

Annual Report 2013-14

Accompanying development process in South Asia



fmsf

**20 Years
1994-2014**



Accompanying development process in South Asia

From The Executive Director's Desk.....



This has been another eventful year for us at FMSF. Our two core areas of our intervention are financial monitoring and capacity building. Thus, all activities and events have been planned and implemented along these two core areas, with adherence to the tenet of promoting accountability. In the year 2013-14, FMSF monitored 144 BftW projects. We also organized 6 Workshops on Internal Controls and Governance for our BftW partner organizations.

The face of voluntary sector is ever changing and this year was no different. The Government brought in the new CSR law under the Companies Act 2013, and as per Clause 135 a company has to spend every financial year at least 2% of its average net profit made during the three immediately preceding financial years. This is positive news as well as a challenge for the voluntary sector. There are pragmatic questions surmounting its implementation such as, "What will be the treatment for non-compliance"; "In case the 2 % allocation is not made in a given fiscal year, what explanations would be considered legally valid", etc. Further, making CSR mandatory is being perceived as a coerced exercise. India has a philanthropic past. Thus, the 'giving back to the society' attitude of the corporate can be resuscitated as a gradual process. This will give the corporate world a space to innovate and come up with ideas which would impact both the 'doer' and the 'receiver' so that it is a win-win situation for all. So as both the corporate sector and the voluntary sector waits with bated breath only time will tell how effective this venture has proved to be.

We at FMSF are indebted to our project partners in India, Nepal, Bangladesh, and Sri Lanka for their co-operation and diligence and to BftW, Germany for their support. Further, we thank our dedicated Board of Trustees and our entire team at FMSF. Last but not the least we are also thankful to all the passionate people working in the voluntary sector who brave all odds and work relentless for social causes. With these words of positivity and gratitude, I bring forth to you our Annual Report 2013-14 - 'Accompanying development process in South Asia'.

(Sanjay Patra)



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I. OUR GUIDING PRINCIPLES

VISION

“We aspire for a reality in development cooperation where there will be overall and wholistic accountability among all the constituencies.”

MISSION

- Enhancing the capacity of partners and development stakeholders in financial management & governance
- Advocating social accountability through networking and influencing policies
- Research & Information Dissemination

CORE VALUES

- **Accountability** - Our accountability to the constituency we seek to serve
- **Transparency** - To be transparent in our actions
- **Humaneness** - Accounting practices with a human touch
- **Sensitivity** - Sensitive to development issues & programmes

Financial Management Service Foundation (FMSF) is a development resource organization. Since January 1995, FMSF has been involved in providing support to Bread for the World (BftW) supported NGOs in South Asia in the fields of financial management, legal regulations and governance.

In order to capacitate organizations in the voluntary sector, the activities of FMSF focuses on two core strategic areas-

- financial monitoring of development projects
- capacity building of organizations in the voluntary sector

FMSF also takes up research work on financial management, legal compliances, governance and risk management, issues that are of paramount significance to the voluntary sector. FMSF strengthens and updates its research base with the help of a dedicated 'research team'. As a result of these initiatives, FMSF has an enriched database which is continuously shared with voluntary organizations through workshops, trainings and publications.

Further, FMSF is the pioneer in setting up accountability standards for the voluntary sector. Hence, as a new initiative, FMSF developed a modular rating tool, 'www.rateyourngo.org' for assessing the progress and diagnosing aberration in the areas of governance, management, finance and program for voluntary organizations. This web based tool enables organizations to access themselves without hiring a professional. This rating tool is the first step in detecting a problem within an organization. The application can be accessed by any non-profit organization that is desirous of carrying out the self assessment.

FMSF vehemently propagates and works towards promoting accountability. Thus, all programmes and activities of FMSF are aligned with a thrust upon promoting accountability.

II. OUR PROGRAMMES

The objectives of FMSF's programmes are:

- To do financial monitoring of the BftW projects by developing close interaction with partner organizations & ensuring regular submission of financial & progress reports; by facilitating timely & regular transfer of funds to the projects as well as develop systems & procedures to ensure timely closure of projects.
- To enhance the organizational capacity of the BftW partner organizations in the areas of financial management, legal compliance and related governance as well as develop good accountable practices.

2.1. FINANCIAL MONITORING

FMSF is involved in the financial monitoring of BftW supported development projects in India, Bangladesh, Nepal, Pakistan and Sri Lanka. The overall objective of financial monitoring is to facilitate the development process by enhancing capacities of partner organizations and institutionalizing effective systems and processes.

Thus, FMSF pursues to do financial monitoring of BftW projects by:-

- Developing close interaction with partner organizations;
- Ensuring regular submission of financial & progress reports;
- Facilitating timely & regular transfer of funds to the projects;
- Developing systems & procedures to ensure timely closure of projects.

Activities undertaken by FMSF as a part of its monitoring process are:

- Analysis of organizational profile and institutional audit report
- Pre-funding assessment, if applicable
- Receipt & verification of the basic documents
- Cash flow planning
- Verification & processing of request for funds (ROF) and acknowledgement of receipt
- Receipt & analysis of reports (financial & progress reports)
- Preparation of PME sheets
- Analysis of the budget revision
- Analysis of partners evaluations and follow-up
- Mid-term assessment of projects
- Regular communication with BftW, partner organizations and auditors
- Partner visits
- Closure of project

2.1.1. Analysis of organizational profile and institutional audit report

At the time of the new project phase proposal, the organizational capacity and strengths of the existing partner organization are assessed. This is done by analysing the organizational profile, various policies and last three years' Institutional Audit reports by the respective programme monitoring officer. The outcome of the analysis is shared with the Programme Manager, the Head Programme Desk and the Executive Director before it is sent to BftW.

2.1.2. Pre-funding assessment

FMSF undertakes pre-funding assessments for projects which are in the pre-approval stage. During the assessment, various aspects of the organization such as financial systems and procedures, governance processes, internal control mechanisms and legal compliances are reviewed. FMSF has developed a pre-funding assessment checklist wherein all the observations are documented. It provides rating based on the analysis of observations in various areas such as board & governance, financial systems, internal controls, and legal compliances. The pre-funding assessment report is generally prepared within one week of the completion of the assignment and the report is shared with the Programme Manager, the Head Programme Desk and the Executive Director before it is sent to BftW.

During this period, **13** pre-funding assessments were conducted by FMSF. The details of these pre-funding assignments are provided below:

Date	Name of the Organization	Place
May 13	ANKUR Society for Alternatives in Education	New Delhi, India
June 13	Mahila Abhivrudhi Society (APMAS)	Andhra Pradesh, India
July 13	Home for Human Rights	Colombo, Sri Lanka
July 13	Rights Now	Colombo, Sri Lanka
July 13	Institute of Social Development	Kandy, Sri Lanka
August 13	Community Development Association (CDA)	Dinajpur, Bangladesh
August 13	Nabolok Parishad Khulna	Khulna, Bangladesh
October 13	Bangladesh Protibandhi Kallyan Somity	Dhaka, Bangladesh
October 13	Assistance for Slum Dwellers (ASD)	Dhaka, Bangladesh
October 13	The Human Rights Advocacy and Research Foundation	Chennai, Tamil Nadu
October 13	Rangpur Dinajpur Rural Services (RDRS)	Dhaka, Bangladesh
November 13	Women's Organisation for Rural Development (WORD)	Nizamabad, Andhra Pradesh
November 13	PADI	Mangalore, Karnataka

Table 1: Pre-funding assessments in 2013-14

2.1.3. Receipt & analysis of reports

During the reporting period, FMSF received 204 audited financial reports and 203 progress reports. Out of these, the number of projects for which both the audited financial reports and progress reports were received was 201.

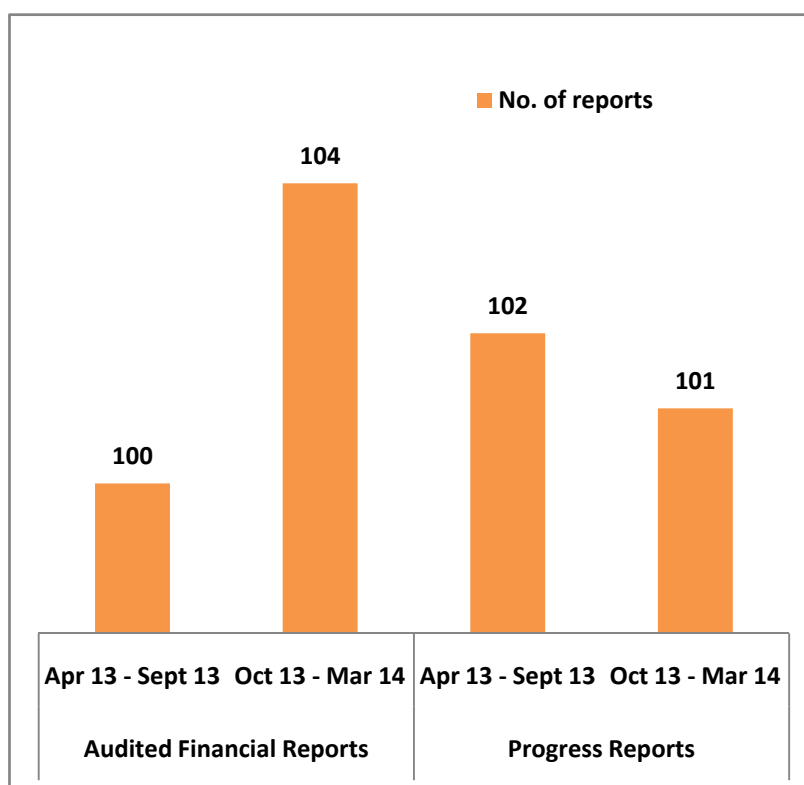


Chart 1: Audited financial reports & progress reports processed in 2013-14

During the reporting period, some new projects were started, while some old projects came to an end. In the year 2013-14, a total of 39 new projects were taken up and 47 old projects were closed. As on 31st March 2014, FMSF monitors 136 BftW supported projects in South Asia.

