

*Towards  
Responsible  
Stewardship*

ANNUAL REPORT  
2010-11



Financial  
Management  
Service  
Foundation

## *From the Executive Director's Desk*

*It is indeed a pleasure to present the Annual Report for 2010-11. FMSF has successfully completed 17 years of its journey and the journey has been quite exciting none the less. If we have to sum up the focus of FMSF, it would be to promote accountability, transparency and development effectiveness.*

*FMSF exists to ensure that there are accountable systems and processes within the development sector which would lead to development effectiveness through our Capacity Building training programs, monitoring functions, publications, websites and other initiatives.*

*During the reporting year an Organizational Development process was initiated and the initial meeting was held in January which included a brainstorming session to map ideas for strategic directions for FMSF.*

*Like before, this year was also laded with joys and challenges. It has been made more meaningful with the participation of various stakeholders i.e. our partners, overseas agencies, staff members and Board of Trustees.*

*EED, Germany plays a very significant role in our endeavor and we specially acknowledge their key role in our journey.*

*With these words, I present you the Annual Report 2010-11 thanking all our development partners who are with us in our journey....*

*Sanjay Patra*  
*Executive Director*





# Contents

## From the Executive Director's Desk

1

## Programme

7

Financial Monitoring of Development Projects

Capacity Building

Learning Systems & Networks

Research, Publications & Information Dissemination

Other Areas of Involvement

## Finance

21

## Governance

39

Board of Trustees

Other Internal Meetings

Audit

Staff Team

Legal & Donor Compliance

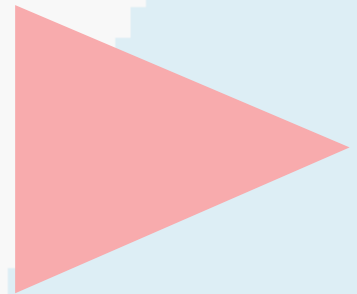
Sustainability

O. D Process

## Conclusion

45

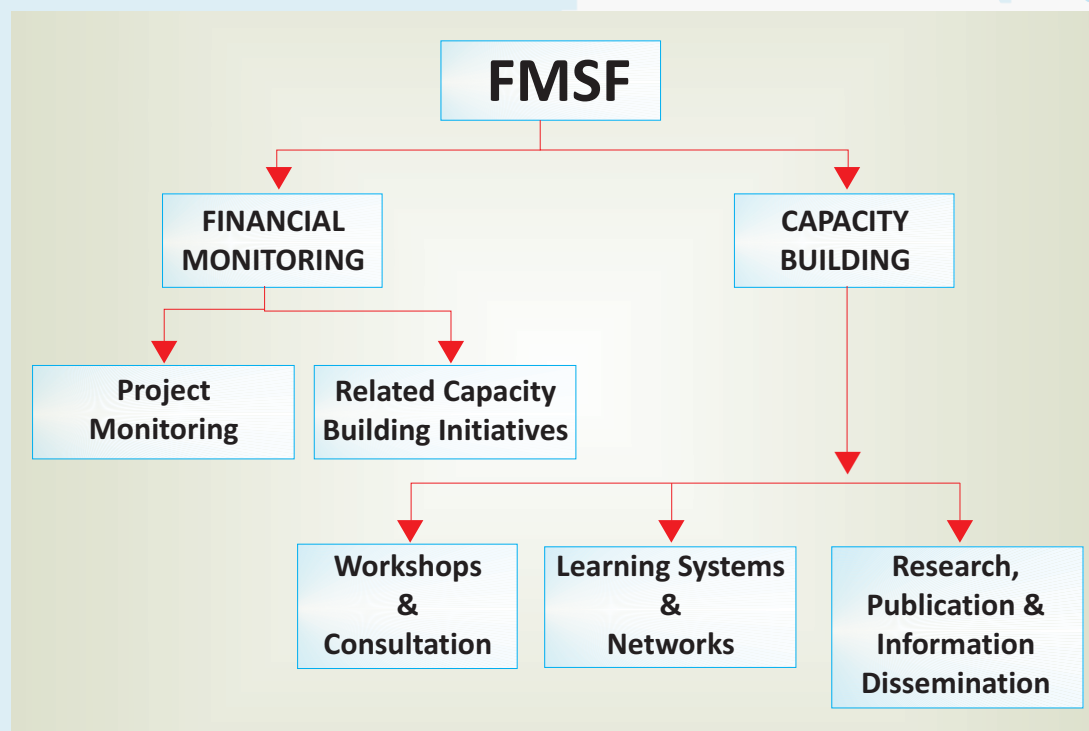
# PROGRAMME





**FMSF** is a Development Resource Organization working in the voluntary sector since the past 16 years. Since its inception, it has worked towards promoting accountability in the voluntary sector.

The core activities of FMSF can be divided into two main areas.



### Financial Monitoring of Development projects

One of the core areas of FMSF since its inception has been the Financial Monitoring of Development projects. FMSF aims at doing so by enabling the partner organizations in effective financial management and in complying with donor requirements.

The process of financial monitoring involves:

- facilitating timely and regular transfer of funds to the projects
- ensuring regular submission of financial and progress reports
- analysis of Financial and Progress Reports and monitoring of the progress of the project
- close interaction with partner organizations through periodical visits to field areas and regular contacts
- and developing systems/procedures to ensure timely closure of projects

In order to accomplish the above, there exists an effective internal monitoring system. Efforts have been made to institutionalize the internal systems and processes that would ensure basic quality of work. There are inbuilt mechanisms to track flow of funds to the partners regularly after ensuring that the partner has complied with all the reporting requirements of EED. Sending timely reminders to the partners for submission of reports and fund request have been institutionalized. At the same time, various internal monitoring tools have been developed. Some of them are Visit checklist, Capacity Assessment Checklist Tool to determine the stage of project, to upscale the monitoring level etc. In order to further enhance the monitoring function, FMSF also conducts mid-term assessments of the EED funded projects. This is an internal process that helps to track the progress of the project as well as timely identify any critical issue that may emerge.

