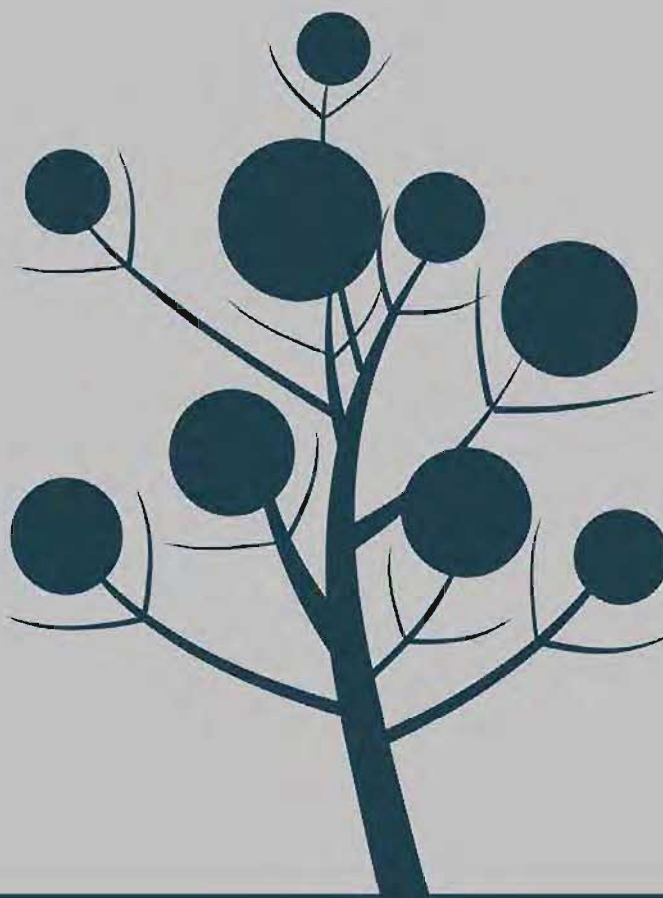


STRENGTHENING THE CORE



ANNUAL REPORT

2011-12

From the Executive Director 's Desk



It is my pleasure to present the 2011-12 Annual Report ***“Strengthening the core ”*** and share with you highlights and successes from the year.

This has been a busy and productive year with number of workshops organized and facilitated for the partner organizations as well as for other NGOs & agencies. Simultaneously many pre-funding assessments were taken on behalf of EED. This year FMSF internal project monitoring software has been made operational.

During the year the thrust area “Capacity Building ”gained a lot of significance.FMSF realizing the need of more in-depth focus on the areas of Financial Management, Legal Issues and Governance Processes, developed a capacity building module. Poorest Areas Civil Society (PACS) Secretariat approached FMSF to conduct series of workshops for its partner organization on the above three issues.

FMSF was able to organize two regional conventions of NGO Accountant Network (NAN) for its regional members with a special focus on FCRA & DTC. FMSF was also approached by international organizations for undertaking specialized financial review & evaluation for their partner organizations.

This year gone by has been very enriching for us and I would like to take the opportunity to extend my sincere gratitude to EED, Germany for their unconditional support & encouragement. A special thanks to the Board of Trustees for their guidance and last but not the least, I want to thank each and every partner & associates who have constantly helped us in our endeavor. I am especially grateful for the commitment & dedication shown by our Staff.

“Continuous effort- not strength or intelligence is the key to unlocking our potential ” with these words of Winston Churchill, FMSF promises to continue its effort in bringing in more accountability in the development sector and FMSF assures to unlock its potential by continuously engaging itself in exploring new areas of challenges this coming year.

Sanjay Patra
Executive Director



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1. FMSE-at a Glance



OUR VISION

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

OUR MISSION

FMSF is a resource organization which seeks to promote accountability in South Asia by

- *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

Established more than 17 years ago, FMSF has been continuously striving towards promoting accountability in the voluntary sector. It provides specialized services to various NGOs in the Indian Subcontinent as well as overseas resource agencies in the field of Monitoring, Financial Management, Legal regulations and related Governance aspects. Since its inception, FMSF is consistently being guided by the core values of promoting accountability, transparency, humanness and sensitivity.

FMSF is involved in number of initiatives geared towards building capacities in the voluntary sector and has been one of the pioneers in setting up of accountability standards for the voluntary Sector. The Organization has grown in stature over the years with continuously expanding its umbrella of services with continued thrust upon promoting accountability and transparency in the voluntary sector.

FMSF manifests its vision and mission through its activities categorized under two core areas i.e. Financial Monitoring of the development projects and capacity building initiatives in order to capacitate the organizations in the voluntary sector.

The core areas of involvement of FMSF are given below:

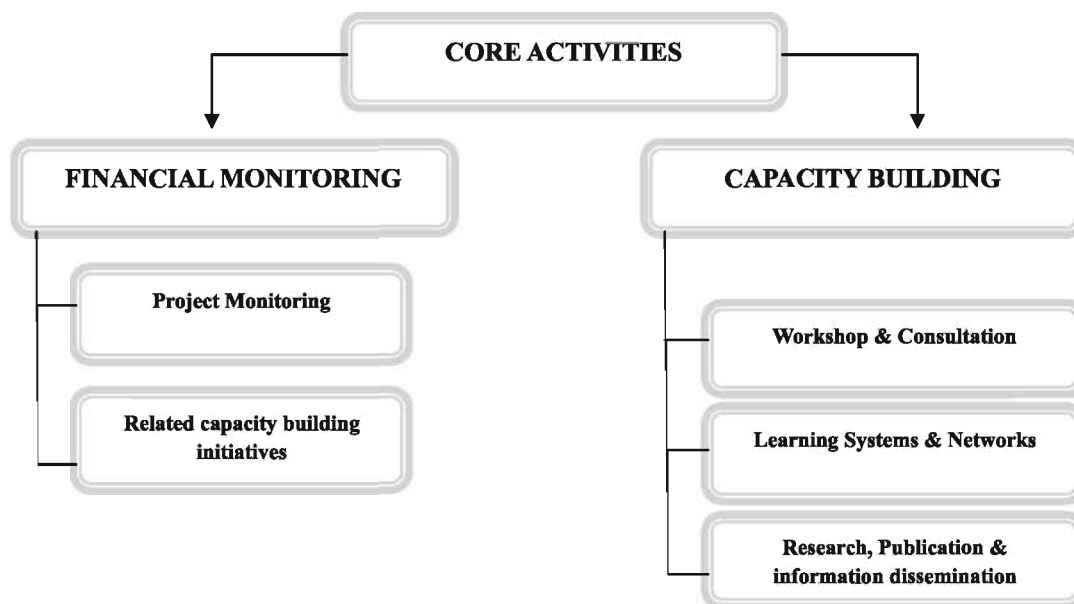


Fig 1: Core Activities of FMSF

2. PROGRAMME



2.1. FINANCIAL MONITORING OF DEVELOPMENT PROJECT

Financial monitoring of development projects is one of the core areas of FMSF. Since its inception, FMSF has been involved in the financial monitoring of the development projects supported by EED Germany in India, Bangladesh, Srilanka, Pakistan and Nepal. The objective of financial monitoring is twofold, on one hand it seeks to ensure that the back donor requirements are complied with and at the same time it focuses to enable and build capacities of partner organizations for effective financial management.

Broadly, the process of financial monitoring includes the following:

- Ensure regular and timely submission of financial and progress reports by the partner organizations.
- Analysis of periodical Financial and Progress Reports.
- Facilitate timely and regular transfer of funds to the projects.
- Regular partner and field visits to support partner organizations
- Develop systems/procedures to ensure timely closure of projects.

2.1.1 INTERNAL MONITORING SYSTEM:

In order to accomplish the above, FMSF has an effective internal monitoring system. The monitoring processes have been institutionalized with checks and balances at each stage to minimize error and enable smooth functioning. There are in built mechanisms to track regular flow of funds to the partners after ensuring that the partner has complied with all the reporting requirements of EED. Timely reminders are also sent to the partners for the submission of reports and fund request. To facilitate timely transfer of funds to the partner organization, they have to submit their request for transfer of funds to FMSF. Some tools and instruments have been standardized to ensure overall quality of work. Some of these are visit check list, capacity assessment checklist, midterm review checklist etc.