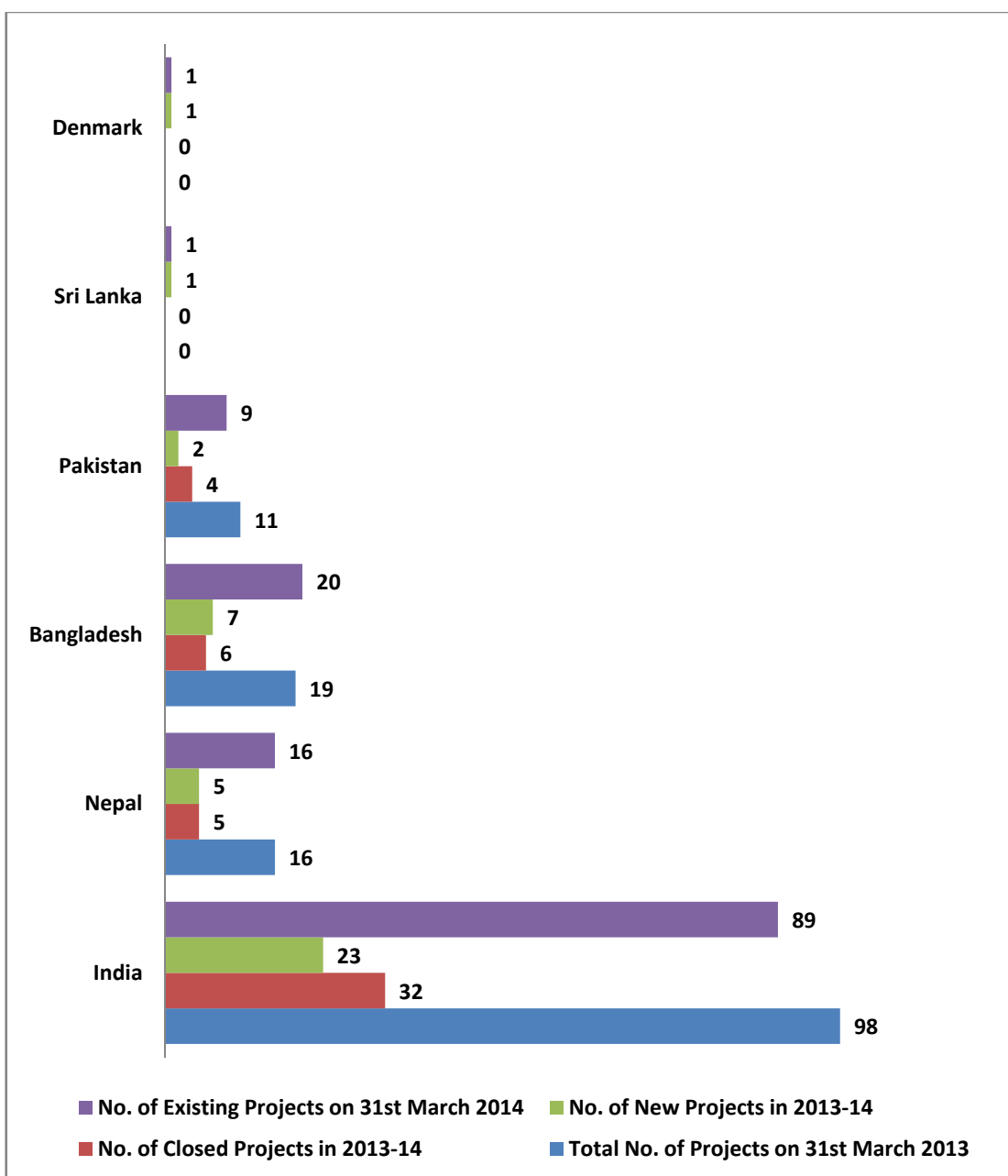


Chart 2: New projects & closed projects in 2013-14

2.1.4. Partner Visits

Partner Visit is an enabling tool which helps to understand partner organizations better. In 2013-14, the number of partners that were visited was 31. During these visits, issues pertaining to reports; fund utilizations; fund request; cash flow, etc. are shared by the partners and FMSF provides information and suggestions based on BftW standards. Sometimes, the monitoring officer also visits areas where the programme is actually implemented. This helps the monitoring officer relate better with the progress of the projects monitored by them.

The chart below depicts the number of visits that were undertaken during the reporting year.

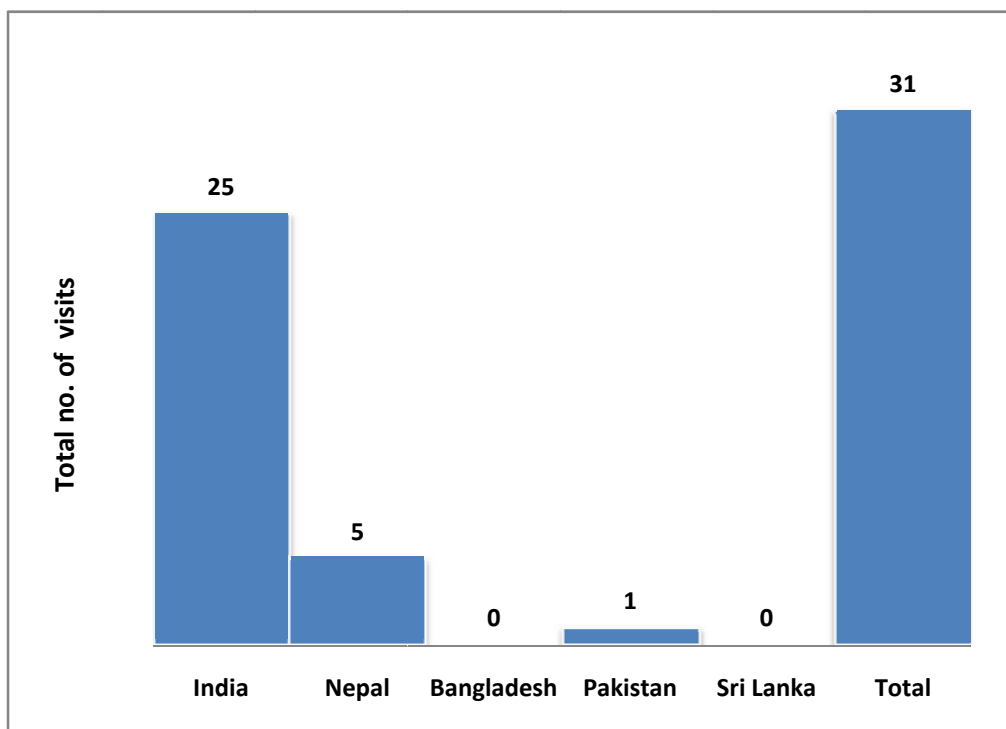


Chart 3: Partners visited in 2013-14

2.1.5. Pool of Auditors

To increase the quality of project audit and to encourage partners to rotate the auditors, FMSF has created a pool of auditors. FMSF continuously works to enhance this pool with experienced auditors by regularly updating them on the BftW requirements and other financial and legal issues related to the voluntary sector. Currently, the pool comprises of 75 auditors.

2.1.6. Internal systems & tools

i. Internal monitoring software

The project monitoring software, designed in 2011 to standardize the internal project monitoring processes, has streamlined the internal processes and enhanced quality at all levels. This web-based application is a centralized database system. It provides real-time global and individual project status reports and helps to manage and track the BftW project monitoring processes such as receipt of reports, preparation of PME sheets, cash flow, etc.

ii. Capacity building software

The capacity building software that was developed in 2013 to manage the capacity building initiatives of FMSF has been effectively operational. As the capacity building software is inter-linked with the monitoring software, partner-wise issues are picked up and addressed more effectively. This software also helps in implementation of workshops in the following manner:

- Storing data such as resource materials, participant lists and feedback sheets from various workshops
- Sending invitations for workshops to the participants directly

Another benefit of this software is that the data stored in this software can be easily accessed from anywhere online.

iii. Other Existing Softwares

The web-based, self-assessment, modular rating software, ‘www.rateyourng.org’ developed in 2013 is accessible to all organizations who wish to rate themselves.