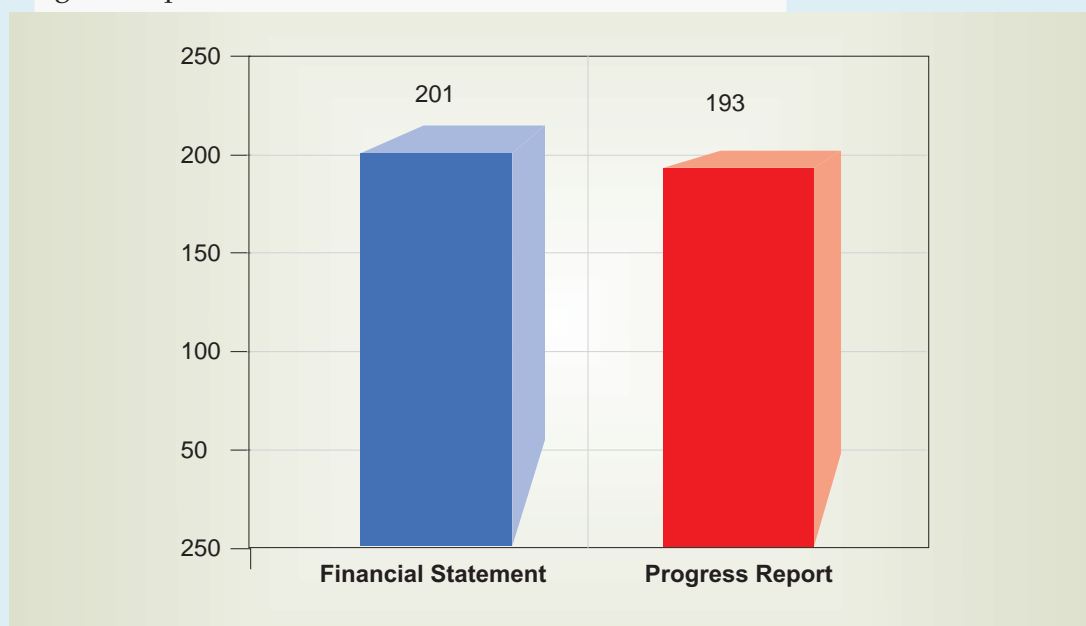


FMSF also undertakes Pre- funding assessments on behalf of EED for the projects which are in the pre-approval stage. An

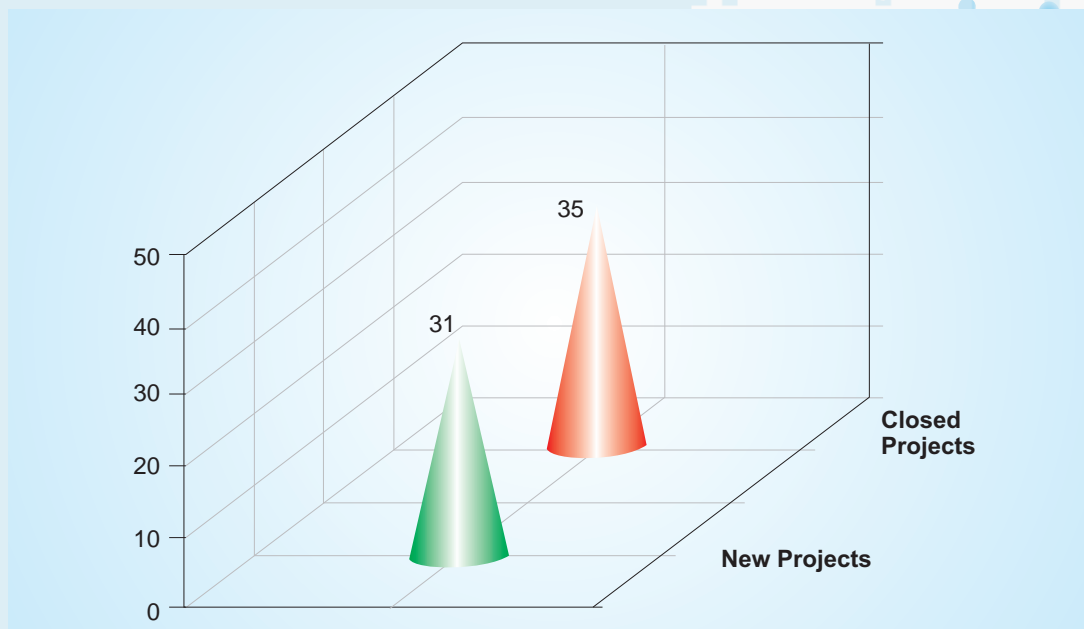
independent assessment is done of the organisations financial systems, Governance structure, legal aspects and internal controls to assess the effectiveness of the organization in managing funds for implementing the project.

A significant development in the monitoring area in the year 2010-11 was the launch of Financial Monitoring Software for its Internal Monitoring process.

During the reporting period, FMSF has received 201 Financial Reports and 193 Progress Reports.



Many new projects were taken up and many projects were closed as well during the year. In the year 2010-11, 31 new EED projects were taken up and 35 projects were closed.



As on 31st March 2011, FMSF monitors 130 projects supported by EED.

In order to get a deeper understanding of the projects and ground realities, FMSF team members make regular field visits to partner organizations. As in the past, regular meetings were held with the partner organizations for discussing and sorting out issues related to the projects. When the EED representatives visited the partner organisations, FMSF team members also accompanied them to share information and for better understanding on the present status of the respective project.

During the reporting period 66 partner organizations were visited by FMSF team members.

Apart from EED Projects, FMSF also monitors 14 projects of Bread for the World (BftW), Germany.



With the objective to further enhance the effectiveness of financial evaluation processes and to identify areas for capacity building needs of partner organisations, a Finance Consultant Meet with Independent Consultants who undertake assessments and evaluation for partner organisations of EED, was organized on 23rd March, 2011. In the recent past, the financial evaluations conducted by EED have brought concerns of the quality of the financial management systems of the partners. Further, EED and FMSF too had made few



observations which required an interaction with the consultants to build a common understanding.

The objectives of the meet were:

- To further enhance the effectiveness of financial evaluation processes
- To build and develop consensus on common elements and terminologies related to financial management and related governance issues
- To identify areas for capacity building needs of the partner organizations

**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.

**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.

## CAPACITY BUILDING

Capacity Building is another core area of involvement for FMSF. In its endeavor to capacitate the voluntary sector, FMSF conducts various training programs and workshops. Over the past 16 years, the capacity building initiative has undergone changes. Initially it was only restricted to training on EED requirements to the partner network and eventually shifted to the broader areas of financial management, governance and social accountability issues. The workshops and trainings now have a reach even beyond the partner network.



Apart from organizing workshops and consultations, members from the FMSF Resource team also facilitate various sessions in workshops organized by other agencies.

**Workshops:** During the reporting period, FMSF organized 9 workshops for EED partners & facilitated various sessions in 3 workshops organized by other organisation. The list of workshops organized as well as facilitated by FMSF is given on next page.

## Workshop for EED Partners

Dates of workshop	Workshop	Place	Details
26th & 27th April, 2010	Governance of NGOs	Kathmandu, Nepal	The primary objective of this workshop was to develop understanding in the meaning of governance and its importance.
19th & 20th July, 2010	Workshop on Interpreting Financial Statements of NGOs	FMSF Program Centre, NOIDA	The objective of this workshop was to provide an understanding on the significance of Financial Statements, to enable get insight into Fund accounting and to understand the Contents of Financial Statement and interpret them.
29th & 30th July, 2010	Workshop on Accounting and Reporting of NGOs for EED partners in North Eastern Region.	Manipur, Imphal	The objective of the workshop was to specifically reflect on and discuss about accounting, reporting and monitoring of development projects with a specific focus on Network partner reporting to EED and other reporting requirements.
26th August, 2010	Orientation Programme on Legal Matters pertaining to NGOs (FCRA & Income Tax)	Yellagiri Hills, Tamil Nadu	Orientation Programme on Legal Matters pertaining to NGOs (FCRA & Income Tax) for about 35 participants which include the Directors & accountants of 15 partner organizations of the SCINDEA Network and staff of the Secretariat.
26th & 27th August, 2010	Workshop on Accounting and Reporting of NGOs for EED partners in Eastern Region.	Kolkata	This workshop was organized for the Eastern Region partners. The objective of the workshop was to specifically reflect on and discuss about accounting, reporting and monitoring of development projects with a specific focus on Network partner reporting to EED and other reporting requirements.
5th & 6th October, 2010	Workshop on Financial Management & Governance for SANJAL & Its Affiliates	Kathmandu.	The objective of the Workshop was to discuss about the concepts of Financial management and to develop understanding in the meaning of governance and its importance.
7th & 8th October, 2010	Workshop on Financial Management for SAHAS	Nepal	The workshop laid emphasis on the strengthening of the Financial Systems of an organisation.
1st & 2nd December, 2010	Workshop on Achieving Effectiveness through Good Governance	Dhaka, Bangladesh	The main objective of this workshop is to enable build a clear understanding on the Governance processes in NGOs and How to setup a good governance framework in NGOs.
13th & 14th December, 2010	Workshop on Interpreting Financial Statements	Don Bosco, New Delhi	This was a follow up of the Workshop held in July, 2010. The objective of this workshop was also to provide an understand on the significance of Financial Statements, to enable get insight into Fund accounting and to understand the Contents of Financial Statement and interpret them..