2.1.2 MONITORING SOFTWARE:

During the reporting period, FMSF Project Monitoring Software has been made operational. The Monitoring software is a web based application designed to standardize the internal Project Monitoring processes. The application is having centralized database system of all EED Projects with complete information and provides live status related to EED Projects. Users have an option to access their Project status from anywhere through internet. The application is having an Inbuilt option to send Auto Email Reminders to the Project monitoring staff to follow up on the overdue reports, pending Acknowledgement of receipt of Funds, follow up on special conditions if any etc.

The application is also helpful to plan and monitor the Cash flow, EUF plans and the status of fund request received from the partners. Further, there is an option to upload visit reports of the monitoring staff and the Analysis of Evaluation recommendations of the EED partners etc. The application is customized as such to generate individual project wise status reports and global reports on the status of reports received, overdue, Status of preparation of PME sheets, Cash Flow etc. Further, EED also has access to the application.

2.1.3 PRE-FUNDING ASSESSMENTS:

FMSF undertakes pre-funding assessments on behalf of EED for the projects which are in the pre-approval stage. During the assessment, various aspects of the organization mainly financial system and processes, Governance aspects, internal control mechanism and legal compliances are reviewed to assess the overall financial management system of the organization. During this period 5 pre-funding assessments were taken up by FMSF on behalf of EED. The details of the pre-funding assignments are given below:

Date	Name of the Organization	Assignment	Place
May, 2011	CPF	Prefunding Assessment	Hyderabad
June, 2011	WOTR	Prefunding Assessment	Pune
July, 2011	VANI	Prefunding Assessment	Delhi
July, 2011	Asian Centre for Human Rights	Prefunding Assessment	Delhi
Dec, 2011	Lok Jagriti Kendra	Prefunding Assessment	Madhupur

Table 1: Details of Pre-Funding assessments by FMSF

2.1.4 PROJECTS & REPORTS:

During the reporting period, FMSF has received 203 Audited financial report and 200 Progress reports.

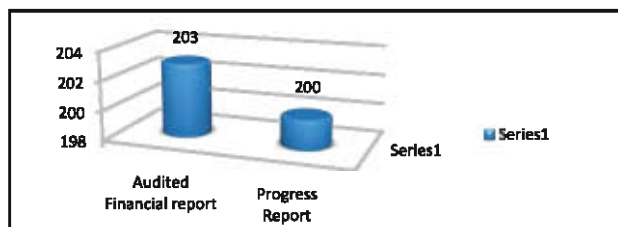


Chart1: Details of financial & progress reports received

During the reporting period, number of new projects was taken up and the old projects were closed. In the year 2011-12, 37 new projects were taken up and 38 old projects were closed. As on 31st March 2012, FMSF monitors 131 projects supported by EED in South Asia.

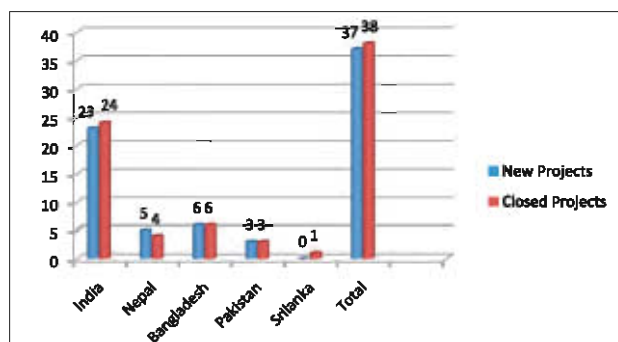


Chart2: Details of new projects & closed projects

2.1.5 PARTNER VISITS:

FMSF also undertakes regular partner visits for monitoring and support purposes. During such partner visits, various project related issues are discussed and critical issues if any are resolved. While visiting a partner organization, field areas are also visited to have an overview of the work. Such visits are at times jointly conducted with colleague from EED. During the period, FMSF team members visited around 51 partner organizations.

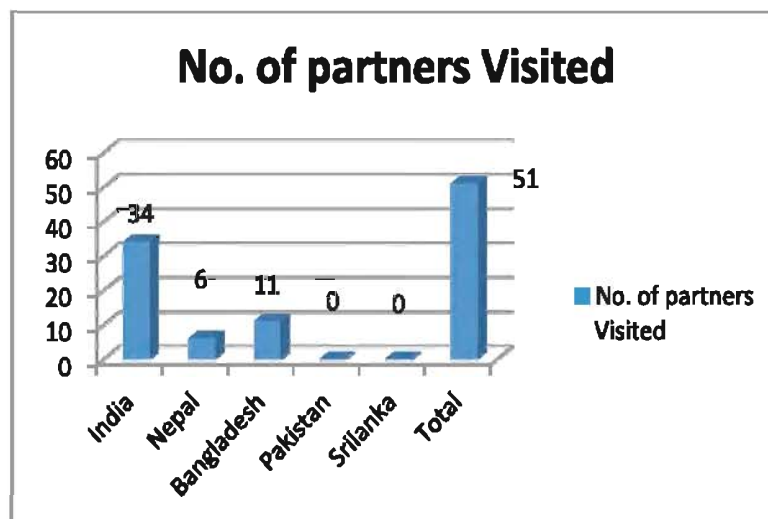


Chart3: Details of Partner Visit

Apart from EED Projects, FMSF also monitors Projects supported of Bread for the World (BftW), Germany in North and Central India.

As a follow up of March 2011 meeting, a Finance Consultants meet was held on 2nd November, 2011. The meeting had the participation of representatives from EED, FMSF members and the various Finance consultants that have been involved in EED supported projects in the past. The objectives of the meet were:

- To take forward the discussions process of the March, 11 meeting
- To identify areas of intervention to mitigate the risk at the partner level

2.1.6 Pool of Auditors:

To increase the quality of project audit and to encourage the partner to rotate the Auditors, FMSF has been trying to build/ enhance the experienced Auditors pool.

2.1.7 Finance Consultants:

In the recent past, EED has been commissioning financial evaluation of EED partners in South Asia. To ensure independence and quality of the evaluation process, FMSF is also working on identification and orientation of financial consultants. FMSF has been working to enhance the panel of consultants.

2.2 CAPACITY BUILDING, LEARNING SYSTEMS & NETWORKS

2.2.1 Capacity Building

Capacity Building is one of the thrust areas of FMSF. Since its inception, FMSF has always been striving towards capacity enhancement of voluntary organizations. Further, realizing the vastness and multifarious demands of the various stakeholders and organizations, the capacity building efforts of FMSF is provided through different platform. These ranges from short term training/workshops to sustained training programs like one year Diploma in Financial Management and Accountability. FMSF also provides mentoring; coaching and accompaniment services to develop and strengthen financial systems and processes of organizations.

Further, our effort always has been to introspect; explore; change and develop our training programs to fulfill the needs of the voluntary sector. Earlier FMSF used to conduct training programs based on a broader framework of Basic Financial Management, Governance and Legal Issues. In addition, there used to be exclusive session on EED reporting requirements. Generally, such workshop used to be for a period of 2.5 to 3 days wherein all the above mentioned areas used to be covered. Given the magnanimity of the issues involved under each of the areas, the training used to focus more on raising awareness and imparting certain specific tools under various areas covered during the workshop.



However through research and experience, FMSF realized that the need is to have more in-depth focus on a particular area in individual workshops rather than providing a larger perspective on all the areas of Basic Financial Management, Legal Issues and Governance processes.

This led to a series of internal reflection process and based on the monitoring experience, evaluation findings and the current issues that are prevalent in the sector at large, six key areas were identified with an idea that each area would be treated as a separate module. Given below is the module that was developed during the process.