2.2. CAPACITY BUILDING

2.2.1. Capacity Building

Apart from project monitoring, FMSF also delves into capacity building activities for BftW partner organisations in South Asia as well as other voluntary organizations in India. For accomplishing such processes, FMSF has derived a five components based intervention which includes:

1. Training & Workshops
2. Information Dissemination
3. Research & Publication
4. Online Courses
5. Networks

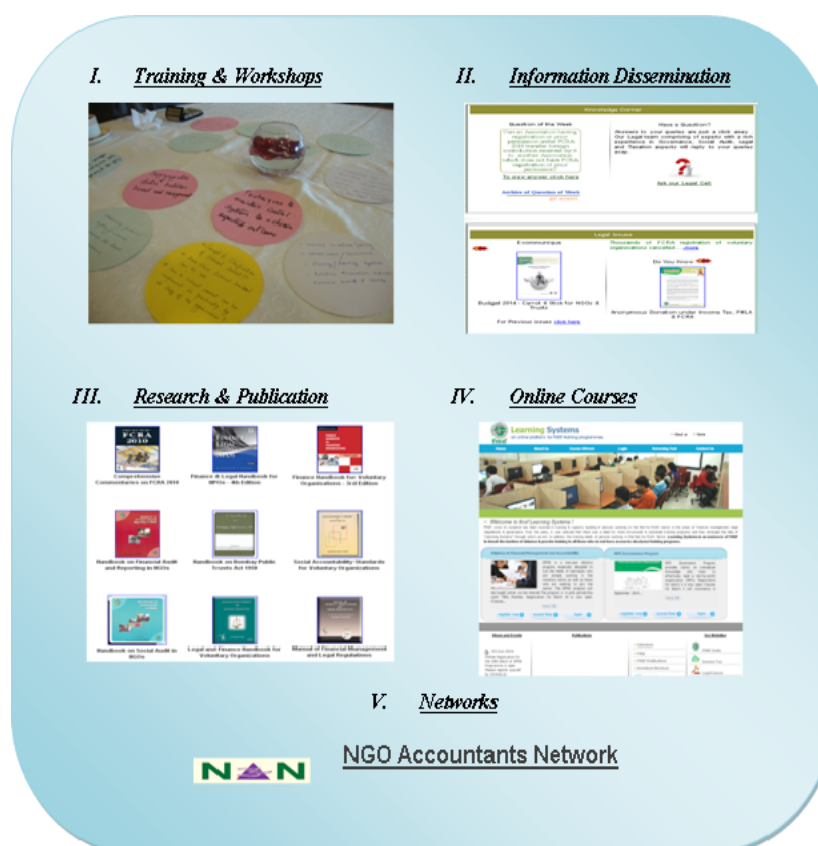


Figure 1: Five component interventions

2.2.2. *Trainings & Workshops*

Through numerous findings from monitoring and evaluation on financial management, legal issues and governance processes, FMSF has identified six key areas that require intervention. These areas have been developed as separate modules. These are given below:

- Budget, Budgeting, Budgetary Control
- Accounting & Reporting
- Internal Control Procedures
- BftW Reporting Requirements
- Legal Issues
- Governance processes & control

This is a broad framework and it is expected that every organization should undergo training in all these key areas. However, depending upon the need and capacity of the organization, all of them may not be applicable. In certain cases, some of the areas are also clubbed together and one workshop is conducted. However, all the workshops contain an exclusive session on BftW reporting requirements. These workshops organized for a period of 1.5 to 2 days focuses on providing a platform for in depth discussion, solving case studies, sharing experiential learning for participants working in the voluntary sector.

In the year 2013-14, FMSF organized 6 workshops and facilitated 2 workshops for BftW partners in India and other South Asian countries, details for which are given below:



1. Workshops organized by FMSF for BftW partner organizations

S. No.	Workshop Topics	No. of BftW partner organizations	No. of other organizations participated	Place & Date of Workshop
1.	Workshop on Internal Controls for Pakistan Partners	6	1 Pakistan Consultancy firm	Kathmandu, Nepal 20 th & 21 st March, 2014
2.	Workshop on Internal Controls for Nepal Partners	14	-	Kathmandu, Nepal 19 th & 20 th February, 2014
3.	BftW Nepal Partners' Auditors Meet	10 BftW partner auditors	-	Kathmandu, Nepal 18 th February, 2014
4.	Workshop on Internal Control Systems	20 Participants	-	Mumbai, India 28 th & 29 th November, 2013
5.	Workshop on Governance	21	1 other organisation	Bangalore, India 12 th & 13 th November, 2013
6.	Workshop Internal Controls	14	-	New Delhi, India 13 th & 14 th June 2013

Table 2: Workshops organized by FMSF for BftW partner organizations

1. Workshops facilitated by FMSF for BftW partners organizations

S. No.	Workshop Topics	Workshop organized by	No of participants	Place & Date of Workshop
1.	Training of Trainers on Financial Management for CASA staff	CASA, India	24	Bhopal, India 29 th & 30 th August, 2013
2.	Workshop on Governance	YACN, Nepal	25	Kathmandu, Nepal 22 nd & 23 rd July, 2013

Table 3: Workshops facilitated by FMSF for BftW partners organizations

ii. Outreach Workshops

The outreach workshop series was initiated with the enactment of the new Foreign Contribution Regulation Act (FCRA 2010) on 1st May 2011. Thus, the topics for the outreach workshop series are Foreign Contribution Regulation Act (FCRA 2010) and Income Tax. In 2013-14, two workshops of the outreach workshop series were conducted in Ranchi and Kochi.

iii. Outcome and Impact Orientation (OIO) exchange meet for BfiW Consultants in South Asia

FMSF hosted the OIO exchange meeting for consultants from India, Sri Lanka, Nepal, and Bangladesh on 6th and 7th March, 2014. The purpose of this meet was to exchange first-hand experiences, share positive and critical examples and discuss problems encountered by the consultants during the capacity development process of BfiW partner organizations. Various methods of advising, training and accompanying the partner organizations on the outcomes and impacts in context of Project Monitoring and Evaluation were taken up.

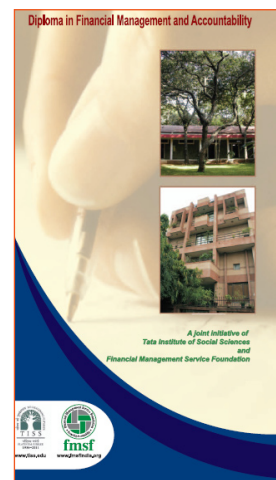
2.2.3. Learning Systems

In order to build the capacity of personnel working in the voluntary sector, FMSF launched two online programmes in the areas of financial management and governance. The first online program, Diploma in Financial Management & Accountability (DFMA) was launched in 2008 in collaboration with Tata Institute of Social Sciences (TISS), Mumbai. The second online programme on NPO Governance was started in the year 2012 by FMSF.

1. Diploma in Financial Management & Accountability (DFMA)

DFMA is a one year long-distance education program jointly run with the Tata Institute of Social Sciences (TISS), Mumbai. This programme caters to the unmet demand of sustained financial management trainings in the voluntary sector. The course is specifically designed for personnel already working in voluntary sector seeking to equip themselves with financial management skills as well as for persons who wish to join the voluntary sector in future.

The DFMA programme provides the perfect concoction of theoretical and practical knowledge on the intricacies of day to day functioning of NGOs in India. The indispensable elements involved in the daily operations of organizations in the voluntary sector such as book-keeping and



accounting, budgeting and monitoring, control systems, audit are well captured by the programme. The programme also contains a separate paper on legal framework and governance which are very crucial with the changing legal milieu in the country and the rules and regulations becoming more stringent.

The faculties for the DFMA programme have rich experience and background in their respective areas. They are renowned persons who have acclaimed wide recognition in the field of academics as well as vocation. The students get a chance not only to learn from such experienced faculties but also to discuss and debate the concepts and issue in interactive discussion forum.

The course design has been jointly developed by FMSF and TISS. The course is entirely web-based and the study materials are also sent in hardcopy to the students. The course is run in a flexi-mode i.e. either students can pursue all 4 modules or they can opt to pursue only 2 modules. Thus, a student who completes all 4 modules successfully is awarded a Diploma degree while a student who completes 2 modules is awarded a Certification degree.

In the year 2013-14, the sixth batch successfully attained closure, and sessions for the seventh and the eighth batch is in progress. Registration for the ninth batch has been is going on classes for which will start in May 2014.

The details of the paper and the faculty are given in **Figure 3** below:

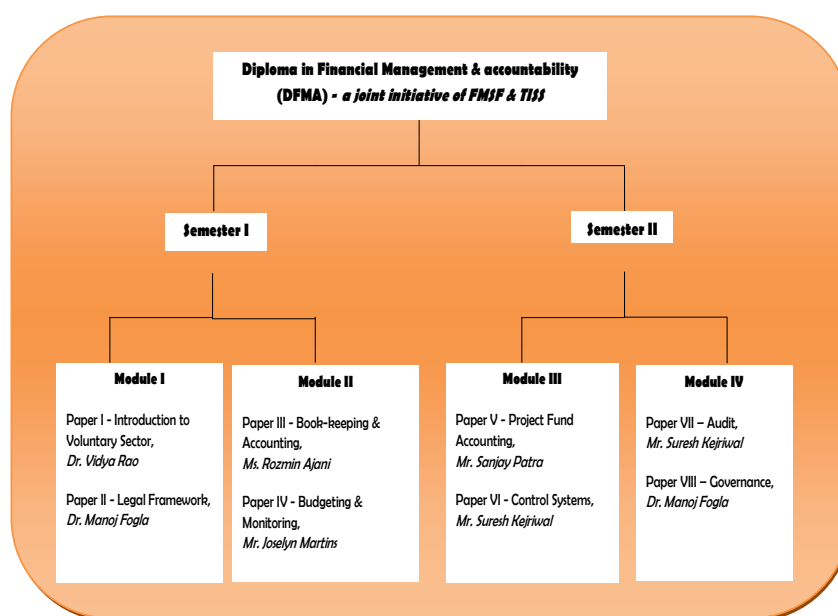


Figure 2: Details of paper & faculties of DFMA Programme

ii. *NPO Governance Programme (NPOGP)*

NPOGP is an online programme on governance run by FMSF. With both the government and international funding agencies emphasizing more and more on good governance, non-profit organizations have to tighten their reins and be vigilant and compliant to rules and regulations. A sense of complacency that prevails within the third sector needs to be addressed. The third sector which is the development sector is a field with many opportunities. However, to be able to tap these opportunities, organizations should be ready to face challenges. The foremost step in this direction would be to streamline the governance structure of the organization as they are the decision making authority of an organization. Governance plays a crucial role in effective functioning of an NGO. Further, governance standards of organizations are recognized as critical in maintaining transparency and accountability of the organization.