## Workshops for Other Organisations

Dates of workshop	Workshop	Place	Details
19th May, 2010	Legal Framework for NGOs	NIPCCD, New Delhi	The workshop was organized for the partners of national institute for public co operation & child development.
26th May, 2010	Project Finance, ICICI Fellows Programme	Chennai	To develop an understanding on the importance of financial management in relation to the goals of an organisation, and be able to prepare, identify, interpret and use financial statements of a project towards demonstrating accountability to various stakeholders through good practices and systems.
7th & 8th July, 2010	Session on Financial Management, Budgeting, FCRA, Income Tax and Provisions of DTC for NGOs	New Delhi	Facilitation of a two day workshop for the partners of Vishwa Yuva Kendra.

## Learning Systems & Networks

Online Learning Systems is an endeavor of FMSF to break the barriers of distance & provide training to all those who do not have access to structured training programs. Even though FMSF conducts various trainings and workshops, a need was felt for a sustained course on Financial Management. Further, it was realized that there was an unmet demand existing in the voluntary sector for such specific courses on financial management. Yet another initiative in the area of capacity building is the Diploma in Financial Management and Accountability and NGO Governance Program.

**Diploma in Financial Management (DFMA)** is a one year long-distance education program in collaboration with the Tata Institute of Social Sciences (TISS). The course is specifically designed to suit to the needs of persons working in the voluntary sector or persons who are planning to join the sector. The course is a blend of the online & long distance mode.

The Course design has been jointly worked upon by TISS and FMSF. The course was launched in August, 2008. The various modules are addressed in the program and the panel of faculty consists of various eminent persons from the field of academics as well as the development sector.



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

The 3<sup>rd</sup> batch of the DFMA program will appear in the examinations in the month of September, 2011. For the 4<sup>th</sup> Batch, so far about 8 students have been enrolled and the batch will start from 5<sup>th</sup> August, 2011.

During the year the 3<sup>rd</sup> Advisory Committee meeting was held in February, 2011.

**NGO Governance & Management Program (NGMP)** is a four months certificate program. The objective of the program is to build capacity of personnel working in the voluntary sector in the area of NGO Governance. It aims at providing an overview of the Governance Structures & Processes, Roles & Responsibilities of the Board Members, Governance Controls and identifies the common myths and misconceptions in the Governance of NGOs.

This program is designed for the CEOs, CFOs, or Executive Directors of NGOs , Persons working in mid-management level, senior-management level Positions in NGOs, resource sharing agencies or any other development Organizations .



NGMP is an online training program and is divided into four units.

Unit	Course Content
1	NGO Governance – Concept, Statutory and Policy Issues
2	Governance – Structure & Process
3	Governance Controls
4	Accountability and Conflict of Interest

**Networks:** The primary aim of Networking is to effectively leverage the existing resources (human & intellectual) and build linkages for the overall benefit of the voluntary sector. In its endeavor to enhance the accountability and transparency of the voluntary sector, FMSF works closely with various other organizations and like minded agencies. It also runs two networks:

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

**NGO Accountants Network (NAN)** 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.

NAN is a forum of accountants initiated to sensitize the NGO accountants regarding financial management and other relevant and issues at grass root level. As a follow-up of the 2 National convention of NAN, a database of Accounts and Finance staff working with the EED partners in India has been updated. FMSF staff has been actively involved in the process of updating of existing data base of accounts personnel. The team members had contacted the respective partners to get the latest information about the accounts personnel working with the EED partners and updated the database.

Further, FMSF has also initiated to scale up the outreach of NAN initiative to the EED partners of Bangladesh, Nepal and Pakistan. FMSF has sent the invitation letters to all the EED partners in the region to nominate the Accounts and Finance personnel working with the partners.

In all, NAN forum consists of 190 members from the EED partner network in the subcontinent.

*Forum for Ethics Accountability and Transparency (FEAT)* - is a network of finance consultants engaged in the voluntary sector in providing necessary consultancies in the area of financial management and related areas. The membership of FEAT has remained the same as in the previous year. The core group of FEAT met in the month of September 2006.

The services of FEAT members are used from time to time in other advocacy initiatives like to pre-budget memorandum to the Government of India. Some of the FEAT members are also involved in the DFMA (Diploma in Financial Management & Accountability) Program as faculty. Many of them also act as accompaniers and consultants in various partner evaluations that FMSF works with.

### **Research, Publications & Information Dissemination**

Information plays a key role in the present world. FMSF engages in disseminating relevant and useful information in the voluntary sector. This is done through research and publications of FMSF which are looked upon as an important source of information by the sector.

#### **Research:**

An Expert Study on Mobilization of Cash and Non- Cash contributions was organised by FMSF as a follow-up of the Study Report during the year 2009 10. The Expert Study has been completed and the Report was received from the Consultant Mr. Suresh Kejriwal. This Report has been shared with EED during the year.

The in-house research initiatives were undertaken during the year and concept notes on issues like TDS, Rotation of Auditors, and Management Letter Template etc. were shared with the partner organizations for better understanding.

#### **Internship:**

FMSF also host interns from time to time from various educational institutions across the country.

Apart from the above, FMSF also receives a number of queries on various aspects of Income Tax, Registration, and FCRA from various voluntary organizations. All the relevant queries are replied to by the research team with support also from FEAT members.

**Publications:**

Sl. No	Name of the Publication	No. of Copies disbursed during the year
1	Manual of Financial Management & Legal Regulations	198
2	Legal & Finance Handbook for voluntary Organizations	196
3	Social Accountability Standards for Voluntary Organizations	7
4	Handbook on Social Audit for NGOs	30
5	Handbook on Bombay Public Trust Act	6
6	Handbook on Financial Audit & Reporting for NGOs	13
7	Revised Finance Handbook for Voluntary Organizations	99

**INTERface:** As a part of its information dissemination initiative, FMSF publishes a half yearly journal 'INTERface' which covers legal, financial & governance related issues pertaining to the Voluntary Sector. During the reporting period, 2 issues of INTERface were published. In the year 2010 INTERface completed 10 years of its publication.