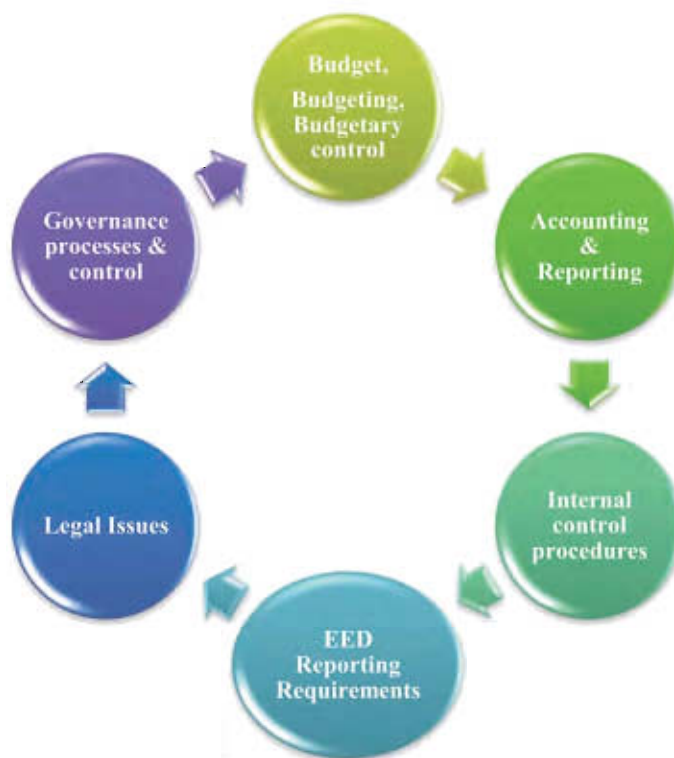


Fig 2: Capacity Building Module

The above mentioned areas are broad framework. In general, it is expected that every organization should undergo training in all the above mentioned modules. However, depending upon the need and capacity of the organization, all modules may not be applicable. Further, in certain cases some of the modules are also clubbed together in a particular workshop.

2.2.2 Workshop:

During the reporting period, FMSF organized 2 workshops for EED partners and facilitated various sessions in 4 workshops organized by other organization. The list of workshops organized as well as facilitated by FMSF is given below.

Workshop for EED Partners

Date of workshop	Workshop	Place	Details
27 th & 28 th June 2011	Workshop on Financial Management with special focus on Budgeting for NGOs	FMSF, NOIDA	This workshop was conducted for the <i>Northern Partners</i> . It specifically focused on budgeting as a process & budget as a control tool.
29 th & 30 th November, 2011	Workshop on Financial Management with focus on Governance of NGOs	Kathmandu, Nepal	The workshop was organized for the <i>Pakistan Partners</i> to provide an understanding of concept of Governance & its relevance in the NGO sector, importance of budget & budgetary control. Special discussions were held with respect to various legal aspects of NGO in Pakistan. Changing EED requirements were also discussed in detail.

Table 2: Workshops organized by FMSF for EED Partners

Workshop for other Organization

Date of workshop	Workshop	Place	Details
18 th August, 2011	FCRA 2010	Chennai	The workshop was organized by SCINDeA and was facilitated by FMSF. The main objective of the workshop was to understand the

			key features of FCRA Rules, 2011 & to understand various new sections and its implications on the functioning of NGOs.
29th August ,2011	Financial Management	New Delhi	The workshop was facilitated by FMSF for EEFICOR. The sessions focused on 7 steps of financial management, Internal control in organization and new FCRA Act.
August, 2011	FCRA 2010	Hyderabad	This workshop was organized along with Ministry of Home Affairs (MHA) in Hyderabad. The primary objective of this workshop was to understand the key features of FCRA Rules, 2011 & to understand the new sections and its implications on functioning of NGOs.
September, 2011	FCRA 2010	Lucknow	VANI & CASA approached FMSF to facilitate a workshop on FCRA 2010 for their UP partners. Various sessions were held to understand the key features of FCRA Rules 2011 and also to understand the new sections & its implications on functioning of NGOs
29th October, 2011	Consultation on key accountability & Governance related issues of CSO	Delhi	Along with Credibility Alliance, FMSF organized workshop on governance for voluntary organization. Various aspects of governance were discussed in this workshop.

October, 2011	Financial Management	Pune	Mr. Sandeep Sharma from FMSF was the chief speaker in Pragati organized by Vibha. Various sessions on Budgeting, financial management and FCRA Act 2010 was taken by him.
December, 2011	Training on financial monitoring (for CASA staff)	Kolkata	This training was organized for the senior staff members of CASA in Dec 2011. The training focused on various aspects related to effective financial monitoring. Tools & techniques were developed for capturing the financial impact. Linkages between finance and programme activities were also discussed.

Table 3: Workshops Facilitated by FMSF for other Organization

2.2.3 Learning Systems:

Over the years, it was realized that access to structured training programs are limited. Further, a need was also felt for a relatively long term training program which could expose the participants to the various aspects of NGO financial management and Governance process in a sustained manner. It was in this background, FMSF launched the online learning systems program in 2008. Currently, there are two programs that are rolled out under online learning system mode. These are Diploma in Financial Management & Accountability (DFMA) and NPO Governance Program.

2.2.3.1 Diploma in Financial Management & Accountability (DFMA) is a one year long-distance education program in collaboration with the Tata Institute of Social Sciences (TISS). It caters to the unmet demand of sustained financial management trainings for voluntary sector. The course is specifically designed for personnel already working in voluntary sector seeking to equip themselves with financial management skills and for persons who are seeking to join the voluntary sector in near future. The course is completely web based and the study materials are also sent in hardcopy to the students. The course design has been jointly developed by FMSF and TISS. The course was first time launched in August 2008 and since then 3 batches have successfully completed

the program. Currently, the 4th batch and 5th Batch are running and registration for the batch 6 is open for the course to begin from August 2012.

The faculties for the DFMA Program have rich experience and background in their respective areas. They are the eminent persons from the field of academics as well as development sector. 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 details of the paper and the faculty are given below:

Name of the Papers	Faculty
1. Introduction to the Voluntary Sector	Prof. Dr. Vidya Rao TISS, Mumbai
2. Legal Framework	Mr. Manoj Fogla, CA & Legal Expert
3. Book keeping & Accounting	Ms. Rozmin Ajani, CA
4. Budgeting & Monitoring	Mr. Joselyn Martins, CA
5. Project Fund Accounting	Mr. Sanjay Patra, CA
6. Control Systems	Mr. Suresh Kejriwal, CA
7. Audit	Mr. Suresh Kejriwal, CA
8. Governance	Mr. Manoj Fogla, CA & Legal Expert

Fig 3: Details of papers & faculties

2.2.3.2 NPO Governance Program

Governance plays a crucial role in effective functioning of an NGO. Further, Governance standards of organizations are recognized as critical in maintaining the transparency and accountability of the organization. Good governance is crucial and critical also for the corporate and government sector. Over the years, the corporate world and even the

government sector, has increasingly recognized the need for good governance practices. This gets reflected in the emphasis on the corporate governance best practices and the regulatory frameworks that have emerged. However, in the NGO sector, such good practices are yet to develop and even the current regulatory framework does not lay emphasis on good governance practices. Further, there is also lack of training opportunities where an individual can get oriented on the governance practices concerning the NGOs.

Over the years, FMSF has been engaging in the area of Governance and have been one of the pioneers in setting up of accountability standards for the NGO Sector. However, a need for sustained training program was also felt. The online program on NPO Governance is a humble effort in this direction. The course is designed with the following objective:

- Gain a basic understanding of the Governance mechanism in NPOs;
- Have an overview of the Governance Structures & Processes
- Be able to understand the Basic Roles & Responsibilities of the Board Members
- Gain a basic understanding of the Governance Controls required for an NPO.
- Identify the common myths and misconceptions in the Governance of NPOs.

The course will be completely web-based. The whole course will be divided into 4 modules and will be completed in four months. For each module, course material will be parked online for the access of the students coaching. Further the program will be open for people across the globe.