Thus, NPO Governance programme has been designed with the following objectives:

- ~ To provide a basic understanding of the governance mechanism in NPOs;
- ~ To provide an overview of the governance structures & processes;
- ~ To provide an understand on the basic roles & responsibilities of the board members;
- ~ To provide a basic understanding of the governance controls required for an NPO;
- ~ To help identify common myths and misconceptions in the governance of NPOs.

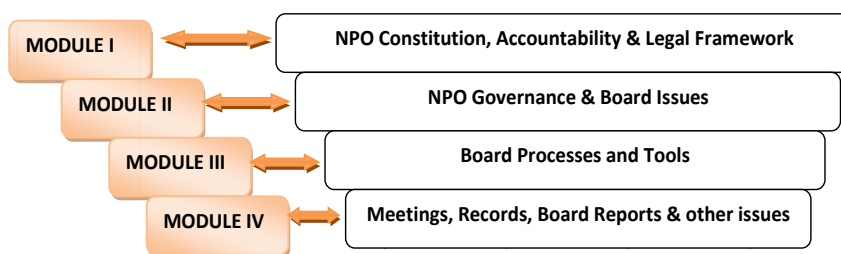
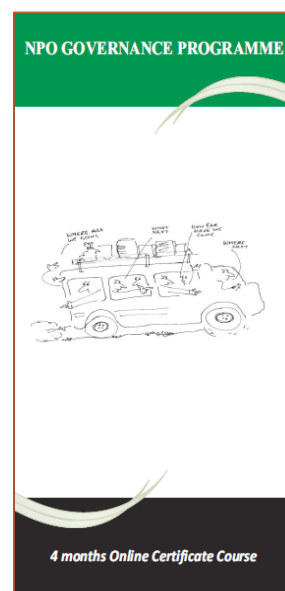


Figure 3: NPO Governance Programme Modules

The course is completely web-based and is open to individuals across the globe. The course is divided into 4 modules (**See Figure 4**) and considering examinations and internal assessments the course is usually completed in six months time. The soft copy of the course materials are parked on the online learning systems website which can be easily accessed by the students.

In the year 2013-14, the third batch successfully attained closure. The registration for the fourth batch is open, classes for which will start in September 2014.



2.2.4. Networks

The main objective of creating a network is to effectively leverage the existing resources and develop linkages for the overall benefit of the voluntary sector. FMSF works closely with various organizations and like-minded agencies to build linkages and enhance the accountability and transparency in the voluntary sector through NGO Accountants Network (NAN).

i. NGO Accountants Network (NAN)

NAN is a network of accountants and finance persons working in the voluntary sector. It aims to provide a forum for mutual learning and sharing of experiences. It was formed in January 2005 with the following objectives:

- ~ To build a pool of expertise
- ~ To sensitize on the field realities
- ~ To enable mutual learning
- ~ To capacitate NGO accountants on new methodologies in financial management

All members regularly receive our e-publications such as Governance Tool box Series, E-communiq   Standards & Norms, etc.

During the year 2013-14, 5th Regional NAN convention was organized by FMSF in Chennai on 5th & 6th September, 2013. There were 72 participants from 42 different organizations. The topics that were covered during the convention



were grant management; legal compliances; practical issues on FCRA, income tax and service tax. The resource panel for the 5th NAN convention comprised of Mr. Sanjay Patra FCA, Dr. Manoj Fogla FCA, Mr. Suresh Kejriwal FCA and Dr. Christian Jayakumar, Executive Director of World Vision India.

III. RESEARCH, PUBLICATIONS AND INFORMATION DISSEMINATION

FMSF engages in research work on financial management, governance and legal issues and regularly comes up with new publications, e-communiqués, concept notes and resource materials. E-publications such as Governance Toolbox Series, Standards & Norms and Standards & Norms notices are distributed free of cost to members while other publications are available for a nominal charge. Hence, FMSF plays a crucial role in providing information to the voluntary sector.

3.1. RESEARCH

FMSF promotes research as one of its crucial activity and thus, has a strong resource base. The research work at FMSF is primarily oriented towards developing tools and concepts that would be helpful for the voluntary organizations.

3.1.1. In-house research

In the year 2013-14, FMSF developed and finalized new concept notes on Allocation of Common Cost Policy; Debit Notes; Standard Operating Procedures (SOP) for Bilateral Partners, Operating Guidelines for Collective Forms of Co-operation (CFCs) and bilateral partners; Finance Manual template; Internal Control module. In the past, FMSF has also brought out concept notes on Notional Expenditure and Management Letter.

The concept notes and tools are widely circulated among BftW partner organizations and are also accessible by other voluntary organizations in the official website of FMSF.

FMSF also receives regular queries on various issues pertaining to governance, legal constitution of NGOs, Income Tax, FCRA and other applicable laws from a number of voluntary organizations. All the queries are duly responded by an expert research team.

3.1.2. Internship

During the period 2013-14, two post-graduate students from the Institute for Rural Management, Anand (IRMA) and two graduate students from Delhi University interned and worked on various aspects of financial management and capacity building.

3.2. PUBLICATIONS & INFORMATION DISSEMINATION

FMSF regularly authors and publishes books/journals on financial management, governance and legal issues pertinent to the voluntary sector. These publications are highly regarded and well received by the voluntary sector.

3.2.1. Publication

The books published by FMSF till date is enlisted below:

- Finance & Legal Handbook for NPOs- 4th Edition;
- Handbook on Bombay Public Trust Act
- Handbook on Social Audit for NGOs
- Social Accountability Standards for Voluntary Organizations
- Handbook on Financial Audit & Reporting in NGOs
- Legal & Finance Handbook for Voluntary Organizations
- Revised Finance Handbook for Voluntary Organizations
- Manual of Financial Management & Legal Regulations

Chart 4 depicts the disbursement of publications in 2013-14.

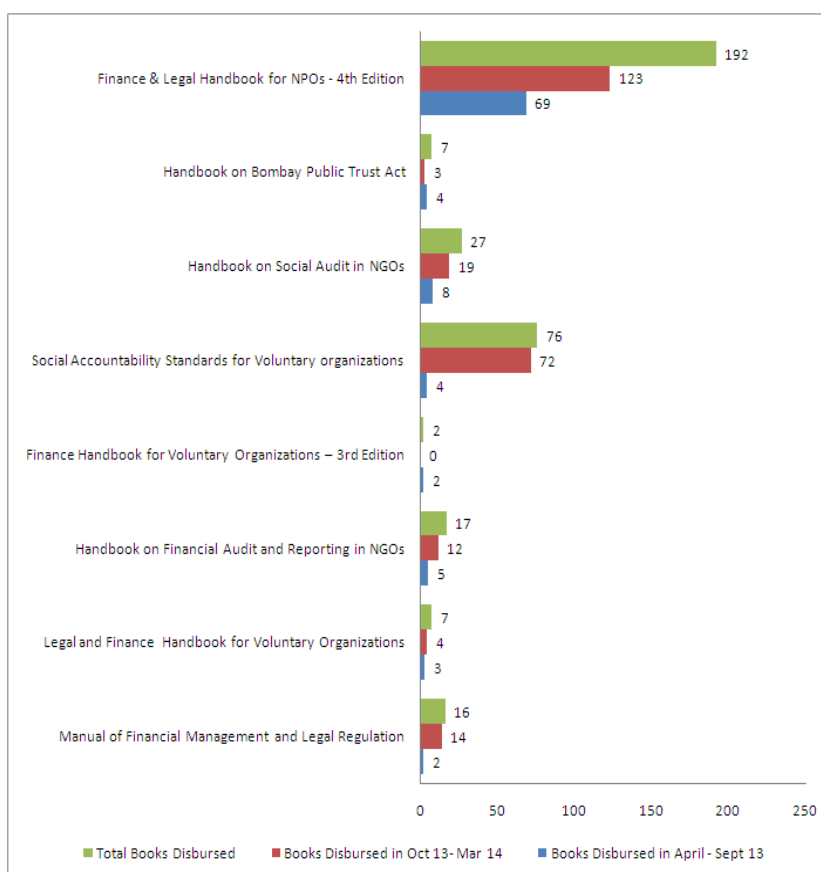


Chart 4: Publications disbursed during 2013-2014

3.2.2. *INTERface*

As a part of the information dissemination initiative, FMSF publishes a six monthly journal “*INTERface*” that covers legal, financial and governance related issues pertaining to voluntary sector. In the year 2013, FCRA registrations of many NGOs were cancelled without giving an opportunity to present their case.

Further, the upcoming year 2014 is an important year for all the NGOs in India who have received their FCRA registration before 2010. In the old law, the registration was virtually permanent in nature. However, the new law has reduced the validity of the FC certificate to five years. Therefore, most of the NGOs need to prepare in this year for the renewal of the FCRA registration.

Thus, with a focus on FCRA, 2010, FMSF has circulated two issues (See *Figure 6* and *Figure 7*) of *INTERface* which contains analysis on various laws and rules applicable to NGO sector in India.