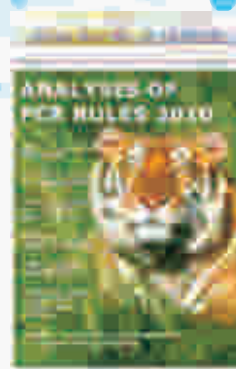
The topics covered in the issues published during the period are as follows:

- Salient Features of the Union Budget 2010
- Conflict of Interest
- Tax Deduction at Source
- Corpus & Endowment Fund
- Governance Insights
- ICAI Expert Advisory Committee opinion
- Role of Board Vs Management
- Budgeting in the context of NGOs
- FCRA 2010
- Direct Tax Code for NPOs
- Around Human Resource Audit



**Standards & NORMS:** FMSF has been regularly disseminating information on legal and financial aspects through its recent initiative by launching the monthly e-communiqué "Standards & NORMS" in October, 2008. The primary 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 communiqué is Mr. Manoj Fogla the Legal Expert as well as a member of FEAT whose in-depth analysis of the topics has enabled a lot of learning to partners and other NGOs and has received a very positive response. During the reporting period, information on the following topics has been disseminated:



- Recent Amendments on Business Activities of NGOs (revised Edition after Finance Bill, 2010), April 2010
- NGOs eligible for 100% stay on High Tax Demand, April 2010
- Appeal to Finance Minister on Direct Tax Code for NPOs, April 2010
- Permissible business for NGOs, June 2010
- NPOs major issues not addressed in the Revised Direct Tax Code, June, 2010
- Amendment of Trust Deed, July 2010
- Bank Account & Bank related issues under FCRA, August 2010
- FCRA 2010, August 2010
- Direct Tax Code for NPOs, September 2010
- 80 G Registration is now at large
- Case Laws in favour of NGOs engaged in Micro Finance
- DTC – Harsh Proposals against saving of NPOs
- Budget 2011
- Analysis of FCRA Rules 2010

#### **Websites:**

FMSF is engaged in disseminating relevant and useful information in the voluntary sector through its various websites. It has five highly informative websites. Apart from the organizational website ([www.fmsfindia.org](http://www.fmsfindia.org)) there are four other specialized sites. They provide information on various issues like

- Legal ([www.legalissuesforngos.org](http://www.legalissuesforngos.org) ),
- Income Tax related matters ([www.incometaxforngos.org](http://www.incometaxforngos.org) )
- FCRA ([www.fcraforngos.org](http://www.fcraforngos.org) )
- Social Accountability ([www.socialaccountability.net](http://www.socialaccountability.net) )



## Other Areas of Involvement

### *External Consultancy:*

FMSF was approached by some other organizations including donor agencies seeking consultancy on matters related to financial management and legal aspects for development organizations. This also includes undertaking specific assignments such as Partner Assessments & Study of the existing Organizational Systems. The following external assignments were undertaken by FMSF during the reporting period.

Sr. No	Name of the Organisation	Assignment
1.	Miracle Foundation USA	FMSF was approached by Miracle Foundation to undertake Pre funding assessment of Bethel Orphanage, Kothur, Andhra Pradesh and Sunrise Charitable Society, Gopolasamudra, Tirunelveli District, Tamilnadu.
2.	Baptist World Aid Australia	BWAA has approached FMSF to conduct Financial Evaluation for partner organisation BBCF Dhaka, Bangladesh.

### *Poorest Areas Civil Society (PACS):*

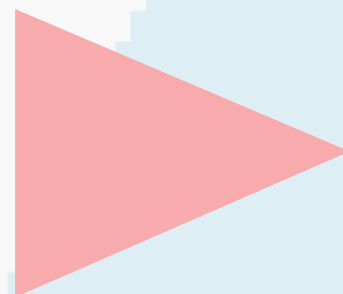
The implementation of the second phase of the Poorest Areas Civil Societies (PACS) supported by DFID, U.K. was awarded to Christian Aid led consortium, IFIRST. At the time of proposal submission FMSF was invited by Christian Aid to be part of this consortium. FMSF is given the responsibility of establishing the Financial Management System of this programme PACS 2 and also the required capacity building to ensure that accountability and transparency values are upheld during the implementation process. The next aspect being the Capacity Building initiative is to be planned for the PACS partners.

### *Program Centre:*

FMSF also runs a Program Centre in its office premises. It is an initiative to provide support to various development organizations and like minded agencies in conducting workshops and organizing training programs. It also offers accommodation facilities at reasonable contribution. Various NGOs and development organizations during the year have availed the services of FMSF Program Centre. Some of them are:

- PACS
- Resource Alliance
- FMSF- Board Member
- Wild Life Trust
- Rotary International
- EED
- BFTW
- EFICOR

# FINANCE





## 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) 2570-5293, Telefax : (011) 2570-5232 Grams : ANXIE (ND)  
 E-mail: [newdelhi@vsa.co.in](mailto:newdelhi@vsa.co.in)

### AUDITORS' REPORT

1. We have audited the annexed Balance Sheet of FINANCIAL MANAGEMENT SERVICE FOUNDATION as on 31<sup>st</sup> March 2011 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 (Schedule-XI) 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 31<sup>st</sup> 2011; and
    - ii) in the case of Income & Expenditure, Account of the Excess of expenditure over income for the year ended on that date.

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

(R. RAGHURAMAN)  
 PARTNER  
 Membership No: 81350

PLACE : NEW DELHI  
 DATED: 1<sup>st</sup> 2011





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

**BALANCE SHEET AS AT 31ST MARCH 2011**

	Schedule	As at 31.03.2011 Amount (Rs.)	As at 31.03.2010 Amount (Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
Unutilised Grants	I	7,895,872	11,336,818
Corpus Fund	II	9,752	9,422
General Fund	III	16,844,488	16,018,038
Assets Fund Account	IV	17,877,874	18,819,891
<b>TOTAL</b>		<b>42,627,784</b>	<b>47,081,967</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>Fixed Assets</u></b>	V		
Gross Block		38,782,713	38,461,568
Less: Depreciation		20,905,039	17,641,675
Net Block		17,877,674	16,819,891
<b>Investments</b>	VI	12,205,444	11,485,890
<b><u>Current Assets, Loans &amp; Advances</u></b>			
Cash and Bank Balances	VII	9,896,874	14,735,582
Other Current Assets	VIII	2,244,355	1,855,828
Loans and Advances	IX	1,142,934	1,326,840
		13,284,163	17,948,250
<b>Less: Current Liabilities &amp; Provisions</b>	X		
Expenses Payable		569,274	822,025
Other Liabilities		170,223	330,044
Net Current Assets		12,544,666	16,798,181
<b>TOTAL</b>		<b>42,627,784</b>	<b>47,081,967</b>

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

(R. RAGHURAMAN)  
Partner  
M. No. 081350



For FINANCIAL MANAGEMENT SERVICE FOUNDATION

(CHAIRMAN)

(EXECUTIVE DIRECTOR)

Place: New Delhi  
Date: 10.4.2011

(TRUSTEES)