Details of modules are given below:

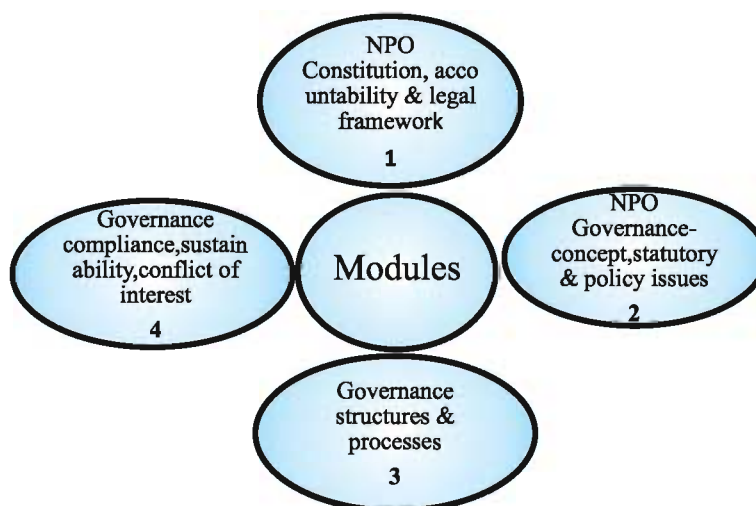


Fig 4: Course Contents of NPO Governance Programme

2.2.4 NETWORKS :

The main objective of creating different 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 to enhance the accountability and transparency in the voluntary sector. It primarily facilitates two networks.

- Forum for Ethics, Accountability and Transparency (FEAT)
- NGO Accountants Network (NAN)

2.2.4.1 Forum for Ethics Accountability and Transparency (FEAT):

It is a network of finance consultants engaged in the voluntary sector providing necessary consultancies in the areas of Financial Management, Legal Aspects and Related Governance. The forum also provides a platform for mutual learning amongst its members. The services of FEAT members are being used from time to time in various initiatives by different agencies as well. The last meet of FEAT was the fourth confluence which was held in Chandigarh on 6th-7th March, 2009. Some of the FEAT members are also faculty members of the DFMA and NPO Governance Program. Further, the members also regularly contribute to the half yearly journal *INTERface* published by FMSF.

2.2.4.2 NGO Accountants Network (NAN):

Is a network of Accountants and finance persons working in the voluntary sector. It aims at providing 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.

During this reporting period FMSF organized two regional convention of NAN for its regional members with a special focus on FCRA & DTC. The details of the NAN Conventions held are given in the next page.

Date of workshop	Workshop	Place	Details
29 th & 30 th September, 2011	NGO Accountants Network (NAN) Convention with a special focus on FCRA2010	CYSD Bhubaneswar	This convention was organized for <i>Eastern & North Eastern regional members</i> with an objective to understand the key features of FCRA Rules, 2011 & to understand various new sections and its implications on the functioning of NGOs
13 th & 14 th October, 2011	NGO Accountants Network (NAN) Convention with a special focus on FCRA2010	NOIDA	This convention was organized for <i>Northern & Central India regional members</i> with an objective to understand the key features of FCRA Rules, 2011 & to understand various new sections and its implications on the functioning of NGOs.

Table 4: Details of NAN Convention

In the convention held in Bhubaneswar, 52 participants from seven states participated. The resource team comprised of Mr. Sanjay Patra, Executive Director, FMSF, Mr. Manoj Fogla, CA and Mr. Suresh Kejriwal, CA. The second convention was organized in Noida in which 76 participants from fourteen states participated. The resource team for the second convention comprised of Mr. Sanjay Patra, Executive Director, FMSF, Mr. Manoj Fogla, CA and Mr. Sameer Manocha, CA. The sessions included discussions and inputs on, FCR Act 2010 & FCR Rules 2011 and Income Tax Act 1961 and Proposed DTC. In addition Accounting & Reporting Issues in NGOs, Audit related issues were also discussed and deliberated.

2.3. RESEARCH, PUBLICATIONS & INFORMATION DISSEMINATION

Information plays a key role in the present world. The right information, in the right form, at the right time is needed to make correct decisions. FMSF engages in disseminating relevant and useful information in the voluntary sector. This role of FMSF is being facilitated through its rich collections of Research & Publications. These resources are looked upon as an important source of information by many in the sector.

2.3.1 Research:

Research is an important part of FMSF activity. The research work at FMSF is primarily oriented towards developing tools and concepts that would be helpful for the sector. Further the research work also feeds into the capacity building initiatives of FMSF. During this reporting period, various concept notes and tools were developed through the in-house research. Some of these are Concept Note on Notional Expenditure; Handout on Management letter; a Concept note on Rotation of Auditors etc. FMSF is also undertaking a study on the laws affecting/governing voluntary sector in South Asia. Various regional experts are part of the research team. All these concept notes and tools are widely circulated among partner constituencies and also made available on the website of FMSF. Apart from the above mentioned, FMSF also receives a number of queries on various issues of Income Tax, FCRA and other laws from a number of voluntary organizations. All the queries are duly responded to by the research team.

2.3.2 Internship:

FMSF also hosts interns from various educational institutions like Tata Institute of Social Science (TISS) and Institute for Rural Management, Anand (IRMA), etc to work on wide range of projects.

2.3.3 Publications:

FMSF regularly publishes book and journal on various issues related to the voluntary sector ranging from Legal to Financial management to Governance. Such publications are widely circulated and are highly recognized in the sector.

FMSF till now has published seven books namely

- Manual of Financial Management & legal Regulations
- Legal & Finance Handbook for Voluntary Organizations
- Social Accountability Standards for Voluntary Organizations

- Handbook on Social Audit for NGOs
- Handbook on Bombay Public Trust Act
- Handbook on Financial Audit & Reporting for NGOs
- Revised Finance Handbook for Voluntary Organizations.

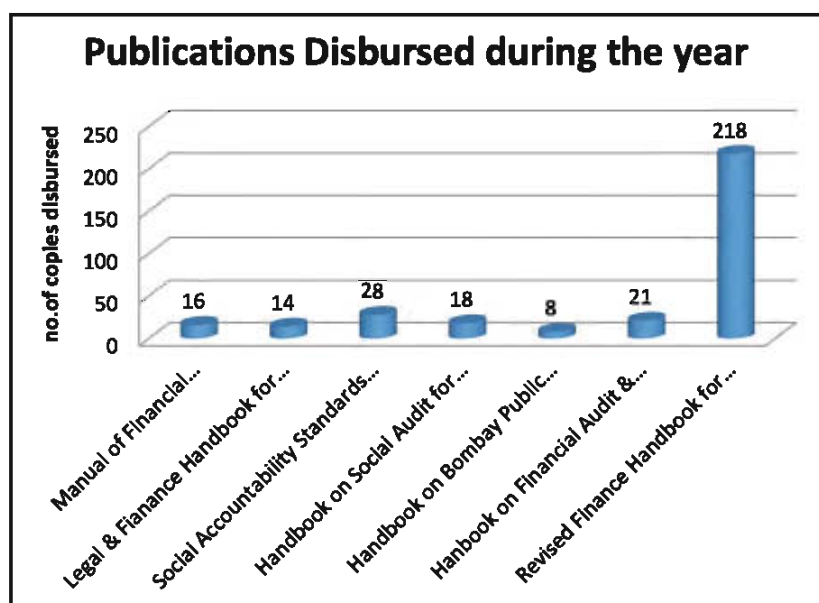


Chart 4: Disbursement of FMSF Publications April '2011-March'2012

The above Graph shows the disbursement of FMSF Publications during the reporting period. In the year 2011-12, 16 copies of Manual of Financial Management & legal Regulations, 14 copies of Legal & Finance Handbook for Voluntary Organizations, 28 copies of Social Accountability Standards for Voluntary Organizations, 18 copies of Handbook on Social Audit for NGOs, 8 copies of Handbook on Bombay Public Trust Act, 21 copies of Handbook on Financial Audit & Reporting for NGOs and 218 copies of Revised Finance Handbook for Voluntary Organizations were disbursed.