The issues covered by *INTERface* Volume XII Issue 2:

- Tax Deduction At Source on Payment & Income
- Service Tax on NPOs After Finance Act 2013
- ITR-7 to be Filled Electronically
- Severe Penalty for Delayed Filing of FC-6 Return
- Recognition and Disclosure of Various Grants
- Treatment of Project Grants
- Compounding of Offences under FCRA 2010
- Change in More than 50% of Board Members under FCRA
- Notional Expenditures in Development Projects
- Chairperson – Roles & Responsibilities
- Vice-Chairperson – Roles & Responsibilities
- Board Members – Roles and Responsibilities
- Secretary – Roles and Responsibilities
- Treasurer – Roles & Responsibilities

Figure 4: INTERface Volume XII Issue 2

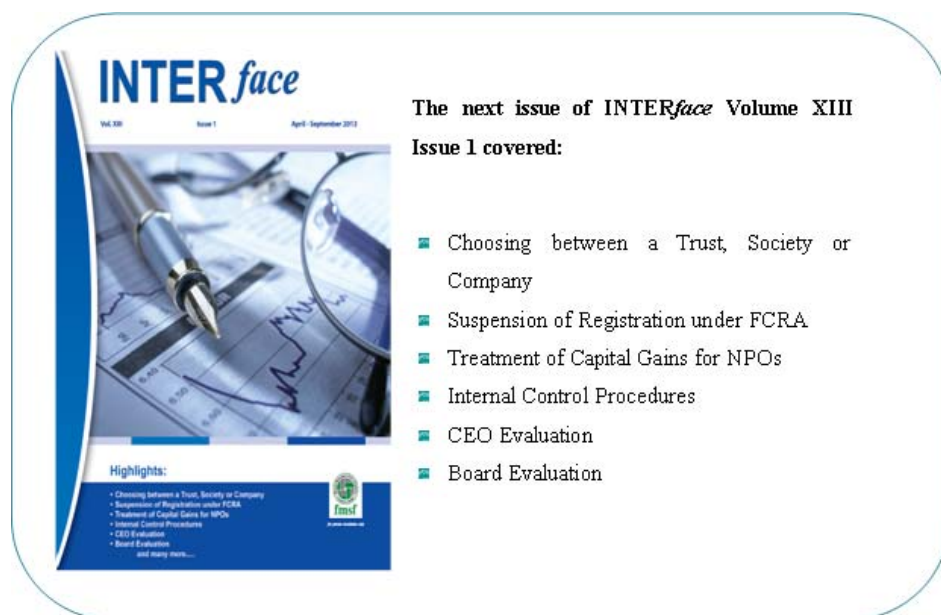


Figure 5: INTERface Volume XIII Issue 1

3.2.3. E-communiqué - Standards & Norms

Since October 2008, FMSF has been regularly disseminating information on legal and financial aspects through its monthly e-communiqué, 'Standards & Norms' which acts as a resource base for governance, accounting & legal regulations in India. The chief contributor of legal inputs for this e-communiqué is Dr. Manoj Fogla, a renowned FCA and Senior Consultant, who is supported by the editorial team of FMSF consisting of Mr. Sanjay Patra, Executive Director and Mr. Sandeep Sharma, Head Programme Desk. The e-communiqué has an outreach of more than 3000 individuals.

In the year 2013-14, 12 issues of Standards & Norms were published on the following topics:

- Choosing Between a Trust, Society or a Company
- Renewal of Registration under FCRA
- Service Tax on NPOs after Finance Act, 2013
- Opportunity to Compound Offence for Foreign Liaison and Branch Offices
- TDS on Award Based on Competence & Merit Contest
- Suspension of Registration under FCRA
- FCRA -Change in more than 50% of Board Members
- FCRA-Applicability to Gifts Received by Individuals

- Transfer of FC Funds to unregistered organisations
- Tax Deduction at Source (TDS)
- TDS on Income of NPOs
- Procedure for Change of FCRA Bank Account

3.2.4. Standards & Norms Notice

In the year 2013-14, information related to changes and amendments in the legal setting pertaining to the voluntary sector were provided through 6 Standards & Norms Notices disbursed at regular intervals. These notices were brought out on the following topics:

- New messaging system under FCRA
- Severe penalty for delayed filing of FC-6 return
- ITR-7 to be filed electronically
- Opportunity to compound offence for foreign liaison & branch offices
- Income tax scrutiny for NGOs receiving more than 1 crore FC contribution
- Landmark case regarding suspension of registration under FCRA

3.2.5. Governance Toolbox Series

Governance is one of the important areas that need to be further strengthened in the voluntary sector. Thus, to strengthen the governance process, FMSF initiated the Governance Tool Box Series in July 2012. The series is circulated through mass mail as “NPO Governance Tool box Series”, and contains a total of 32 issues that touches upon various aspects of governance of an organization. Each issue comes with a self assessment tool for NPOs to assess and address the critical areas.

In the year 2013-14, 5 new issues were published and uploaded both on the official website of FMSF (<http://www.fmsfindia.org>) as well as on the blog site of FMSF (<http://fmsf-noida.blogspot.in/>). Till date, out of the 32 issues, total of 19 issues have been published.

The list of issues released in the year 2013-14 is given below:

Volume IV – Board Committees

- Executive Committees
- Audit Committee
- Finance Committee
- Human Resource Committee
- Program Committee

3.2.6. Websites

In addition to the official website of FMSF, there are 4 other specialized websites that cater to different issues related to voluntary sector. Relevant and useful information on legal, governance and finance management are regularly uploaded on these websites. The URL of these websites is provided in *Figure 6*.



Figure 6: URL of websites of FMSF

IV. GOVERNANCE

Good governance is the cornerstone for effective functioning of the organization. As a good governance practice, FMSF aims to achieve high level of accountability, efficiency, responsibility and justice in all areas of operation. In FMSF, there is a clear distinction between governance and management. While the Board of Trustees is responsible for the governance aspects, the Management team headed by Executive Director and comprising of Head Programme Desk and Head Resource Desk are responsible for the day to day operations of the organization. The mission of FMSF is to 'promote accountability' which is practiced at all levels through robust governance mechanisms and processes.

4.1. Board of Trustees

The Board of Trustees is the ultimate authority and seeks to ensure that the affairs of the organization are in line with its vision, mission and objectives. Our Board of Trustees comprises of highly talented and multi-skilled individuals from diverse professional backgrounds.

Bishop (Dr.) C.L. Furtado, Chairman - Bishop Furtado is retired Bishop of Church of South India. He has a rich experience on governance of faith-based as well as secular voluntary organizations. He is a renowned person and has a remarkable track record for managing various organizations.

Ms. Rosemary Viswanath, Trustee - Ms. Viswanath is a post graduate in management, with dual specialization in personnel management & organizational behavior and habitat and human settlements from the Indian Institute of Management, Bangalore. She is an organizational development expert and has served the voluntary sector for more than 20 years. She was the director of 'EQUATIONS', a research, campaign and advocacy organization for 7 years. Currently, she is the director of 'Learning Networks', an organization that offers services in the areas of organization consulting, strategic visioning & planning, change management, leadership coaching and human resources management to a wide range of organisations, institutions and networks in India and abroad.

Mr. C.B. Samuel, Trustee - Mr. Samuel is an experienced resource person and is the head of a network of voluntary organizations called 'PRABHAAV'. He has been involved in numerous mentoring and counseling processes for NGOs on leadership development. He is also actively involved in building capacities of development organizations on programme and governance related matters.

Dr. Vidya Rao, Trustee - Dr. Rao is emeritus Professor of the Department of Social Welfare Administration at the Tata Institute of Social Sciences, (TISS) Mumbai. She has done her Master's in Social Work from University of Michigan, USA, and has a PhD in Social Work from TISS. Prior to teaching, Dr. Rao worked as social worker in crisis counseling centre in the USA for 4 years and was the CEO of a voluntary organization, 'New Residents' Welfare Association' in Chennai. She

has co-authored futuristic strategy chapter titled ‘Human Resources Development of the Weaker Sections’ in the Maharashtra Development Report as a part of Vision 2020. Dr. Rao has conducted more than 75 training programmes for Government and NGO functionaries on various themes such as district planning, tribal development and NGO management, etc.

Rev. Jacob Belly, Trustee - Rev. Belly is the Associate Director at Globethics.net India. He has pursued his B. Sc in Natural Science and M. A. in Political Science from Madurai University. He has participated in numerous trainings such as ‘Social Analysis’ from Centre for Social Analysis Madurai under Dr. Bastian Welinga, ‘Project Management’ from ISI Bangalore, ‘Planning Monitoring and Evaluation’ from Karl Kurbel Foundation Coimbatore, ‘Mission Perspective’ from Mission Academy in Hamburg, Germany and ‘People’s Education’ under Paulo Friere in Geneva. He also has expert knowledge in FCRA and legal matters pertaining to Trust and Society in India.

4.2. MEETINGS

4.2.1. Board Meeting

The Board of Trustees meets at regular intervals to review the work and to make strategic decisions for the organization. During the reporting period, the 37th Board meeting was held on 2nd September, 2013 in NOIDA.

4.2.2. Executive Meeting

During the reporting period, 2 Executive meetings were held on 3rd September, 2013 and 13th November, 2013 in NOIDA.

4.2.3. Annual Planning Meeting

The annual planning meeting was held in Matheran, Maharashtra on 8th and 9th January, 2014. This year the annual planning began with organizational development process (OD process) which was followed



by planning for FMSF and acquiring a team of resource persons to work and develop resource materials on topics pertaining to the voluntary sector.

4.2.4. Mid-term Meeting

This year the mid-term meeting was conducted on 20th May, 2013 in Kasauli, Himachal Pradesh. It was a group process where new concepts such as cost benefit analysis, risk management, control systems, operational guideline on standard operating procedure (SOP) for bilateral and network partners were thought through and discussed. Updating of FMSF's Finance and H.R. manuals were also primary focus areas.