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

**SCHEDULE - I**

**FOREIGN GRANTS UNUTILISED / RECEIVABLE FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH 2011**

Funding Agency	Opening balance as on 01.04.2010	Transactions during the year			Surplus/ (Deficit) transferred to General Fund	Closing balance as on 31.03.2011	
		Unutilised / (Receivable)	Income	Expenditure	Unspent / (Overspent)	Unutilised	Receivable
<b>IFED</b>							
- New Project No.20100003	=		15,635,008	16,124,296	510,708	510,708	
- Old Project No. 20050004	(206,537)		-	-	-	-	206,537
Musepar-DPMA Programs	(504,472)		1,211,300	1,938,006	(726,706)	-	1,231,178
<b>ICCO</b>							
- Main Grant	6,314,461		74,162,104	19,756,062	(5,593,987)	720,473	-
- NGO Governance Programme	1,988,787		294,057	53,400	230,657	2,109,444	-
- Supporting Programmatic Approach	-		3,665,711	127,190	3,438,521	3,438,521	-
Christian Aid (DFID)	2,852,779		11,851,386	14,322,838	(2,471,452)	381,326	-
Bread for the World	(195,108)		3,138,478	2,479,033	669,445	532,415	68,076
Baptist World Aid	88,805		176,841	203,862	(27,287)	-	-
Other Misc Grants	74,157		889,197	452,846	436,251	112,985	-
<b>TOTAL</b>	<b>10,387,571</b>		<b>50,923,860</b>	<b>54,487,876</b>	<b>(3,563,790)</b>	<b>7,893,872</b>	<b>1,908,753</b>



*[Handwritten signature]*

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

**SCHEDULE - X**

**CORPUS FUND FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH 2011**

Corpus Fund	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
Contribution made by the Sanitar Trustees		
Opening Balance	9,422	9,103
Add: Interest thereon	330	319
Closing Balance	9,752	9,422

**SCHEDULE - XI**

**GENERAL FUND FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH 2011**

General Fund	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
Opening Balance	16,816,838	13,690,931
Add : Transfer during the year:		
<u>Foreign Contribution Account</u>		
Surplus as per Grant Account		
- Baptist World Aid	99,678	-
- EED Other Grants	-	47,698
- Miasenat	-	213,293
- Other Miscellaneous Grants	997,423	978,440
Interest from Bank on Fixed Deposit and Savings	975,831	900,308
Expense allocation for facilities & Consultancy Fees (Inter unit Transfer)	320,000	320,000
Sale of old project assets	-	5,600
Other receipts / amount written back:	21,574	17,883
<u>Local Contribution Account</u>		
Surplus as per Income and Expenditure Account	846,727	1,179,820
Sub-Total	19,238,973	1,088,482
Less : Expenditure during the year:		
<u>Foreign Contribution Account</u>		
Audit Fees	-	27,575
Expenses for BfW	74,524	-
Building Renovation Expenses	2,316,982	-
Closing Balance	16,844,468	16,816,838

**SCHEDULE - IV**

**ASSETS FUND ACCOUNT FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH 2011**

Assets Fund Account	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
Opening Balance	16,819,681	17,834,139
Add:		
Assets purchased during the year	2,709,358	1,062,686
	21,528,279	1,867,027
Less:		
Sold during the year	389,241	-
Depreciation for the current year	8,263,854	3,077,139
Closing Balance	17,877,474	16,819,681

*Signature*





SCHEDULE - V

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

**FIXED ASSETS FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH 2011**

Fixed Assets	Rate of Depreciation %	Gross Block			Depreciation Block			Amount (Rs.)	
		Cost as at 01.04.2010	Acquisitions during the year	Sales / discarded during the year	Cost as at 31.03.2011	Depreciable value as at 31.03.2011	Depreciation during the year	WDV as on 31.03.2011	WDV as on 31.03.2010
<b>FOREIGN CONTRIBUTION ACCOUNT</b>									
Office Premises (Regd.)	10	15,532,570	-	-	15,532,570	1,272,539	686,308	1,796,729	1,663,603
Office Building	10	1,126,232	-	-	1,126,232	79,839	162,175	366,424	413,369
Electric Installations and Fittings	10	1,224,054	-	-	1,224,054	389,368	190,280	624,292	623,650
Furniture and Fixtures									
<b>RECYCLED MANU GROUP</b>									
Computer	60	2,216,038	280,885	-	2,496,923	1,291,796	333,807	2,226,713	323,832
Peripherals and Furniture	10	2,475,075	165,775	-	2,640,850	1,589,692	191,971	1,791,641	1,674,763
Office Equipments	10	3,466,240	149,400	41,279	3,574,361	3,276,721	353,070	2,144,079	2,189,519
Vehicle	15	1,140,916	1,800,000	340,962	2,499,954	861,349	1,040,967	1,559,987	681,681
Car	15	1,000	-	-	1,000	312	234	1,251	1,177
Cycle	15	45,282	-	-	45,282	20,889	3,380	19,205	12,594
Motorcycle									
Transportable Assets									
Software	50	544,930	4,110	-	549,040	478,089	42,582	26,183	96,244
<b>ICFO</b>									
Computers	60	143,568	10,425	-	153,993	16,506	32,489	34,277	47,614
Peripherals and Furniture	10	617,590	23,281	-	640,871	67,122	47,069	623,844	640,428
Office Equipments	10	600,789	3,600	-	604,389	128,379	71,395	410,812	475,368
Vehicle	15	631,744	-	-	631,744	94,762	80,547	499,435	538,362
<b>Domestic Air (DFEI)</b>									
Computers	60	1,134,893	117,895	-	1,252,788	354,478	520,499	347,308	700,399
Furniture and Fixtures	10	228,244	31,143	-	259,387	64,543	21,222	847,222	847,207
Office Equipments	10	884,176	318,400	-	1,202,576	91,894	181,812	949,914	992,165
Transportable Assets									
Software	60	122,950	-	-	122,950	46,805	51,329	84,426	66,895
<b>Miscellaneous</b>									
Intangible Assets									
Software	60	100,000	-	-	100,000	60,000	28,000	16,000	60,000
<b>LOCAL CONTRIBUTION ACCOUNT</b>									
Office Equipments	10	20,000	-	-	20,000	3,000	1,922	10,078	12,078
Furniture and Fixtures	10	3,400	-	-	3,400	1,245	418	3,720	4,138
<b>Total</b>		35,481,508	7,709,388	888,245	42,292,713	17,849,278	3,888,364	17,807,873	22,696,891
<b>Previous year</b>		32,369,877	1,162,881	-	33,532,758	14,566,838	3,077,138	16,519,991	22,696,891



*Handwritten signature/initials*

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

**SCHEDULE - VI**

**INVESTMENTS FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH, 2011**

Investments	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
<b><u>Fixed Deposits with Scheduled Banks</u></b>		
<b><u>Foreign Contribution Account</u></b>		
Bank of Baroda		
- General Fund	5,191,282	4,946,527
<b><u>Local Contribution Account</u></b>		
HDFC Bank		
- General Fund	7,014,152	6,519,355
<b>TOTAL</b>	<b>12,205,434</b>	<b>11,465,885</b>

