

To: Members and SCI Country Offices

Date: 23 May 2012

Save the Children must ensure that donor financial reports are accurate, complete and submitted on time in the required donor format, and members and country offices need to work together to achieve this.

As per the Master Programming Agreement (MPA), members receive the monthly award report as part of the data file that is generated from Agresso. It is also possible for members to request read only access to Agresso so that they can produce their own reports directly from the system.

The contractual agreement between members and SCI is that members are responsible for producing donor financial reports. The rationale for this was:

- members would be able to monitor expenditure on their awards and produce donor financial reports using the data contained in the monthly award report they receive.
- only the member would have access to certain financial information in respect of the award such as pre-transition costs, ICR and member technical assistance that is grant chargeable.

In practice, however, it has been found that this is not sufficient to meet the reporting requirements of all donors and in some circumstances it makes more sense for the country office to produce draft donor financial reports for SCI incurred costs and submit them to members for review.

The revised fund summary addresses the need for a flexible approach by adding this section:

According to the MPA - members are responsible for preparing and submitting the donor reports. If the Member WILL NOT be responsible for preparing the <u>financial donor reports</u> , please tick this box and state the reason. Please detail who will be preparing the donor financial reports.	<input type="checkbox"/> Member not preparing donor financial reports	Other information:	
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When drafting and reviewing the fund summary members and country offices must ensure that this section is completed and they have agreed how donor financial reports will be prepared for the award. Country offices do not have to accept reporting requirements which are over and above what would have been required before transition to SCI or in excess of donor requirements. **Members are asked, wherever possible, to meet their reporting obligations using the data that they can access directly from Agresso or the data packs sent from SCI centre.**

Regardless of who will prepare the financial reports, the following responsibilities always apply:

Country offices

- ensure proposals cover all appropriate support costs including sufficient budget for the resource needed to effectively manage donor reporting requirements (eg support costs for finance and grants teams)
- monitor expenditure against budget during the course of the grant
- enter into Agresso exchange rates for converting actual expenditure into donor currency (if there is a rate/ method for finding the rate specified by the donor as highlighted in the funds summary)
- review expenditure reports from Agresso, verify that all the charges to the award are correct and post corrections in the system as required before the financial report is finalised.
- provide any country level data required for a financial report such as details of partner expenditure, in kind GIK, VAT information, etc. The member is responsible for ensuring the country is aware of what information will be required for the financial report.
- ensure consistency between the financial report and any narrative reports that are being prepared.

Members

- enter the donor budget lines in the fund summary exactly as they require the expenditure to be reported.
- provide all necessary training and guidance on donor requirements in relation to the financial reporting, off system information required for reporting, cost allowability, supporting documentation requirements, etc.

- are responsible for ensuring that their HQ costs, including ICR, have been added correctly before reports are submitted to the donor.
- are responsible for ensuring that all pre-transition financial data is included in financial reports for awards that transitioned to SCI. Members cannot assume that countries will have access to this data or the member finance systems after go live.

Some examples of how the financial reporting might be managed are outlined below, including examples of how it might be reflected in the fund summary.

Example 1: Member to prepare donor financial reports

Member will prepare the donor financial reports using the data that they have access to through the monthly data file and/or Agresso.

<input type="checkbox"/> Member not preparing donor financial reports	Other information:	CO to notify member by email after the end of each quarter once the data in Agresso is ready for submission to donor
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1. **Country office** is responsible for verification (and correction if required) of all expenditure of the award as per standard award management procedures.
2. **Country office** tracks report due dates and notifies the member by email before the next financial report that the data in the system has been verified and is ready for submission to the donor.
3. **Member** uses data from the monthly award report or Agresso to prepare donor financial report and adds in any member HQ costs, pre-transition costs and ICR.
4. **Country office** provides any additional in-country information required for the report.
5. **Member** follows up any queries or clarifications with the country office and both parties agree final draft
6. **Member** submits report to the donor and uploads a copy into GMS

Example 2: Country office to prepare donor financial report

Country office will prepare the draft donor financial report in the donor format and submit it to the member to review before submission to the donor.

<input checked="" type="checkbox"/> Member not preparing donor financial reports	Other information:	CO to prepare donor report in donor format and submit to member for review. Member will add own costs to the report
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1. **Member** provides guidance, training and templates for reporting at the start of the award.
2. **Country office** is responsible for verification (and correction if required) of all expenditure of the award as per standard award management procedures.
3. **Country office** tracks report due dates and prepares draft financial report in time to submit it the member as per the schedule agreed in the fund summary
4. **Member** reviews the report and adds any member HQ costs, pre-transition costs and ICR. Member follows up any queries or clarifications with the country office and both parties agree final draft
5. **Member** submits report to the donor and uploads a copy into GMS

Example 3: Member Own Funds (such as undesignated, general funds, etc)

Member will monitor expenditure using the monthly award report (or reporting directly form Agresso) and will use this data to support any internal reporting requirements.

<input type="checkbox"/> Member not preparing donor financial reports	Other information:	No financial reports required from country office
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1. **Country office** is responsible for verification (and correction if required) of all expenditure of the award as per standard award management procedures.
2. **Member** uses data from the monthly award report or Agresso to monitor spend and raises queries with the country office as required.