4.3. AUDIT

FMSF has a clear policy on audit. The Statutory auditors are appointed in the Annual General Meeting of the Board of Trustees. Both the audit report as well as management letter is received by the Board of Trustees. For the year 2013-14, the statutory auditor of FMSF was M/s V. Sankar Aiyer & Co., Chartered Accountants, New Delhi. The internal audit process is also carried out at regular intervals and the suggestions & recommendations are considered by the management. For the year 2013-14, the internal auditor of FMSF was Kumar Mittal & Co., Chartered Accountants, New Delhi.

4.4. FMSF TEAM

Staffs are the greatest asset of any organization. They are highly valued and recognized in FMSF. The staff team of FMSF comprises of professionals from various academic backgrounds such as Chartered Accountants, MBAs, I.T Professionals, Rural Management, etc.



During the year 2013-14, Mr. Hari Krishna Pasupuleti left the organization. The staff team of FMSF as on **31st March 2014** is as follows:



Figure 7: FMSF Team

FMSF considers staff development as an important process in achieving its mission. Thus, staffs are constantly motivated to participate in workshops, trainings, organizational development processes (OD) and appraisals processes. In the year 2013-14, 2 OD process were held, one on 21st May, 2013 in Kasauli, Himachal Pradesh and the other on 8th July, 2014 in Matheran, Maharashtra. These processes comprised of sessions for assessing and analyzing strengths and challenges for the organization and introspecting on values, both individual and organizational. The sessions were facilitated by Ms. Rosemary Viswanath who is an expert on OD Processes.



The Board evaluates the performance of the Executive Director once in 3 years. The process includes feedbacks from the Board Members, the BftW and certain staff members. The performance of the staff is also evaluated every year by the management team. In a year, one appraisal and one performance review are conducted for the staff (i.e. one in every six months). For this purpose, a structured format is being used. Both the appraisal and the performance review are participatory in nature.

4.7. LEGAL AND DONOR COMPLIANCE

FMSF is a registered Public Charitable Trust. It is also registered under the Income Tax Act, 1961 and the Foreign Contribution (Regulation) Act, 1976. The audited reports and returns are regularly filed as per the legal requirement. Further, FMSF also complies with the reporting requirements of the resource sharing agencies like BftW, MISEREOR and ICCO.

4.8. SUSTAINABILITY

4.8.1. *Financial Sustainability*

FMSF derives its financial sustainability primarily from the resources contributed by the BftW, Germany. Some of the other specific aspects that contribute in resource mobilization of FMSF are:

- ***Working with other donors:*** FMSF, primarily, receives support from the BftW for the financial monitoring of development projects supported by it. However, it is also working with other funding agencies such as MISEREOR and ICCO. This has enabled FMSF to receive support from these agencies for the specific services rendered to them.
- ***Training fees from workshops:*** FMSF receives nominal contribution as participation fees from non-BftW partner organizations' participants for workshops and trainings organized by it.

4.8.2. *Programmatic sustainability*

FMSF believes that in order to attain overall sustainability, the financial sustainability has to be linked to organizational as well as programmatic sustainability. The initiatives of DFMA and NPO Governance programmes also provide programmatic sustainability. Further, research initiatives of FMSF help in building a knowledge resource base which would go a long way in contributing towards programmatic sustainability.

V. FINANCIAL INFORMATION



V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi-110008

Flat Nos. { 202 - Tel (91-11) 25702074, 25702691, 25704639 Fax : 25705010
301 - Tel (91-11) 25705233 Telefax : 25705232

E-mail : newdelhi@vsa.co.in & vsand@del3vsnl.net.in

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FINANCIAL MANAGEMENT SERVICE FOUNDATION, NOIDA

Report on Financial Statements

We have audited the accompanying financial statements of **FINANCIAL MANAGEMENT SERVICE FOUNDATION** ("the Trust"), which comprise the Balance Sheet as at 31st March 2014 and the Income and Expenditure Account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the Generally Accepted Accounting Practices in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Mumbai : 2-C, Court Chambers, 35, New Marine Lines, Mumbai - 400 020. **Tel** (022) 2200 4465 / 2206 7440 **E-mail** : mumbai@vsa.co.in
Chennai : 41, Circular Road, United India Colony, Kodambakkam, Chennai - 600 024 **Tel** (044) 2372 5720/30 **E-mail** : chennai@vsa.co.in

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March 2014; and
- b) in the case of the Income and Expenditure Account, of the Surplus for the year ended on that date;

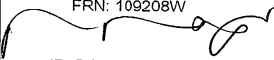
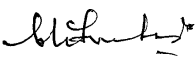

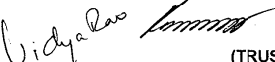

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W



R Raghuraman
Partner
M.No. 081350

Place: New Delhi
Dated: 25.7.2014



FINANCIAL MANAGEMENT SERVICE FOUNDATION (A REGD. PUBLIC CHARITABLE TRUST), NOIDA			
BALANCE SHEET AS AT 31ST MARCH 2014			
	Schedule	As at 31.03.2014 Amount (Rs.)	As at 31.03.2013 Amount (Rs.)
SOURCES OF FUNDS			
Unutilised Grants	I	3,717,297	3,999,755
Corpus Fund	II	10,812	10,446
General Fund	III	19,914,197	18,224,965
Assets Fund Account	IV	11,663,903	14,404,993
TOTAL		35,306,209	36,640,159
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	V	35,771,373	39,132,826
Less : Depreciation		24,107,470	24,727,833
Net Block		11,663,903	14,404,993
Investments	VI	15,320,306	14,071,583
Current Assets, Loans & Advances			
Cash and Bank Balances	VII	4,696,297	4,884,198
Other Current Assets	VIII	3,234,113	1,637,978
Loans and Advances	IX	916,981	1,960,185
		8,847,391	8,482,361
Less: Current Liabilities & Provisions			
Expenses Payable	X	493,015	318,195
Other Liabilities		32,376	583
Net Current Assets		8,322,000	8,163,583
TOTAL		35,306,209	36,640,159
Significant Accounting Policies and Notes forming an integral part of accounts			
XI			
As per our report of even date			
For V. SANKAR AIYAR & CO.		For FINANCIAL MANAGEMENT SERVICE FOUNDATION	
Chartered Accountants			
FRN: 109208W			
			
(R. RAGHURAMAN)		(CHAIRMAN)	
Partner		(EXECUTIVE DIRECTOR)	
M. No. 081350			
Place : New Delhi			
Date : 25.7.2014			
  			
(TRUSTEES)			



**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - I

**GRANTS UNUTILISED / RECEIVABLE FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2014**

Funding Agency	Opening balance as on 01.04.2013		Transactions during the year			Surplus/ (Deficit) transferred to General Fund	Closing balance as on 31.03.2014	
	Unutilised	Receivable	Income	Expenditure	Unspent / (Overspent)		Unutilised	Receivable
<u>EED</u> - Project No.20100003	62,691	-	22,893,060	22,174,910	718,150	-	780,841	-
<u>Misereet-DEMA Programme</u> - Project No.321-900-1419 - Project No.321-900-1465 ZG.	-	309,211	309,300 632,632	- 1,293,698	309,300 (691,066)	89	-	(661,066)
<u>ICCO</u> - Main Grant - NGO Governance Programme - Supporting Programatic Approach	289,380 623,650 2,651,295	-	100,000 - -	104,219 983,045 -	(4,219) (983,045) -	-	285,161 - 2,651,295	- (359,395) -
Christian Aid (DFID)	372,739	-	-	372,739	(372,739)	-	-	-
Bread for the World	-	46,276	1,067,450	1,789,689	(722,239)	-	-	(768,515)
TOTAL	3,999,755	355,487	25,002,442	26,718,300	(1,715,858)	89	3,717,297	(1,788,976)



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FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA

SCHEDULE - II

CORPUS FUND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2014

Corpus Fund	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
<u>Contribution made by the Settler Trustees</u>		
Opening Balance	10,446	10,093
Add : Interest thereon	366	353
Closing Balance	10,812	10,446

SCHEDULE - III

GENERAL FUND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2014

General Fund	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
Opening Balance	18,224,965	17,886,001
Add : Transfer during the year		
<u>Foreign Contribution Account</u>		
Surplus /Deficit as per Grant Account		
- Misereor	89	(1,114,956)
- BFTW	-	(506,942)
- Other Misc Grants	-	(192,609)
- Income and Expenditure Account	2,462,314	2,384,946
Interest from Bank on Fixed Deposit and Savings	-	551,411
<u>Local Contribution Account</u>		
Surplus as per Income and Expenditure Account	-	-
Sub Total	20,687,368	19,007,851
Less : Expenditure during the year		
<u>Foreign Contribution Account</u>		
Expenses for Bftw	620,250	475,918
Misereor	152,921	114,839
Building Renovation Expenses	-	192,129
Closing Balance	19,914,197	18,224,965

SCHEDULE - IV

ASSETS FUND ACCOUNT FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2014

Assets Fund Account	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
Opening Balance	14,404,993	15,600,860
Add:		
Assets purchased during the year	445,089	1,723,259
	14,850,082	17,324,119
Less :		
Sold during the year	1,468,330	757,053
Depreciation for the current year	1,717,849	2,162,073
Closing Balance	11,663,903	14,404,993



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**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), Noida**