**SCHEDULE - VII**

**CASH AND BANK BALANCES FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH, 2011**

Cash and Bank Balances	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
<b><u>Cash in hand</u></b>		
<b><u>Foreign Contribution Account</u></b>		
- EED	724	9,611
- IGCO	24,337	108,639
- Christian Aid (DFID)	100,526	36,871
- General Fund	1,176	1,379
<b><u>Local Contribution Account</u></b>		
- General Fund	8,320	4,174
<b><u>Balance in Saving Accounts with Scheduled Banks</u></b>		
<b><u>Foreign Contribution Account</u></b>		
<b><u>Bank of Baroda</u></b>		
- EED	479,419	
- Bread for the World	453,337	
- Christian Aid (DFID)	50,690	
- IGCO	8,113,111	
- Other Misc. Grants	112,985	
- General Fund	940,945	
<b><u>Local Contribution Account</u></b>		
<b><u>Standard Chartered Bank</u></b>		
- General Fund	754	
- Corpus Fund	9,752	
<b><u>ICICI Bank</u></b>		
- General Fund	725,254	590,758
<b><u>HDFC Bank</u></b>		
- General Fund	795,534	422,739
<b>TOTAL</b>	<b>9,895,874</b>	<b>14,735,582</b>

*[Signature]*





**SCHEDULE - VII**

**OTHER CURRENT ASSETS FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH, 2011**

Other Current Assets	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
Interest accrued but not due		
- Foreign Contribution Account	207,768	
- Local Contribution Account	197,479	408,237
		428,473
Tax Deducted at Source		
- Foreign Contribution Account	155,061	
- Local Contribution Account	165,264	330,325
		373,385
Amount Receivable:		
- Foreign Contribution Account		136,025
Grant Receivable	1,608,793	947,945
<b>TOTAL</b>	<b>2,244,355</b>	<b>1,865,828</b>

**SCHEDULE - IX**

**LOANS AND ADVANCES FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH, 2011**

Loans and Advances	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
Security Deposits:		
- General Fund	52,951	80,451
- ICCO	460,000	435,000
- Christian Aid (DFID)	242,791	189,450
Prepaid Expenses		
- EED	185,134	158,069
- ICCO	-	10,569
- Christian Aid (DFID)	4,136	
Amount Recoverable in cash or kind or value to be received:		
- General Fund	182,312	
- ICCO	-	
- Christian Aid (DFID)	10,522	
- Local Contribution Account	5,078	198,012
		476,281
<b>TOTAL</b>	<b>1,142,934</b>	<b>1,329,840</b>

*Robt*



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

**SCHEDULE - X**

**CURRENT LIABILITIES AND PROVISIONS FORMING PART OF  
BALANCE SHEET AS AT 31ST MARCH, 2011**

Current Liabilities and Provisions	As at 31.03.11 Amt. (Rs.)	As at 31.03.10 Amt. (Rs.)
<b><u>Expenses payable</u></b>		
- EED	338,413	148,379
- Baptist World Aid	-	-
- Bread for the World	-	-
- Misereor	26,247	9,827
- ICCO	172,981	103,428
- Christian Aid (DFID)	31,281	501,704
- General Fund (FC)	-	24,817
- Local Contribution Account	3,372	35,770
<b>Sub Total</b>	<b>589,274</b>	<b>822,025</b>
<b><u>Other Liabilities</u></b>		
Security Deposit Received		
- General Fund (FC)	-	16,549
TDS Payable		
- EED	98,895	120,883
- Bread for the world	-	11,848
- Misereor	1,142	4,684
- ICCO	66,049	99,450
- Christian Aid (DFID)	6,068	83,189
- Other donors	-	3,800
- General Fund (FC)	-	2,758
- Local Contribution Account	89	6,983
<b>Sub Total</b>	<b>170,223</b>	<b>330,044</b>
<b>TOTAL</b>	<b>759,497</b>	<b>1,152,069</b>





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

**REG**

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b><u>INCOME</u></b>			
Grant Received		16,638,000	12,783,487
Bank Interest			197,231
<b>Total</b>		<b>16,638,000</b>	<b>12,980,718</b>
<b><u>EXPENDITURE</u></b>			
<b><u>Programme Costs</u></b>			
<i>(Strengthening Financial Management Capacities of NGOs)</i>			
<b>Monitoring and Consultancy Staff Costs and Training</b>			
Staff Costs		3,148,479	4,931,800
Other Benefits to Staff		239,618	200,624
Monitoring Software		90,000	-
Staff Welfare		553,095	438,639
<b>Sub Total</b>		<b>4,028,092</b>	<b>5,571,063</b>
<b>Travel Costs for Partner Visits</b>			
Travel and Conveyance		480,908	123,974
Boarding and Lodging		126,149	22,179
Other Expenses		40,080	62,907
<b>Sub Total</b>		<b>647,124</b>	<b>209,060</b>
<b>Capacity Building - Workshops, Consultancies</b>			
Annual Planning and Core Group Meeting Expenses		206,766	134,237
Workshops and Seminars (TOT & Auditors)		226,146	233,486
Translation Fees		41,280	28,346
Travel and Conveyance		197,943	272,988
Boarding and Lodging		292,120	70,628
Networking / Other Expenses		50,018	124,166
Printing and Stationeries		75,361	13,369
Honorarium		105,000	3,000
<b>Sub Total</b>		<b>1,183,623</b>	<b>881,444</b>
<b>Staff Costs Capacity Building</b>		<b>1,564,434</b>	<b>1,360,988</b>
<b>Publications, Research, FMST Websites</b>			
Cost of Newsletter		21,800	146,140
Printing of Annual Report and Brochures		21,534	64,000
Website Expense		26,938	25,418
Staff Costs		782,774	689,149
Membership & Subscription Fees		1,280	1,880
Cost of Publications		-	-
- Author Fees		-	1,095,341
- Printing Charges		-	287,715
Other Expenses		-	5,000
<b>Sub Total</b>		<b>836,306</b>	<b>2,310,421</b>
<b><u>Co-ordination and Administration Costs</u></b>			
<b>Staff Costs and Training</b>			
Staff Costs		3,066,008	7,137,215
Other Benefits to Staff		132,147	110,381
<b>Sub Total</b>		<b>3,218,155</b>	<b>7,247,596</b>

contd.

