receipts and payments basis
- accruals basis (see below)

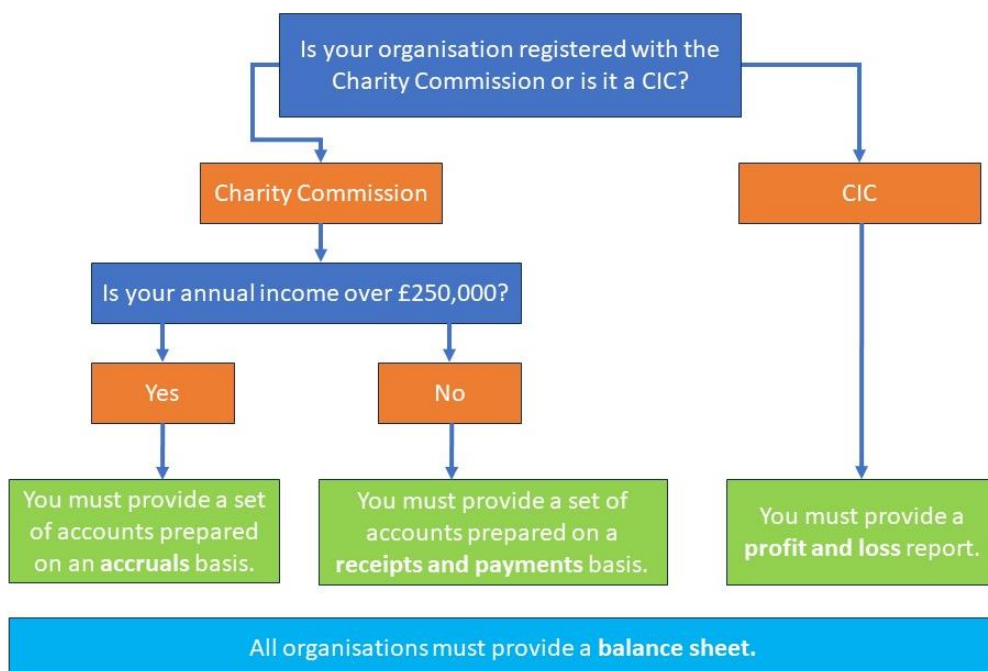
If your last formal accounts are for a financial year which ended more than 12 months ago, you must also provide a copy of financial information for the following year. This can be in the form of:

- draft accounts
- management accounts
- profit and loss report

If you are applying for a large financial grant, you may also be asked to provide a balance sheet dated within the last 3 months. If this is required we will contact you.

What type of formal accounts should I provide?

The type of formal accounts we ask for depends on the type of organisation.



If you're not sure what sort of accounts you need to provide, it's quite likely you fall into the **receipts and payments** category.¹

Receipts and payments accounts

The annual summary is your **receipts and payments** accounts. Basically these are records which add up all the money coming in, and all the money going out of a charity over a year, and then puts this into categories.

For example, this is a **receipts and payments** summary for Thumper's Rabbit Rescue of their income and expenditure over the last 12 months:

Type	Income	Expenses
Collection boxes	£457	
Donations	£2750	
Adoption fees	£3900	
Fundraising events	£1745	
Events held by supporters	£487	
Legacies	£500	
Grants	£1000	
Sales of second hand goods	£245	
Salaries		£0
Food		£2405
Litter and Bedding		£1013
Electricity		£845
Fundraising expenses		£478
Insurance		£124
Motor Expense		£224
Veterinary Fees		£5274
Advertising		£34
Postage and Stationary		£74
Maintenance		£274
Training		£0
<u>TOTAL</u>	<u>£11,084</u>	<u>£10,745</u>

From these accounts, it's easy to see what Thumper's Rabbit Rescue spent last year, and how much they brought in. We can also see what they spend most of their money on, and the different ways they raise money.

¹ All accounts filed with the Charity Commission must abide by the guidance of the relevant local Charity Commission, including ensuring the accounts have been appropriately independently examined or audited. A failure to do this may impact funding decisions.

What are management accounts?

We expect every charity (regardless of size) to not only keep records of every time they receive or spend money, but also to do this in a way which means they can keep track of how much they're spending and how much they're bringing in, to help them make long and short-term decisions.

The easiest way to do this is using a spreadsheet that keeps a running total both monthly and annually. This is often known as a set of 'management accounts' and allows you, your charity and/or your trustees to have an up-to-date picture of the charity's finances.

The management accounts for April's income might look like this:

		Collection tins	Donations	Adoption fees	Car boots	Ebay sales	Events	Other	Total
April									
01/04/2019	L Carr		£ 5.00						
01/04/2019	Sootie			£ 65.00					
05/04/2019	A Smith		£ 15.00						
06/04/2019	The Royal Hart	£ 38.45							
10/04/2019	Patch			£ 65.00					
14/04/2019	Spring fair						£ 1,875.00		
14/04/2019	T Atkins		£ 5.00						
16/04/2019	Woodlands Primary		£ 24.75						
16/04/2019	Smudge			£ 65.00					
18/04/2019	M Atkins		£ 5.00						
20/04/2019	Auction					£ 12.00			
21/04/2019	C Chan		£ 7.00						
22/04/2019	H Issacs		£ 20.00						
23/04/2019	Fluffy			£ 65.00					
25/04/2019	N Taylor		£ 10.00						
28/04/2019	J Simpson		£ 20.00						
Total		£ 38.45	£ 111.75	£ 260.00	£ -	£ 12.00	£ 1,875.00	£ -	£ 2,297.20