SCHEDULE - V

**FIXED ASSETS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2014**

Fixed Assets		Rate of Dep. %	Gross Block			Depreciation Block			Amount (Rs.)		
	Cost as at 01.04.2013		Additions during the year	Sales / discarded during the year	Cost as at 31.03.2014	Dep. upto 01.04.2013	Adj. for sales/ discarded during the year	Dep. for current year	Dep. upto 31.03.2014	W.D.V. as on 31.03.2014	W.D.V. as on 31.03.2013
FOREIGN CONTRIBUTION ACCOUNT											
Office Premises (EED)											
Office Building	10	15,935,570	-	-	15,935,570	9,620,220	-	631,535	10,251,755	5,683,815	6,315,350
Electric Installations and Fittings	15	1,125,237	-	-	1,125,237	868,307	-	38,540	906,847	218,390	256,390
Furniture and Fixtures	10	1,224,054	-	-	1,224,054	718,377	-	50,568	768,945	455,109	505,677
EED Main Grant											
Computers	60	2,671,389	127,575	-	2,798,973	2,526,924	-	163,229	2,690,153	108,820	144,474
Furniture and Fixtures	10	3,581,500	14,625	44,904	3,551,221	2,129,146	28,822	145,090	2,245,414	1,305,807	1,452,354
Office Equipments	15	5,959,241	302,889	209,976	6,052,154	4,265,663	190,689	294,701	4,369,675	1,682,479	1,693,578
Vehicles											
- Cars	15	2,889,684	-	-	2,889,684	992,285	-	284,610	1,276,895	1,612,789	1,897,399
- Cycle	15	3,600	-	-	3,600	2,696	-	136	2,832	768	904
- Motorcycle	15	43,283	-	-	43,283	29,408	-	2,081	31,489	11,794	13,875
Intangible Assets											
- Softwares	60	549,343	-	-	549,343	544,693	-	2,790	547,483	1,860	4,650
CCO											
Computers	60	183,971	-	-	183,971	178,375	-	3,358	181,733	2,238	5,596
Furniture and Fixtures	10	58,400	-	-	58,400	18,888	-	3,951	22,839	35,561	39,512
Office Equipments	15	597,839	-	-	597,839	299,350	-	44,773	344,123	253,716	288,489
Vehicles	15	631,744	-	-	631,744	301,970	-	49,466	351,436	280,308	329,774
Christian Aid (DFID)											
Computers	60	1,222,744	-	1,222,744	-	1,167,175	1,167,175	-	-	-	55,569
Furniture and Fixtures	10	1,003,387	-	1,003,387	-	317,138	317,138	-	-	-	686,249
Office Equipments	15	1,202,581	-	1,202,581	-	516,946	516,946	-	-	-	685,635
Intangible Assets											
- Software	60	122,950	-	122,950	-	117,442	117,442	-	-	-	5,508
Miseror											
Intangible Assets											
- Software	60	100,000	-	-	100,000	97,440	-	1,536	98,976	1,024	2,560
LOCAL CONTRIBUTION ACCOUNT											
Office Equipments	15	20,900	-	-	20,900	13,018	-	1,182	14,200	6,700	7,882
Furniture and Fixtures	10	5,400	-	-	5,400	2,372	-	303	2,675	2,725	3,028
Total											
		39,132,826	445,089	3,805,542	35,771,373	24,727,833	2,338,212	1,717,649	24,107,470	11,663,993	14,404,993
Previous year		38,967,690	1,723,259	1,558,123	39,132,826	23,366,630	861,070	2,162,073	24,727,833	14,404,993	-



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FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA

SCHEDULE - VI

INVESTMENTS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2014

Investments	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
Fixed Deposits with Scheduled Banks		
<u>Foreign Contribution Account</u>		
Bank of Baroda		
- General Fund	6,661,220	6,095,042
<u>Local Contribution Account</u>		
HDFC Bank		
- General Fund	8,659,086	7,976,541
TOTAL	15,320,306	14,071,583

SCHEDULE - VII

CASH AND BANK BALANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2014

Cash and Bank Balances	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
Cash in hand		
<u>Foreign Contribution Account</u>		
- EED	33,853	5,473
- ICCO	1,016	1,016
- General Fund	2,647	46,899
<u>Local Contribution Account</u>		
- General Fund	1,400	132
Balance in Saving Accounts with Scheduled Banks		
<u>Foreign Contribution Account</u>		
Bank of Baroda-22750100001629	1,856,896	2,116,014
<u>Other Bank</u>		
HDFC Bank Ltd-06511450000170		
- General Fund	522,032	555,115
<u>Local Contribution Account</u>		
Standard Chartered Bank-52810053051		
- General Fund	(609)	
- Corpus Fund	10,812	10,203
<u>ICICI Bank</u>		
- ICICI Bank-628401054705-General Fund	820,287	
- ICICI Bank-628401054277-General Fund	30,655	
- ICICI Bank-628401054705-General Fund	19,281	869,933
<u>HDFC Bank</u>		
- HDFC-06511450000016-General Fund	1,384,257	
- HDFC-06511450000023-General Fund	13,770	
TOTAL	4,696,297	4,884,198



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**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

SCHEDULE - VIII

**OTHER CURRENT ASSETS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2014**

Other Current Assets	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
Interest accrued but not due		
- Foreign Contribution Account	345,608	
- Local Contribution Account	429,431	
	775,039	741,005
Tax Deducted at Source		
- Foreign Contribution Account	288,811	
- Local Contribution Account	381,287	
	670,098	541,486
Grant Receivable	1,788,976	355,487
TOTAL	3,234,113	1,637,978

SCHEDULE - IX

**LOANS AND ADVANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2014**

Loans and Advances	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
Security Deposits		
- General Fund	57,703	47,251
- EED	17,000	677,000
- ICCO	1,750	1,750
- Christain Aid (DFID)	-	242,701
Prepaid Expenses		
- EED	224,388	198,123
- ICCO	3,032	8,885
- Misereor	9,402	-
- ICCO NGO Governance Programme	9,403	3,600
Amount Recoverable in cash or kind or value to be received		
- General Fund	593,047	
- ICCO	1,256	
	594,303	780,875
TOTAL	916,981	1,960,185



**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**

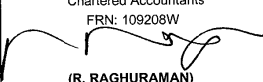


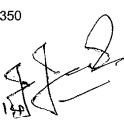

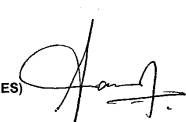
SCHEDULE - X

**CURRENT LIABILITIES AND PROVISIONS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2014**

Current Liabilities and Provisions	As at 31.03.14 Amt. (Rs.)	As at 31.03.13 Amt. (Rs.)
<u>Expenses payable</u>		
- EED	447,110	257,631
- Retention money	36,665	36,665
- Misereor	-	20,224
- Local Contribution Account	9,240	3,675
Sub Total	493,015	318,195
<u>Other Liabilities</u>		
TDS Payable		
- EED	32,376	583
Sub Total	32,376	583
TOTAL	525,391	318,778

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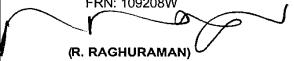


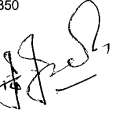

FINANCIAL MANAGEMENT SERVICE FOUNDATION (A REGD. PUBLIC CHARITABLE TRUST), NOIDA			
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014			
	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
FCRA			
Contributions		80,458	788,405
Sale of Publications		73,744	-
Rent		495,000	667,097
Bank Interest		721,218	209,589
Income from other facilities provided		229,025	156,600
Other		869	-
Local			
Bank Interest		823,892	768,742
Workshops / Consultations		-	150,000
Sale of Publications		20,673	118,199
Honorarium		41,240	43,000
Total		2,486,119	2,901,632
EXPENDITURE			
Expenditure - FCRA			
<i>(Programmes for the poorest and most deprived section of the community and evaluation of performances)</i>			
Financial Evaluation -Birsa ,Chaibasa		-	68,450
Financial Evaluation -Birsa ,Jharkhand		-	80,508
Travel and Conveyance		-	119,838
Boarding and Lodging		-	63,452
Expenses on facilities provided		21,856	53,804
Expenditure - Local			
Expenses on CSOP Awards		-	2,351
- Postage & Courier		-	680
- Other Expenses		1,949	1,465
Bank Charges		-	58,638
Workshops / Consultations		-	67,500
Professional Fees		-	-
Total		23,805	516,686
Excess / Deficit of Income over Expenditure Transferred to General Fund	III	2,462,314	2,384,946
Significant Accounting Policies and Notes forming an integral part of accounts			
As per our report of even date			
For V. SANKAR AIYAR & CO. Chartered Accountants FRN: 109208W		For FINANCIAL MANAGEMENT SERVICE FOUNDATION	
 (R. RAGHURAMAN) Partner M. No. 081350		 (CHAIRMAN)	
		 (EXECUTIVE DIRECTOR)	
Place : New Delhi Date : 25.7.14		 (TRUSTEES)	
		 (TRUSTEES)	
		 (TRUSTEES)	



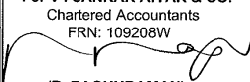
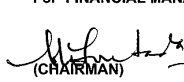
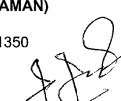