2.3.4 INTERface:

As part of information dissemination initiative, FMSF publishes a six monthly journal "INTERface" that covers legal, financial and governance related issues pertaining to voluntary sector. During the Reporting period, 1 issue of INTER face was published. The topics covered in the issues published during the period are as follows:

- Analysis of Foreign contribution (Regulation) Act 2010
- FCRA Dilemma for CSOs
- Checklist for donors
- Role as an Auditor
- Management Letter as a Template
- A Handout on Notional Expenditure
- Concept note on Notional Expenditure in Development projects in grant based forms of Co-operation

2.3.5 Standards & Norms:

Since October 2008, FMSF has been regularly disseminating information on legal and financial aspects through its monthly e-communiqué “Standards & Norms”. The main objective of this communiqué is to be a Resource Support on NGO Governance, Accounting & Legal Regulations whereby regular updates are provided. The Chief Contributor of legal inputs for this e-communiqué is Mr. Manoj Fogla, FCA, Senior Consultant. The e-communiqué is widely circulated and reaches to more than one thousand organizations and individuals.

During the reporting period 8 issues of Standards & Norms were published. The lists of the topics are given below:

- Analysis of foreign contribution (Regulation) Act 2010 & Rules 2011, May 2011
- Dilemma for CSOs, June 2011
- Branch & Liaison Offices of foreign donors, July 2011
- Checklist for donors after FCRA 2010, July 2011
- Community radio after FCRA 2010, August 2011
- Political nature under FCRA, December 2011
- Legal status of a facilitating NGO, January 2012
- Revised issue, political nature under FCRA, January 2012

2.3.6 Websites:

FMSF is engaged in disseminating relevant and useful information in the voluntary sector through its various websites. It has five different websites that cater to different issues related to voluntary sector. Apart from Organizational website www.fmsfindia.org there are four other specialized websites. They provide information on various issues like

- Legal (www.legalissuesforngos.org),
- Income Tax related matters (www.incometaxforngos.org)

- FCRA (www.fcraforngos.org)
- Social Accountability (www.socialaccountability.net)

2.3.7 Other areas of Involvement:

2.3.7.1 Financial Review & Evaluation:

FMSF was approached by some international agencies for undertaking specialized financial review and evaluation for some of its partner organizations. During this reporting period, FMSF has conducted 2 financial reviews, the details are furnished below:

Date	Name of the Organization	Client	Place	Assignment
April 2011	Qwardis	Misereor	Bangalore	Financial Review
April 2011	Oriya & Telgu medium schools	Mission of Mercy, USA Assembly of God Mission, Kolkata	Puri	Financial Review

Table 5: Details of financial reviews taken up by FMSF

2.3.7.2 Poorest Areas Civil Society (PACS):

Poorest Areas Civil Society (PACS) a flagship program of Department for International Development (DFID) U.K also aims at building capacities of the CSOs in the Programme and Grant Management. PACS is being implemented through grant support to CSOs working to improve the uptake of entitlements by socially excluded people in the project areas. In order to effectively and sustainably deliver the objectives of the PACS, the CSOs will need strong financial and programme management systems in place. Effective financial management and programme management will form the basic blocks of building the organizational capacities of CSO partners and other CSOs (primarily led by the socially excluded). It was in this background the PACS secretariat approached FMSF to conduct series of workshop on “Financial Management, Governance and Legal Issues ” for its partner organization. The training program was divided into three phases, the first phase being the pilot testing workshop which was conducted by FMSF in Patna from 29th -30th August, 2011. In the second stage, four workshops were conducted in Bihar & Jharkhand for the PACS partner, details of the workshop is mentioned below:

SL No.	Details	Date
1	PACS workshops, Ranchi	7 th -8 th September 2011
2	PACS workshop, Ranchi	15 th -16 th September 2011
3	PACS workshop, Patna	21 st -22 nd September 2011
4	PACS workshop, Patna	26 th -27 th September 2011

Table 6: Details of PACS Workshop till Sept,11

After the successful completion of the second phase, PACS secretariat invited FMSF for conducting further workshops for their partner organizations based in rest of the states where the PACS program is being implemented, namely, U.P. West Bengal, Madhya Pradesh and Chhattisgarh. During this reporting period 5 more workshops were conducted in addition to the 4 workshops that are mentioned above. The lists of workshop organized are given below:

SL No.	Details	Date
1	PACS workshops, Bhubaneswar	23 rd -24 th February 2012
2	PACS workshop, Bhopal	1 st - 3 rd March 2012
3	PACS workshop, Bhubaneswar	11 th -13 th March 2012
4	PACS workshop, Lucknow	19 th - 20 th March 2012
5	PACS workshop, Lucknow	21 st -22 nd March 2012

Table 7: Details of PACS Workshop conducted till March 12

2.3.7.3 CSOP AWARDS:

The CSO Partners' outstanding annual report award is an endeavor in creating benchmarks in the realm of NGO reporting and it is the first and only annual report awards of its kind in the voluntary sector. It is an effort to build a movement for transparency to bring in accountability. During the reporting period, the fourth award ceremony was organized on 10th March 2012 at India Habitat Centre, New Delhi.

The award was instituted by the **CSO partners** jointly with **Financial Management Service Foundation and Outreach partner NGO marketplace**. The reports received were categorized into three different categories, "**Small**" (organizations with an annual income of less than Rs. 50 lakhs), "**Medium**" (organizations with an annual income



range of between Rs. 50 lakh to Rs. 5 Crore) & “**Large**” (organizations with an annual income of more than Rs. 5 Crore). The annual reports and audited financial statements of the organizations were evaluated on the three main aspects of financial reporting, 'transparency', 'reader friendliness' and 'effective communication'. The short listed annual reports were then presented to a Panel of Jury who then judged the reports and selected the winners. To capacitate NGOs in reporting, an initiative was taken and a Guide to Annual Reporting was also released during the said function.

3. GOVERNANCE



3.1. GOVERNANCE

Good Governance is crucial for effective functioning of the organization. In FMSF governance means to achieve high level of accountability, efficiency, responsibility and justice in all area of operation. Promoting Accountability is the mission of FMSF and is practiced at all level of the organization through robust governance mechanism and processes. 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 of Desks are responsible for the day to day management of the organization.

3.1.1 BOARD OF TRUSTEES:

The Board is the ultimate authority and seeks to ensure that the affairs of the organization are in line with the vision and mission and objective of the organization. Our Board of trustees comprises of a highly talented and multi-skilled individuals.

Bishop (Dr.) C.L.Furtado, Chairman, is a retired Bishop of Church of South India with a pool of rich experience of Governance of faith based as well as secular Voluntary Organizations. He is known for his remarkable track record of management of various organizations.

Ms. Rosemary Viswanath, Trustee, is a Post Graduate Diploma in Management with dual specialization in Personnel Management & Organizational Behavior and Habitat and Human Settlements from Indian Institute of Management, Bangalore. She is an Organizational Development expert and is currently Director of EQUATIONS-a research, campaign and advocacy organization that studies the social, cultural, economic and environmental impact of tourism on local communities. She has been involved in many research and evaluation processes that has contributed in strengthening organizational processes of NGOs and has a solid knowledge of the ground realities of the development organizations.

Mr. C.B.Samuel, Trustee, is an experienced resource person and is heading a network of voluntary organizations known as PRABHAAV. He has been involved in various mentoring and counseling processes in the Leadership Development in NGOs. He has also been involved in building capacities in the areas of programme and governance matters in the development organizations.

Prof. (Dr.) Vidya Rao, Trustee, is the 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 done her PhD (Social Work) from Tata Institute of Social Sciences. She brings in rich academic background and

contributes in FMSF's capacity building initiatives to be more effective. She has also conducted various training programs on District Planning, Tribal Development and NGO Management.

Ms. Monica Sudhir, Trustee, is a Learning & Development Consultant with over 20 years of experience. She has trained executives of MNCs and Corporate at all levels in the areas of Leadership and Motivation, Communication for Organizational Excellence. She is also associated with the Institute of Chartered Accountants of India (ICAI) as Faculty and has trained more than 12000 Chartered Accountants.

3.1.2 BOARD MEETINGS:

The Board of Trustees meets in regular interval to review the work of the organization and in making strategic decisions of the Organization. During the reporting period, the Board met twice.

34th Board meeting was held in Mangalore on the 2nd August 2011 and 35th Board meeting was held in Puri on 11th January, 2012.