*[Handwritten Signature]*



<b>Office Costs</b>		
Electricity and Water Charges	343,575	430,427
Printing and Stationery	141,041	333,031
Courier and Postage Charges	143,938	76,892
Generator Running and Maintenance	150,128	181,030
Computers Maintenance	21,846	43,160
Telephone Expenses	125,694	163,281
Internet Expenses	67,091	81,975
Internet Audit Fee	-	35,040
Insurance	9,788	12,067
Building Maintenance	885,148	73,378
Office Maintenance	434,336	354,048
Office Equipments Maintenance	199,903	241,217
Professional Charges	8,000	137,675
Recruitment Expenses	22,883	117,181
Conveyance	83,027	79,648
Vehicle Running and Maintenance	256,850	363,898
Audit Fees	91,000	82,728
Other Expenses	29,435	20,440
<b>Sub Total</b>	<b>2,604,657</b>	<b>2,824,180</b>
<b>Travel Costs</b>		
Director and Core Staff	159,505	882,715
Trustees Meetings	85,043	197,037
<b>Sub Total</b>	<b>244,548</b>	<b>1,079,752</b>
<b>Capital Costs</b>		
Office Equipments	334,804	110,415
Computer & Printer	280,898	334,140
Computer Software	4,410	38,716
Vehicle	500,083	-
Furniture and Fixtures	60,775	15,481
<b>Sub Total</b>	<b>1,180,770</b>	<b>518,752</b>
<b>Organisation Development Process / Evaluation</b>		
Organisation Development Expenses	414,827	-
Evaluation	-	78,557
<b>Sub Total</b>	<b>414,827</b>	<b>78,557</b>
<b>Total</b>	<b>15,124,295</b>	<b>15,985,928</b>
<b>Unspent / (Overspent) during the year transferred to Grant Account</b>		
	510,709	(2,889,496)

X

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

(R. RAGHURAMAN)  
Printer  
M. No. 081350



(CHAIRMAN)

*Sanjay Kumar*  
(EXECUTIVE DIRECTOR)

Place: Holms  
Date: 10/1/2011

(TRUSTEES)

STEES)  
Homer L. L.



**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 2011**

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>INCOME</b>			
Grant / Reimbursements		589,197	1,780,172
		<u>589,197</u>	<u>1,780,172</u>
<b>EXPENDITURE</b>			
<i>(Programmes for the poorest and most deprived section of the community and evaluation of performance)</i>			
Travel and Conveyance		249,006	393,476
Boarding and Lodging		4,600	211,030
Honorarium and Professional Fees		100,268	169,372
Website Expenses		6,300	6,300
Printing & Stationery		-	7,729
Other Expenses		573	37,866
		<u>462,848</u>	<u>967,873</u>
Unspent / (Overspent) during the year transferred to Grant Account	I	436,251	952,587

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

(R. RAGHURAMAN)  
Partner  
M. No. 081380



For FINANCIAL MANAGEMENT SERVICE FOUNDATION

*[Signature]*  
(CHAIRMAN)

*[Signature]*  
(EXECUTIVE DIRECTOR)

New Delhi  
Place: Noida  
Date

18.06.2011

(TRUSTEES)

*[Signatures of Trustees]*

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

**LOCAL CONTRIBUTION ACCOUNT**

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>INCOME</b>			
Grant for CSOP Awards		142,040	1,000,000
Bank Interest		471,480	838,798
Rent		228,736	178,380
Income for other facilities provided		21,372	187,180
Workshops / Consultations		27,000	82,280
Facilities for Conference		77,483	45,923
Sale of Publications		31,020	44,066
Membership Fees		1,000	4,000
Interest on Income Tax Refund		7,890	-
		<u>1,008,891</u>	<u>2,036,527</u>
<b>EXPENDITURE</b>			
Expenses on CSOP Awards			
- Award Function		12,212	381,292
- Postage & Courier		4,026	65,077
- Professional Fees		-	28,000
- Printing & Stationery		-	133,145
- Travel and Conveyance		-	188,284
- Conference Expenses		-	13,809
- Other Expenses		38,372	16,528
Expenses on facilities provided		103,174	82,229
Advertisement Expenses		-	2,000
Bank Charges		110	408
Workshops / Consultations		4,577	-
Travel and Conveyance		500	-
		<u>188,891</u>	<u>868,742</u>
Surplus / (Deficit) during the year transferred to General Fund	III	846,727	1,178,820

Significant Accounting Policies and Notes  
forming an integral part of accounts

XI

As per our report of even date  
For V. SANKAR AYYAR & CO.  
Chartered Accountants  
FRN: 109208W

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

(R. RACHURAMAN)  
Partner  
M No 081350



(CHAIRMAN)

(EXECUTIVE DIRECTOR)

Place: Moida  
Date: 10/05/2011

(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 31<sup>ST</sup> MARCH 2011**

**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/reallocated to various programmes based on the provisions available in the respective programme costs.
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 expenses against the grants received from Christian Aid (DFID) for PACS programme have been account for on the basis of actual expenses incurred subject to overall reconciliation with PACS Secretariat, adjustments for allowable and non allowable expenses / billing and report (in progress) of the Independent Auditors appointed in terms of the agreement to carry out the complete audit of PACS programme in India conducted through many partners. The impact of the adjustments, if any due to above will be accounted for in the year it is finalized / settled.
7. 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.
8. Previous year figure has been regrouped wherever necessary.
9. a) 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.






b) The funding agencies from whom no grants have been received during the year, no previous years figures have been provided as the same are not comparable.

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

For V. SANKAR AIYAR & CO  
CHARTERED ACCOUNTANTS



(R. RAGHURAMAN)  
PARTNER  
Membership No : 81350

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

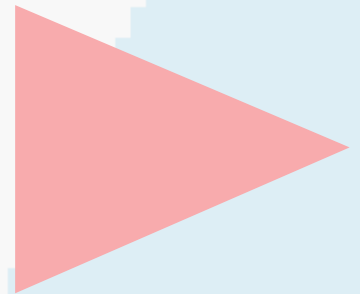
  
(CHAIRMAN)

  
(EXECUTIVE DIRECTOR)


  
(TRUSTEES)

Place: <sup>New Delhi</sup> ~~Neida~~  
Date: <sup>10.12.2021</sup> ~~10.12.2021~~

# GOVERNANCE



**Governance for FMSF** means achieving high level of accountability, efficiency, responsibility and justice in all areas of operation. FMSF also strives through its governance mechanism to be accountable to all its stakeholders.

### Board of Trustees

The Board leads the organization. It has the ultimate authority for directing the affairs of the organization and to ensure that the objective for which it has come is being achieved.

**Composition:** FMSF has a highly multi-skilled Board of Trustees. EED is always represented in the Board of Trustees Meetings.

- a. **Chairman** - Bishop (Dr.) C.L. Furtado is a retired Bishop of Church of South India. He has rich experience of governance of faith based as well as secular Voluntary Organizations. He has an outstanding track record of management of various organizations.
- b. **Trustee** - Ms. Rosemary Viswanath is an Organizational Development expert having rich experience in the Voluntary Sector. She is a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore with dual specialization in Personnel Management & Organization Behavior and Habitat and Human Settlements. She heads an organization, "EQUATIONS" - a campaigning, advocacy and research organization working on the impacts of tourism. She has been involved in many study and evaluation processes that has contributed in strengthening organizational processes of NGOs and has wider knowledge of the grass root realities of the development organizations.
- c. **Trustee** - Mr. C.B. Samuel 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.
- d. **Trustee** - Prof. (Dr.) Vidya Rao is from the academic background and 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.

- e. **Trustee** – Ms. Monica Sudhir is a Learning & Development Consultant with over 20 years of experience. She has trained executives of MNCs and Corporates 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.

**Board Meetings:** The Board of Trustees meets in regular intervals to review the work of the organization and in making strategic decisions of the organization. During the reporting period, two Board meetings were held on the following dates:

- 9<sup>th</sup> July 2010
- 13<sup>th</sup> January 2011 [Executive committee]

### Other Internal Meetings

**Annual Planning:** The Annual Planning Meeting for the year 2011 was held in Goa during January, 2011. The objective of the meeting was to reflect on the previous year and to plan for the next year 2011. After going through a process of reflection of the year 2010, which included both on the highs and lows, charted an action plan for the present year.