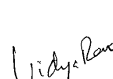

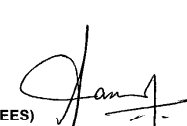
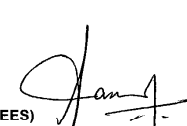
FINANCIAL MANAGEMENT SERVICE FOUNDATION (A REGD. PUBLIC CHARITABLE TRUST), NOIDA FOREIGN CONTRIBUTION ACCOUNT			
<u>EED</u>			
GRANT UTILISATION STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014			
	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
Grant Received		22,787,249	21,157,017
Interest		70,442	86,843
Sale of Assets		35,369	386,342
Profit on sale of Vehicle		-	153,658
Total		22,893,060	21,783,860
EXPENDITURE			
Programme Costs			
<i>(Strengthening Financial Management Capacities of NGOs)</i>			
Monitoring and Consultancy Staff Costs and Training			
Staff Costs		4,885,433	4,286,139
Other Benefits to Staff		159,646	182,135
Monitoring Software		-	3,397
Staff Welfare		-	491,486
Sub Total		5,045,079	4,963,157
Travel Costs for Partner Visits			
Travel and Conveyance		589,259	318,863
Boarding and Lodging		252,054	253,737
Other Expenses		40,768	14,319
Sub Total		882,081	586,919
Capacity Building - Workshops, Consultancies			
Annual Planning and Core Group Meeting Expenses		442,001	529,028
Workshops and Seminars (TOT & Auditors)		858,556	926,804
Translation Fees		13,500	31,200
Travel and Conveyance		179,626	180,031
Boarding and Lodging		216,348	336,558
Networking / Other Expenses		84,132	52,560
Printing and Stationeries		-	340,360
Author Fees		-	455,000
Honorarium		-	40,000
Sub Total		1,794,163	2,891,541
Staff Costs Capacity Building		2,671,340	2,301,947
Publications, Research, FMSF Websites			
Cost of Newsletter		104,600	109,546
Printing of Annual Report and Brochures		29,400	22,000
Website Expenses		33,347	23,090
Staff Costs		629,761	558,044
Software Expenses		379,136	209,991
Membership & Subscription Fees		790	-
Cost of Publications		-	-
- Author Fees		524,000	75,000
- Printing Charges		129,000	-
- Travel and Conveyance		-	65,548
Sub Total		1,830,034	1,063,219
Co-ordination and Administration Costs			
Staff Costs and Training			
Staff Costs		3,425,193	2,537,053
Other Benefits to Staff		177,233	153,853
Sub Total		3,602,426	2,690,906

contd.



Office Costs		
Electricity and Water Charges	560,271	552,190
Printing and Stationary	223,221	245,124
Courier and Postage Charges	205,176	147,912
Generator Running and Maintenance	222,119	31,771
Computers Maintenance	91,645	109,000
Telephone Expenses	227,550	229,621
Internet Expenses	147,282	93,996
Interest on TDS	416	-
Insurance	13,296	9,465
Building Maintenance	877,646	151,960
Office Maintenance	369,620	408,893
Office Equipments Maintenance	185,270	179,103
Office Rent	823,316	2,228,024
Professional Charges	75,483	219,237
Recruitment Expenses	19,548	21,158
Staff Welfare	624,757	-
Conveyance	55,334	67,011
Vehicle Running and Maintenance	389,890	317,257
Audit Fees	233,709	100,525
Other Expenses	123,700	29,410
Sub Total	5,469,249	5,141,657
Travel Costs		
Director and Core Staff	390,506	71,829
Trustees Meetings	-	115,679
Sub Total	390,506	187,508
Capital Costs		
Office Equipments	302,889	40,444
Computer & Printer	127,575	175,565
Vehicle	-	1,488,000
Furniture and Fixtures	14,625	19,250
Loss on sale of Assets	21,969	-
Sub Total	467,058	1,723,259
Organisation Development Process / Evaluation		
Organisation Development Expenses	22,974	219,787
Sub Total	22,974	219,787
Total	22,174,910	21,769,900
Unspent / (Overspent) during the year transferred to Grant Account	I	718,150
		13,960
Significant Accounting Policies and Notes forming an integral part of accounts		
As per our report of even date		
For V. SANKAR AIYAR & CO.		
Chartered Accountants		
FRN: 109208W		
 (R. RAGHURAMAN) Partner M. No. 081350		
For FINANCIAL MANAGEMENT SERVICE FOUNDATION  (CHAIRMAN)		
 (EXECUTIVE DIRECTOR)		
Place : New Delhi Date : 25.7.14   (Trustees)		



FINANCIAL MANAGEMENT SERVICE FOUNDATION (A REGD. PUBLIC CHARITABLE TRUST), NOIDA			
LOCAL CONTRIBUTION ACCOUNT			
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014			
	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
RECEIPTS			
<u>Cash and Bank Balances as on 1st April 2012</u>			
Cash in Hand		132	3,091
Balance in Saving Accounts with Scheduled Banks			
- Standard Chartered Bank		10,203	10,913
- ICICI Bank		869,933	869,539
- HDFC Bank		1,279,413	1,239,340
Fixed Deposit With HDFC		7,976,541	7,359,043
Workshcps / Consultations		-	150,000
Sale of publications		29,538	114,934
Honorarium		41,240	43,000
Workshcps / Consultations		-	15,000
Work shop Travel and Conveyance		-	42,530
Other Income		-	6,600
Bank Interest			
- On Corpus Fund		366	353
- On Others		733,523	661,736
TOTAL		10,940,889	10,516,079
PAYMENTS			
Expenses for CSOP Awards		-	188,124
Workshcps / Consultations		-	67,170
Workshop Professional Fees		-	82,500
Work shop Travel and Conveyance		-	40,598
Fees/Bank Charges		1,949	1,465
<u>Cash and Bank Balances as on 31st March 2012</u>			
Cash in Hand		1,400	132
Balance in Saving Accounts with Scheduled Banks			
- Standard Chartered Bank		10,203	10,203
- ICICI Bank		870,223	869,933
- HDFC Bank		1,398,028	1,279,413
Fixed Deposit With HDFC		8,659,086	7,976,541
TOTAL		10,940,889	10,516,079
Significant Accounting Policies and Notes forming an integral part of accounts			
XI			
As per our report of even date For V. SANKAR AIYAR & CO. Chartered Accountants FRN: 109208W		For FINANCIAL MANAGEMENT SERVICE FOUNDATION	
 (R. RAGHURAMAN) Partner M. No. 081350		 (CHAIRMAN)	
		 (EXECUTIVE DIRECTOR)	
			
		 (TRUSTEES)	
Place : New Delhi Date : 25.7.14			



FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA

**SCHEDULE – XI : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART
OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2014**

A. SIGNIFICANT ACCOUNTING POLICIES

1. The accounts are prepared on historical cost basis as a 'going concern'. Income and expenses are accounted for on accrual basis except for Foreign Contribution Books which are prepared on cash basis , following generally accepted accounting principles and practices and Accounting Standards issued by the Institute of Chartered Accountants of India for NGOs, wherever applicable, except otherwise stated.

2. Fixed Assets acquired / received in kind are directly charged to expenses accounts and stated in the Balance Sheet through Assets Fund Account.

3. Fixed Assets are stated as under:
 - a) Assets directly acquired – at purchase cost less accumulated depreciation.
 - b) Assets received in kind – at stated / estimated cost less accumulated depreciation.

4. Depreciation on fixed assets is provided as per written down value method as per the rates prescribed in Income Tax Act, 1961 .



5. Inventories are valued and disclosed as under:
 - a) Acquired / self produced – at cost.
 - b) Received free of cost or at a nominal charge – at market price or estimated net realizable value.
6. Accounts for the purpose of submission to FCRA are compiled on cash basis.
7. Restricted Grants are utilized as per the conditions of the grant agreement and to the extent utilized they are netted off from the Other Current Liabilities item in the Balance Sheet and transferred to separate account of the granting authority and spent for its pre-determined purpose.
8. Upon completion of the life or obligation of the restricted grant, if any surplus grant remains unutilized the amount is, either in compliance with the grant agreement or upon due consent of the granting authority, either returned to the granting authority or transferred as unrestricted grant or income in Income and Expenditure statement.
9. The assets acquired by the trust while acting as a trustee of the Restricted Grant and fulfilling the conditions of the grant agreement, the asset acquired (primarily fixed assets) is shown at notional value in the Balance Sheet. Any receipts from sale of such assets, in accordance with the terms of the grant agreement, are transferred back again to the appropriate Restricted Fund – Grant Balance and utilized further in accordance with the grant agreement.



B. NOTES TO ACCOUNTS

1. Trust has taken Group Gratuity Scheme with Life Insurance Corporation of India which has been approved by Income Tax Authorities, and premium paid for employees has been charged to expense accounts.
2. Trust has provided the facilities / services to the programmes of the other funding agencies from the infrastructure / resources created out of the funds of main funding agency.
3. As per the management policy the surplus / (deficit) of the completed projects are transferred to General Fund and the remaining balances of continuing projects are reported under Unutilized Grants.
4. Expenses have been allocated to various programs based on the approved activities and budgets of the respective program.
5. No provision for leave encashment entitlement has been made since as per Trust policy, the leaves are to be availed and cannot be en-cashed.
6. The management has allocated the expenses between four Projects (EED, Bread for the World, & Misereor) as per the best estimate made by them. The Auditors have relied on the same.
7. Previous year figure has been regrouped wherever necessary.



8. Income and expenses are reported as per budget of the funding / donor agencies received on grant to grant basis, hence previous year figures are not comparable.

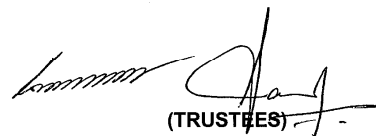
Signature to Schedule – I to XI of the Balance Sheet.

For V. SANKAR AIYAR & CO
CHARTERED ACCOUNTANTS

For FINANCIAL MANAGEMENT SERVICE FOUNDATION



(R . RAGHURAMAN)
PARTNER
Membership No :81350


(CHAIRMAN)
(EXECUTIVE DIRECTOR)
(TRUSTEES)

Place : New Delhi
Date : 25.7.2014



Annual Report 2013-14

FINANCIAL MANAGEMENT SERVICE FOUNDATION

“Accountability House” A-5, Sector - 26, NOIDA -201301

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