3.1.3 OTHER INTERNAL MEETINGS:

3.1.3.1 Annual Planning:

The Annual Planning Meeting was held in Puri during 9th-11th January, 2012. The primary objective of this meet was to reflect on the previous year activities and make strategic plans for the coming year. After a intensive review and discussion process, a annual plan for FMSF activities was developed for the year 2012.



3.1.4 AUDIT:

FMSF has a clear policy for audit. The Statutory auditors are appointed in the Annual General Meeting of the Board of Trustees and their remuneration is fixed. Both the audit report as well as management letter is received by the Board of Trustees. The Internal audit process is also carried out at regular intervals and the suggestions & recommendations are considered by management.

Since last year, FMSF has appointed a new statutory auditor M/s V. Sankar Aiyer & Company, New Delhi.

3.1.5 STAFF TEAM:

Staffs are the greatest asset of any organization and they are highly valued and recognized in FMSF. Our staffs come from various backgrounds like Chartered Accountants, MBAs, I.T Professionals, Rural Management Professionals, etc. During the reporting period, Mr. Maneesh Jain & Mr. Edwin Bansriar joined the FMSF team. FMSF Staff as on 31st March 2012 are as follows:

Executive Director

Mr. Sanjay Patra

Head- Resource Desk

Ms Anuradha Singh

Finance Coordinator

Mr. Lalatendu Samata

Programme Manager

Mr. Prabhat Kumar

Senior Project Coordinator

Ms Sapna Singh

Project Monitoring Coordinator

Mr. Abhishek Chandra

Project Monitoring Associate

Ms Bushra Khan

Head- Programme Desk

Mr. Sandeep Sharma

IT & Admin Coordinator

Ms Renu Arora

Programme Manager

Mr. Hari Krishna

Senior Project Coordinator

Ms Aarti Sharma

Project Monitoring Coordinator

Mr. Maneesh Jain

Knowledge management Facilitator

Mr. Satyajit Das

Research Associate

Mr. Edwin Bansriar

Support Staff

Mr. Rajman Yadav

Support Staff

Mr. Ram Bahadur

Support Staff

Mr. Anil Sharma

Support Staff

Mr. Dharmendra Singh Rawat

3.1.6 STAFF DEVELOPMENT PROGRAMME:

As a part of the Capacity Building measure, FMSF encourages its staff members to participate in the workshop and training programs organized by FMSF. Accordingly, during the reporting period some of the staff members attended the workshop on financial management held on 27th and 28th June 2011 and NAN convention held on 29th and 30th September 2011.

Further, in-house training was provided to some of the staff on the various features of Microsoft Word and Excel. During this period, two new staff member joined the organization. A thorough induction program for 15 days was conducted for the new recruits.

During the reporting period, some of the other training program organized for staff members are mentioned below:

- Workshop on Impact and Outcome Orientation: The workshop was facilitated by Mr. Robert Mehr, Consultancy Desk, EED on 21st-22nd July 2011. This two days training program was organized to develop understanding on the issue of impact and outcome assessment which would enable FMSF to develop its own framework for measuring impact and at the same time would help in monitoring of the projects supported by EED.
- Impact orientation exchange was organized by BftW on 7th-10th Feb, 2012 at Hanoi for its transfer of function, local support services, consultants and offices for BftW and EED for Asia Pacific region. Mr. Sanjay Patra & Mr. Sandeep Sharma attended this exchange n behalf of FMSF.

- Ms Anuradha Singh & Mr. Sandeep Sharma attended a workshop on Group Dynamics and Organizational Change Processes organized by HIDF (Human and Institutional Development Forum), on May 2011 at Bangalore.

3.1.7 PERFORMANCE APPRAISAL:

The Board evaluates the performance of the Executive Director once in three years. The process includes feed-backs from the Board Members, EED and certain staff members. The performance of the staff is also evaluated every year by the Executive Director. Two appraisals are conducted for the staff in a year (six monthly basis). For this purpose, a structured format is being used. The appraisal is participatory in nature.

3.1.8 LEGAL & 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. Filing of audited reports and returns are regularly made as required under the legal framework. Further, FMSF also complied with the reporting requirements of the resource sharing agencies like EED, BftW, MISEREOR, Christian-aid etc. with whom it has associated during the year.

3.1.9 SUSTAINABILITY:

The sources of resources continue to be derived out of services rendered against the major thrust areas. Some of the specific aspects that contribute in resource mobilization of FMSF are:

Financial Sustainability:

FMSF derives its financial sustainability primarily from the resources generated out of services rendered to EED, Germany. Some of the other specific aspects that contribute in resource mobilization of FMSF are:

■ *Working with other donors:*

FMSF, primarily, receives support from EED for the financial monitoring of development projects supported by it. However, it is also working with other funding agencies such as Bread for the World (BftW), MISEREOR and Christian Aid. This has enabled FMSF to receive support from these agencies for the specific services rendered to them.

■ *Training fees from workshop:*

FMSF receives contribution towards course fees from the participants for the workshops and trainings organized by it.

Programmatic sustainability:

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

3.1.10 Organization Development Process:

The Organization development process that was initiated in January 2011 has covered significant distance during the one year period. Numbers of meetings were held and saw the participation of the Board Members, staff members and representatives from EED. The process helped in bringing out lot of clarity on the future direction and strengthening of the internal processes. The last meeting during the period was held in Puri on 11th January 2012.

4. FINANCIAL INFORMATION



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi - 110008
Flat Nos. 202, 203 & 301 Tel. (011) 2570-2074, 2570-2691, 2570-4639 Fax : (91-11) 2570-5010
Tel. (011) 2570-5233, Telefax : (011) 2570-5232 Grams : ANJIE (ND)
E-mail: newdelhi@vsa.co.in

AUDITORS' REPORT

1. We have audited the annexed Balance Sheet of **FINANCIAL MANAGEMENT SERVICE FOUNDATION** as on 31st March 2012 and also the income and Expenditure account for the year ended on that date. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit. In our opinion proper books of accounts have been kept by the Head office of the above named institution so far as it appears from our examination of the books and proper returns adequate for the purpose of audit have been received from branches, not visited by us.
 - b) The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account.
 - c) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Accounting Policies and Notes to Accounts give the information required, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.



- i) In the case of Balance Sheet of the state of affairs of the above named Institution as at March 31st 2012 ; and
- ii) In the case of Income & Expenditure, surplus/deficit for the year ended on that date.

PLACE : NEW DELHI
DATED: 11.7.2012

For V. SANKAR AIYAR & CO
CHARTERED ACCOUNTANTS
ICAI FRN: 109208W



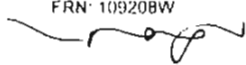
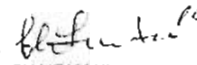



(R. RAGHURAMAN)
PARTNER

Membership No: 81350



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

BALANCE SHEET AS AT 31ST MARCH 2012

	Schedule	As at 31.03.2012 Amount (Rs.)	As at 31.03.2011 Amount (Rs.)
SOURCES OF FUNDS			
Unutilised Grants	I	5,731,578	7,895,872
Corpus Fund	II	10,093	9,752
General Fund	III	17,886,001	16,844,486
Assets Fund Account	IV	15,600,860	17,877,674
TOTAL		39,228,532	42,627,784
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	V	38,967,690	38,782,713
Less Depreciation		23,366,830	20,905,039
Net Block		15,600,860	17,877,674
Investments	VI	12,928,538	12,205,444
Current Assets, Loans & Advances			
Cash and Bank Balances	VII	7,109,051	9,896,874
Other Current Assets	VIII	2,981,418	2,244,355
Loans and Advances	IX	921,060	1,142,934
		11,011,529	13,284,163
Less: Current Liabilities & Provisions			
Expenses Payable	X	311,303	569,274
Other Liabilities		1,092	170,223
Net Current Assets		10,699,134	12,544,888
TOTAL		39,228,532	42,627,784
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)
Place: New Delhi Date: 11.7.2012		 (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 2012**