And April's expenditure might look like this:

		Vet bills	Boarding fees	Petrol	Printing	Fundraising costs	Food	Other	Total
April									
01/04/2019	Vets4Pets	£ 230.50							
01/04/2019	Emergency boarding - Spike		£ 15.00						
05/04/2019	Vets4Pets	£ 38.00							
06/04/2019	Leaflets				£ 12.00				
10/04/2019	Raffle prizes					£ 47.50			
14/04/2019	Pets at Home						£ 87.52		
14/04/2019	Tesco			£ 34.85					
16/04/2019	Vets4Pets	£ 278.50							
16/04/2019	Emergency boarding - Chloe		£ 20.00						
18/04/2019	Pets at Home						£ 175.55		
20/04/2019	Gazebo					£ 80.00			
21/04/2019	Food for spring fair					£ 75.54			
22/04/2019	Vets4Pets	£ 175.00							
23/04/2019	Pets at Home						£ 64.55		
25/04/2019	Petrol			£ 44.52					
28/04/2019	Stamps							£ 7.00	
Total		£ 722.00	£ 35.00	£ 79.37	£ 12.00	£ 203.04	£ 327.62	£ 7.00	£ 1,386.03

There would be a page for every month, and a summary for the year to date which was kept updated. The year to date summary would look like this:

Income		Expenditure	
Collection tins	£ 165.42	Vet bills	£ 8,664.00
Donations	£ 1,345.00	Boarding fees	£ 345.00
Adoption fees	£ 3,120.00	Petrol	£ 954.87
Car boots	£ 485.55	Printing	£ 75.85
Ebay sales	£ 275.55	Fundraising costs	£ 685.52
Events	£ 6,383.85	Food	£ 4,275.55
Other	£ 42.50	Other	£ 58.55
Total	£ 11,817.87	Total	£ 15,059.34

What is a balance sheet?

A balance sheet provides information on the charity's current financial position: your assets, and your liabilities.

Assets are:

- physical things your charity owns, like vehicles, property, or computer equipment
- investments (i.e. stocks and shares)
- cash assets - money you have in the bank
- debtors: money that other people owe you (e.g. outstanding gift aid claim)

Liabilities are:

- money you owe to others, (e.g. vehicle loan, unpaid vet bill)

The balance sheet for Thumper's Rabbit Rescue looks like this:

	Assets	Liabilities
<i>Physical assets</i>		
Van	£2,000	
Computer	£600	
<i>Investments</i>		
None	£0	
<i>Cash assets</i>		
Savings account balance	£1,243	
Current account balance	£392	
<i>Debtors</i>		
Gift aid claim	£1,000	
<i>Liabilities</i>		
Current balance at vet		-£843
Total	£5,235	-£843

From all of the information that Thumper's Rabbit Rescue has provided we can easily see:

- they're spending roughly about the same as what they are bringing in
- they've not got massive debts
- they're not sat on a lot of unspent money

You should be including a full balance sheet at the end of every financial year end with your formal accounts (regardless of what type of accounts they are). It is likely an accountant will have helped you prepare this. However, we expect all charities to be keeping track of a basic balance sheet as part of their regular financial management processes.

This must show:

- non-physical monetary assets: cash in the bank, investments, and any debts owed to you
- liabilities: debts you owe to others

Sometimes charities will submit copies of bank statements or cashbooks with their grant application. **These are insufficient.** Bank statements and cashbooks don't tell us enough information about a charity's finances.

Common questions

I'm a registered charity; can I just send you a copy of the accounts we sent to the Charity Commission?

Yes, you can. If you're a registered charity and you're following Charity Commission guidance, then the accounts you submit to them on an annual basis also meet our requirements.

However, because these accounts are likely to be for a financial year that ended some time ago, it doesn't give us the best up to date picture of your finances. That's why if the accounts are for a period that ended more than 12 months ago, we also ask for your draft accounts.

I'm still not sure where to start; do you have an example?

If this is the first time you've started keeping computer records on your organisation's finances, then we highly recommend looking at some templates online. [The Resource Centre](#) has a fantastic accounts system which is free to download and very easy to use.

Help! I have more questions...

If you're still not sure how to put a set of **receipts and payments** accounts or a **balance sheet** together, then use the form in Annex 1 to send us your information.

The gov.uk website also provides [information](#):

We hope this guide explains the type of financial information we expect all charities to be recording, and what information we require as part of a grant application. However, if you still have questions, please contact us on info@petsfoundation.co.uk

Annex 1

Charity name:						
For the period:	From			Until		
	DD	MM	YYYY	DD	MM	YYYY

Income		Expenditure	
Donations		Wages, Salaries and NIC	
Adoption fees		Food	
Fundraising events		Litter and Bedding	
Events held by supporters		Vet bills	
Collection boxes		Utilities (water/electric)	
Grants		Fundraising costs	
Legacies		Insurance	
Sale of second hand goods		Motor Expense	
Other sales		Advertising	
Stalls		Postage and Stationary	
Gift Aid		Maintenance	
Other (Please list)		Training	
		Rent	
		Legal Fees	
		Kennel fees	
		Other (Please list)	
<u>Total income:</u>		<u>Total expenditure:</u>	

Balance sheet:			
	<u>Assets</u>		<u>Liabilities</u>
<i>Investments</i>			
<i>Cash in the bank</i>			
<i>Debts owed to the charity</i>			
<i>Debts owed by the charity</i>			
<u>Total</u>	<u>£</u>		<u>£</u>