### 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. The Audit Report along with the Management Report is received by the Board of Trustees. The Internal Audit is also carried out at regular intervals and the recommendations are considered by the management.

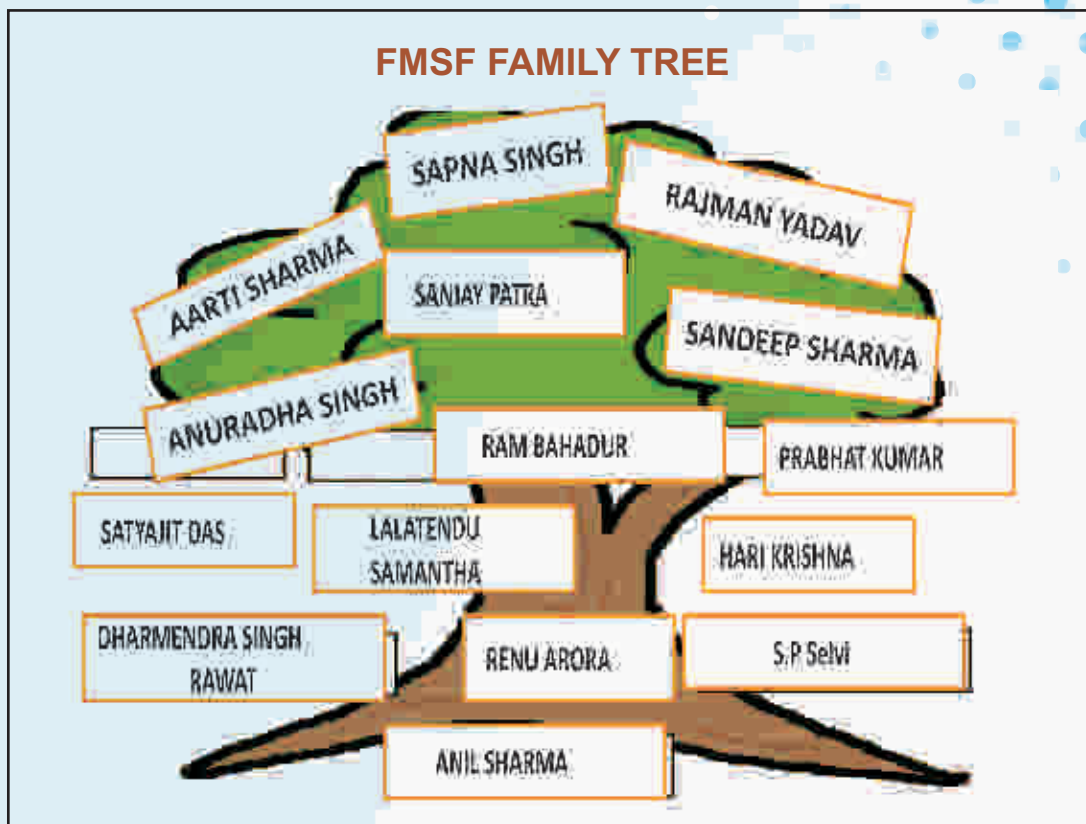
FMSF also follows the concept of rotation of auditors whereby during the year the new Statutory Auditor for FMSF M/s V. Sankar Aiyer & Company, New Delhi were appointed.

### The Staff Team

The staff team consists of people from various backgrounds like Chartered Accountants, MBAs, I.T professionals, Rural Management professionals etc. The staff team at FMSF is led by Mr. Sanjay Patra, Executive Director. During the year, Mr. Satyajit Das & Lalatendu Samantha joined the FMSF team and Ms. Madhuchhanda Mishra, Ms. Sharmishta Mukherjee & Ms. Neha Kaushik left the organization.



As on 31<sup>st</sup> March, 2011 the FMSF Team Members are:



**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. For this purpose, a structured format is used. The appraisal is participatory in nature.

### 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 and ICCO with whom it has association during the year.

### Sustainability

**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), ICCO, 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.
- **Income from "Programme Centre":** FMSF offers conference / meeting facilities as well as accommodation facilities in its Programme Centre at nominal contribution from like-minded organizations and agencies.

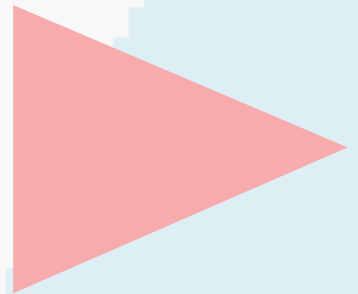
**Organizational & Programmatic sustainability** - FMSF believes that sustainability is not only linked with financial resources but it also includes organizational and programmatic sustainability. The recent initiative of DFMA would also provide programmatic sustainability.

**Organizational Development process:** FMSF had undergone an External Review Process during 2009 commissioned by EED, Germany. Following the Final Review Report, one of the key suggestions of EED to FMSF was to undergo an Organizational Development (OD) Process. During the year, the OD process was initiated with the objective that *"it would help FMSF to become a robust organization, capable of meeting the demands of its various stakeholders and at the same time, fulfill its commitment towards EED"*.

With the above objective, the 1st Diagnostic Meeting was held in January, 2011 at Goa to bring out future areas and initiatives that could be taken up by FMSF.



# CONCLUSION





FMSF is stepping into another year and a crucial phase of OD Process wherein the various initiatives are to be taken forward and consolidated. FMSF believes in constantly improving the quality of performance so that it can add more and more value to the services that it renders to the stakeholders. FMSF works in mutual inter-dependent environment with all the agencies it is associated with.

At this juncture, FMSF gratefully acknowledges the support and co-operation of all its development partners and others agencies without whom the journey so far would not have been possible.

FMSF also recognizes with appreciation the hard work of its team who coped with the work pressure well and rose to the occasion.

FMSF also expresses its appreciation to the trustees who have been the enablers in the journey with their constant encouragement, guidance and support.

With all the emerging challenges coming ahead, a special note of gratitude to EED for their continuous support & encouragement.

With the vision to further enhance its role in promoting accountability, FMSF steps into another year of hope and aspiration.









**fmsf**  
Financial  
Management  
Service  
Foundation

---

**"ACCOUNTABILITY HOUSE"**

A-5, Sector 26, NOIDA-201301, INDIA

**Tel.:** 00-91-120-2546732/33/44/45

(For Calling from Delhi: 95120-120-2546732/33/44/45)

**Fax:** 00-91-120-2546731

**e-mail:** [fmsf@fmsfindia.org](mailto:fmsf@fmsfindia.org)

**website:** [www.fmsfindia.org](http://www.fmsfindia.org) [www.legalissuesforngos.org](http://www.legalissuesforngos.org)  
[www.incometaxforngos.org](http://www.incometaxforngos.org) • [www.fcraforngos.org](http://www.fcraforngos.org)  
[www.socialaccountability.net](http://www.socialaccountability.net) • [www.fmsflearningsystems.org](http://www.fmsflearningsystems.org)