Funding Agency	Opening balance as on 01.04.2011	Transactions during the year			Surplus/ (Deficit) Transferred to General Fund	Closing balance as on 31.03.2012	
		Unutilised / (Receivable)	Income	Expenditure		Unutilised	Receivable
EED							
- New Project No. 20100003	510,708	14,899,766	15,361,743	(461,977)	-	48,731	-
- Old Project No. 20050004	(208,537)	222,071	-	222,071	13,534	-	-
Misereco-DFMA Programme	(1,231,178)	1,514,876	1,398,654	116,222	-	-	1,114,956
ICCO							
- Main Grant	720,473	15,367,181	15,752,494	(386,313)	-	335,160	-
- NGO Governance Programme	2,199,444	-	212,038	(212,038)	-	1,987,405	-
- Supporting Programmatic Approach	3,438,521	-	787,226	(787,226)	-	2,651,295	-
Christian Aid (DFID)	381,328	67,245	7,969	59,276	-	440,602	-
Bread for the World	453,337	365,109	1,335,388	(970,279)	-	-	506,942
Other Misc. Grants (Includes local Contribution)	112,965	2,610,918	1,157,980	1,452,938	1,573,439	268,384	275,900
TOTAL	6,387,079	35,047,166	36,013,492	(966,326)	1,586,973	5,731,578	1,897,798



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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 2012

Corpus Fund	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
Contributions made by the Settler/Trustees		
Opening Balance	0 752	9,422
Add: Interest thereon	341	330
Closing Balance	10,093	9,752

SCHEDULE - III

GENERAL FUND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2012

General Fund	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
Opening Balance	16,644,486	16,510,836
Add : Transfer during the year		
Foreign Contribution Account		
Surplus as per Grant Account		
- EED Old Project	13,534	
- Baptist World Aid		59,574
- Other Miscellaneous Grants	665,353	397,423
Interest from Bank on Fixed Deposit and Savings	783,518	674,831
Expense allocation for facilities & Consultancy Fees (Intra unit Transfer)	203,000	320,190
Other receipts / amount written back		21,574
Local Contribution Account		
Surplus as per Income and Expenditure Account	908,086	845,727
Sub Total	19,417,977	19,235,972
Less : Expenditure during the year		
Foreign Contribution Account		
Expenses for BHW	411,090	74,524
Building Renovation Expenses	1,120,890	2,316,992
Closing Balance	17,886,001	16,844,486

SCHEDULE - IV

ASSETS FUND ACCOUNT FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2012

Assets Fund Account	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
Opening Balance	17,877,674	16,819,951
Add		
Assets purchased during the year	194,572	2,709,388
	18,072,246	21,529,279
Less		
Sold during the year	9,595	388,741
Depreciation for the current year	2,461,701	3,263,364
Closing Balance	15,600,860	17,877,674

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**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST), NOIDA**
**FIXED ASSETS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2012**

SCHEDULE - V

Fixed Assets	Rate of Dep %	Gross Block			Depreciation Block			Amount (Rs.)	
		Cost as at 01.04.2011	Additions during the year	Cost / Sales / discarded during the year	Cost as at 31.03.2012	Dep. upto 01.04.2011	Dep. for current year	W.D.V. as on 31.03.2012	W.D.V. as on 31.03.2011
FOREIGN CONTRIBUTION ACCOUNT									
Office Premises(EED)									
Office Building	10	15,035,570	-	-	15,035,570	8,138,841	770,672	6,918,614	7,794,729
Electric Installations and Fittings	15	1,125,237	-	-	1,125,237	799,024	53,242	822,966	355,613
Furniture and Fixtures	10	1,224,054	-	-	1,224,054	599,762	67,429	862,191	624,262
EED Main Grant									
Computers	60	2,495,833	-	-	2,495,833	2,224,713	192,672	2,307,355	271,120
Furniture and Fixtures	10	3,942,250	-	-	3,942,250	1,796,069	177,164	1,967,773	1,771,641
Office Equipments	15	5,774,770	153,022	9,595	5,918,797	3,020,691	339,344	3,070,235	2,144,679
Vehicle	10	2,426,097	-	-	2,426,097	1,095,967	199,514	1,295,481	1,320,090
- Cars	15	3,600	-	-	3,600	2,349	186	2,537	1,251
- Cycle	15	43,283	-	-	43,283	24,078	2,881	26,856	19,205
Motorcycle									
Intangible Assets									
Software	60	549,343	-	-	549,343	520,261	17,437	537,718	29,062
ICCO									
Computers	60	185,971	-	-	185,971	148,994	20,966	169,860	13,091
Furniture and Fixtures	10	537,800	7,800	-	545,600	314,190	42,111	157,201	423,610
Office Equipments	15	811,239	33,450	-	844,689	200,246	66,906	266,912	410,993
Vehicle	15	831,744	-	-	831,744	175,209	68,405	243,774	456,435
Christian Aid (DFID)									
Computers	60	1,222,744	-	-	1,222,744	875,438	208,384	1,033,622	347,569
Furniture and Fixtures	10	1,002,387	-	-	1,002,387	196,165	84,722	240,887	762,500
Office Equipments	15	1,202,581	-	-	1,202,581	253,867	142,546	395,953	946,874
Intangible Assets									
Software	60	122,946	-	-	122,946	86,524	20,656	109,180	34,426
Mission									
Intangible Assets	60	190,000	-	-	190,000	84,000	9,000	85,000	16,000
Software									
LOCAL CONTRIBUTION ACCOUNT									
Office Equipments	15	20,940	-	-	20,940	9,990	1,637	11,627	10,910
Furniture and Fixtures	10	9,400	-	-	9,400	1,661	374	2,635	3,779
Total		38,782,713	194,572	9,595	38,987,880	20,905,038	2,481,791	23,989,339	17,877,874



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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, 2012**

Investments	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
<u>Fixed Deposits with Scheduled Banks</u>		
<u>Foreign Contribution Account</u>		
Bank of Baroda		
- General Fund	5,569,495	5,191,262
<u>Local Contribution Account</u>		
HDFC Bank		
- General Fund	7,359,043	7,014,182
TOTAL	12,928,538	12,205,444

SCHEDULE - VII

**CASH AND BANK BALANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2012**

Cash and Bank Balances	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
<u>Cash in hand</u>		
<u>Foreign Contribution Account</u>		
- EED	8,195	724
- ICCO	1,015	24,337
- Christian Aid (DFID)	-	100,526
- General Fund	1,216	1,176
<u>Local Contribution Account</u>		
- General Fund	3,091	8,320
<u>Balance in Saving Accounts with Scheduled Banks</u>		
<u>Foreign Contribution Account</u>		
Bank of Baroda	4,369,131	8,170,487
Other Bank		
HDFC Bank Ltd		
- General Fund	606,610	-
<u>Local Contribution Account</u>		
Standard Chartered Bank		
- General Fund	820	
- Corpus Fund	10,093	10,506
ICICI Bank		
- General Fund	869,539	785,264
HDFC Bank		
- General Fund	1,239,340	795,534
TOTAL	7,109,051	9,896,874

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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, 2012**

Other Current Assets	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
Interest accrued but not due		
- Foreign Contribution Account	296,967	
- Local Contribution Account	<u>388,532</u>	405,237
Tax Deducted at Source		
- Foreign Contribution Account	173,311	
- Local Contribution Account	<u>224,810</u>	330,325
Grant Receivable	1,897,798	1,508,793
TOTAL	2,981,418	2,244,355

SCHEDULE - IX

**LOANS AND ADVANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2012**

Loans and Advances	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
Security Deposits		
- General Fund	52,951	52,951
- ICCO	28,750	460,000
- Christian Aid (DFID)	242,701	242,701
Prepaid Expenses		
- EED	198,949	185,134
- Christian Aid (DFID)		4,136
Amount Recoverable in cash or kind or value to be received		
- General Fund	305,191	
- ICCO	1,256	
- Christian Aid (DFID)	113,184	
- Local Contribution Account	<u>(19,922)</u>	198,012
TOTAL	921,060	1,142,934

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**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, 2012**

Current Liabilities and Provisions	As at 31.03.12 Amt. (Rs.)	As at 31.03.11 Amt. (Rs.)
<u>Expenses payable</u>		
- EED	201,044	336,413
- Misereor	9,927	25,247
- ICCO	66,911	172,961
- Christian Aid (DFID)	29,781	31,281
- Local Contribution Account	3,640	3,372
Sub Total	311,303	569,274
<u>Other Liabilities</u>		
TDS Payable		
- EED	518	96,895
- Misereor	-	1,142
- ICCO	574	66,049
- Christian Aid (DFID)	-	6,068
- Local Contribution Account	-	69
Sub Total	1,092	170,223
TOTAL	312,395	739,497




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

EED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
Grant Received		14,899,766	15,635,006
Total		14,899,766	15,635,006
EXPENDITURE			
Programme Costs			
<i>(Strengthening Financial Management Capacities of NGOs)</i>			
Monitoring and Consultancy Staff Costs and Training			
Staff Costs		3,685,308	3,145,479
Other Benefits to Staff		182,333	235,818
Monitoring Software		50,000	90,000
Staff Welfare		483,383	553,095
Sub Total		4,401,024	4,028,392
Travel Costs for Partner Visits			
Travel and Conveyance		546,114	480,906
Boarding and Lodging		286,713	125,149
Other Expenses		25,617	40,069
Sub Total		861,844	646,124
Capacity Building - Workshops, Consultancies			
Annual Planning and Core Group Meeting Expenses		467,175	206,766
Workshops and Seminars (TOT & Auditors)		212,695	225,145
Translation Fees		94,880	41,280
Travel and Conveyance		391,080	197,943
Boarding and Lodging		381,827	262,120
Networking & Other Expenses		66,000	50,018
Printing and Stationeries		54,558	75,351
Author Fees		200,000	-
Honorarium		50,000	105,000
Sub Total		1,856,215	1,163,623
Staff Costs Capacity Building		1,890,709	1,564,434
Publications, Research, FMSF Websites			
Cost of Newsletter		69,480	21,800
Printing of Annual Report and Brochures		25,238	21,534
Website Expenses		75,648	28,938
Staff Costs		751,783	762,774
Membership & Subscription Fees		510	1,260
Cost of Publications		-	-
Author Fees		250,000	-
Travel and Conveyance		13,145	-
Sub Total		1,189,004	836,306
Co-ordination and Administration Costs			
Staff Costs and Training			
Staff Costs		2,091,448	2,096,008
Other Benefits to Staff		104,782	132,147
Sub Total		2,196,230	2,228,155

contd



Office Costs			
Electricity and Water Charges	313,844	343,575	
Printing and Stationary	151,140	161,861	
Courier and Postage Charges	115,611	143,935	
Generator Running and Maintenance	167,716	155,128	
Computers Maintenance	99,577	21,946	
Telephone Expenses	176,800	126,894	
Internet Expenses	86,359	67,981	
Insurance	14,027	9,768	
Building Maintenance	78,680	526,148	
Office Maintenance	352,761	424,335	
Office Equipments Maintenance	179,279	159,903	
Professional Charges	30,884	8,000	
Recruitment Expenses	26,332	22,963	
Conveyance	36,750	62,027	
Vehicle Running and Maintenance	336,772	256,850	
Audit Fees	105,304	91,000	
Other Expenses	23,273	23,435	
Sub Total	2,295,608	2,604,857	
Travel Costs			
Director and Core Staff	200,997	159,845	
Trustees Meetings	47,288	85,943	
Sub Total	247,285	245,808	
Capital Costs			
Office Equipments	151,422	234,809	
Computer & Printer	-	280,695	
Computer Software	-	4,410	
Vehicle	-	490,083	
Furniture and Fixtures	-	88,775	
Sub Total	151,422	1,098,772	
Organisation Development Process / Evaluation			
Organisation Development Expenses	270,902	414,827	
Sub Total	270,902	414,827	
Total	15,361,743	15,124,298	
Unspent / (Overspent) during the year transferred to Grant Account	I	(461,977)	510,708
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			
New Delhi			
11.7.2012			
For FINANCIAL MANAGEMENT SERVICE FOUNDATION			
(CHAIRMAN)			
(EXECUTIVE DIRECTOR)			
(TRUSTEES)			

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

FOREIGN CONTRIBUTION ACCOUNT

OTHER MISCELLANEOUS GRANTS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
Grant / Reimbursements		594,587	669,197
Rent		222,120	
Income for other facilities provided		12,372	
Facilities for Conference		151,637	
Vehicle Usage		15,000	
		<u>995,716</u>	<u>669,197</u>
EXPENDITURE			
<i>(Programmes for the poorest and most deprived section of the community and evaluation of performances)</i>			
Travel and Conveyance		115,049	248,005
Boarding and Lodging		-	4,600
Financial Evaluation -NAWO		208,706	-
Financial Evaluation -Birsia, Chaibasa		67,194	-
Meeting /Work shop Expenses		109,756	-
Honorarium and Professional Fees		34,000	199,268
Website Expenses		8,300	8,300
Other Expenses		20,819	573
Expenses on facilities provided		<u>72,133</u>	<u>-</u>
		<u>635,957</u>	<u>452,946</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	359,759	436,251

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)

(CHAIRMAN)

(EXECUTIVE DIRECTOR)

Partner
t.d. No. 081356



Place: New Delhi
Date: 11.7.2012

(TRUSTEES)

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

LOCAL CONTRIBUTION ACCOUNT

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
Grant for CSOP Awards		814,895	142,040
Bank Interest		837,403	471,480
Rent		84,800	226,736
Income for other facilities provided		11,225	21,377
Workshops / Consultations		29,090	27,005
Facilities for Conference		10,100	77,453
Sale of Publications		27,778	31,820
Membership Fees		-	1,000
Interest on Income Tax Refund		-	7,963
		<u>1,815,202</u>	<u>1,006,888</u>
EXPENDITURE			
Expenses on CSOP Awards			
- Award Function		380,431	12,212
- Postage & Courier		3,024	4,026
- Professional Fees		29,545	-
- Printing & Stationery		29,936	-
- Travel and Conveyance		26,480	-
- Conference Expenses		14,480	-
- Other Expenses		560	36,372
Expenses on facilities provided		28,107	103,174
Bank Charges		455	110
Workshops / Consultations		-	4,577
Travel and Conveyance		-	500
		<u>622,023</u>	<u>160,971</u>
Surplus / (Deficit) during the year transferred to Grant Account	III	1,193,179	845,727

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 100208W

For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**

(**R. RAGHURAMAN**)
Partner
M. No. 081350

(**CHAIRMAN**)

(**EXECUTIVE DIRECTOR**)



Place: New Delhi
Date: 11.7.2012

(**TRUSTEES**)

**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 2012**

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. Only those Grants / Donations are accounted for as Income which have been received or have accrued and become due as per the sanctions of the funding / donor agencies.
6. 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.
7. Accounts for the purpose of submission to FCRA are compiled on cash basis.



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. However, the employees taken on contract basis as per the provision in the budget of certain funding agencies which is short term and the employment will be for a term shorter than five years and also will not be paid any gratuity as per the contract, hence no provision for gratuity has been made in the books of accounts for such employees and premium paid for regular 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 programmes based on the approved activities and budgets of the respective programme.
5. No provision for leave encashment entitlement has been made since as per Trust policy, the leaves are to be availed and can not be encashed.
6. The management has allocated the expenses between four Projects (EED, Bread for the World, Baptist Aid 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.

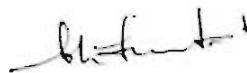
Signature to Schedule – I to XI of the Balance Sheet.

For **V. SANKAR AIYAR & CO**
CHARTERED ACCOUNTANTS

For **FINANCIAL MANAGEMENT SERVICE FOUNDATION**



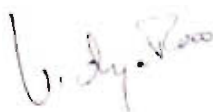
(**R. RAGHURAMAN**)
PARTNER
Membership No : 81350



(**CHAIRMAN**)



(**EXECUTIVE DIRECTOR**)



(**TRUSTEES**)

Place : New Delhi
Date : 11.7.2012



FMSF ANNUAL REPORT 2011-12



FINANCIAL MANAGEMENT SERVICE FOUNDATION
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