

Guideline for Financial Reporting 2023

A. Introduction

The purpose of this document is to provide guidance on financial reporting for organizations with project/program agreements with *Union to Union*.

B. Reporting requirements

In order to fulfil the requirements for reporting, the following reports must be submitted to *Union to Union*:

1. Midterm report

Every year, by **August 15** at the latest, a half-yearly report (using the "Midterm Report" templates) must be submitted to *Union to Union*.

The midterm report shall comment on the financial aspects of the project/program with focus on deviations from the project plan.

The outcome filled out in the Budget/Outcome template should be an estimation of costs occurred during Jan-July and need not be validated at this time. The forecast on the outcome and need to request more grants the remaining period must be made based on the approximated Midterm outcome and activities that remain to be executed Aug-Dec.

2. Annual and Financial report

Documents, as listed below, for the preceding calendar year (January 1 – December 31), shall be submitted to *Union to Union* no later than **March 1**.

1. A Final Narrative Report on results with the results matrix and financial outcome 2023 for the project/program
2. Activity matrix (free form or *Union to Union* template)
3. The Financial report in the Excel format
4. Appendix "Transfer_Details_2023"
5. Partner Organisation contact information if revised from application

And

6. Audit Report according to **ISA 805** including the Financial Report signed by auditor
7. Additional assignment on factual findings according to **ISRS 4400**
8. Management Letter
9. Management Response from the Agreement holder on the Management Letter shall be submitted by **March 15**.

C. Required contents in the Budget/Outcome excel-file

Reports should be drawn up using the same excel template with budget items as in the approved budget in the agreement.

Be sure to use the updated template for the narrative report, i.e., the template on *Union to Union's* website (<http://www.uniontounion.org>).

The narrative report shall include comments relating to the figures in the "**Budget/Outcome**" excel-file. If costs are reported on another level or item than the budget explain why. Always comment on the outcome **in relation to the budget**.

A list of partners in the project chain is included in the narrative report stating if there are **agreements holders for transfer of funds** with local or regional partner in the project chain, with the amounts in those agreements (Question 7). Comment on any exception from audits or transfers of funds, refer to the approval agreed upon.

The predefined budget lines/cost types (keywords)

1. Administrative costs

The administrative costs can include for example part of the office rent, stationery, and costs for necessary IT equipment as well as bank charges. It can also be costs for finance staff who work with the accounting and financial reports.

2. Audit

Audit costs can be estimated and included in the financial report of the program or project even if they are not prepaid. If the final costs deviate from the estimation, the difference may be charged to the project the following year, if the project is multi-year. If the project ends and the estimated cost exceeds the final cost, the surplus, including interest, must be repaid at the time were any outgoing balances or interest revenues are repaid.

3. PME

Planning, Monitoring and Evaluation involves costs that do not benefit the target group directly but are necessary for the implementation and reporting of the project/program, for example costs for planning the project, travel costs for field visits, internal evaluations etc. External evaluations shall be noted as a separate budget line.

4. Staff/ personnel costs

Project coordinator, organisers and other staff employed in the project are examples of project staff costs. Above listed roles should not be listed as separated budget lines unless they for example are employed for a specific event/expert role/workshop

Staff costs shall be accounted for and allow reviewing and auditing. The costs should be charged on a regular basis and authorized by the appropriate person. The basis for any estimated staff costs must be clearly documented and commented on in the narrative report. Estimates alone are not sufficient.

National accounting and tax rules must be complied with.

Voluntary work does not qualify as a project/program cost.

All project/program costs must be possible to trace in the accounting and there must be supporting documents.

Budget vs Outcome

- a) Use the same excel template with budget items as in the approved budget in the agreement (the version that includes a revised budget column can also be used). The financial report must compare outcomes with the approved budget (Question 6). It must include comments in the year-end report on major budget deviations (those in excess of 10 percent per budget line, provided the deviation exceeds an amount corresponding to SEK 10,000).

A	B	C	D	E	F	G	H	I
6			Budget	Outcome	Budget	Outcome	Budget	Outcome
7		Currency:			EUR		EUR	
8		Exchange rate:			10,3800	10,5600	10,3800	10,5600
9		COST TYPE	Budgeted costs	Actual costs	Budgeted costs	Actual costs	Budgeted costs	Actual costs
10	1	Administrative costs					1 000	998
11	2	Audit			1 000	1 000	500	500
12	3	PME			1 000	985	3 800	3 500
13	4	Staff/Personel costs					9 500	
14	5	Gender workshop					2 000	-
15	6	Campaign on..A					216	-
16	7	workshop on Corruptin					1 100	100
17	8							
18	9	Youth workshop					-	1 598
19	10	Campaign on...B					-	100
20	11							
21	12							
22	13							
23	14							
24	15							
25	16							
26	17							
27	18							
28	19							
29	20							
30		TOTAL					18 116	6 796
31		Budget ex						37,51%
32		TOTAL				20 962	188 044	71 766

Financial outcome 2023

4. Budget revisions

List any changes in the budget and refer to the correspondence (date, project officer, budget lines etc.) with Union to Union.

[The Gender workshop (budget item 5) was cancelled due to.... and an approval was received on 2022-0xx-xx to a Youth workshop instead (budget item 9). The full budget from the gender workshop was reallocated.

The campaign on A. (budget item 6) was changed due to be about ... instead (budget item 10). This was communicated with Union to Union on 2022-xx-xx and approved by xxx. EUR 10 from the campaign was reallocated from this.

- b) To ensure a clear tracking of budget deviations (Questions 5 and 6), any new budget items shall be added in a row under the already approved budget items. The budget amount for the new item shall be noted as 0 (zero), only the outcome amount shall be filled in (se example above).
- c) A comment must be made in the financial narrative report stating (se example above)
- when the approval for this was received
 - which previous budget item the budget was reallocated from
 - the approved budget amount for the new budget item.
- The same principle applies whether it is within a level or between levels.

- d) Financial accounts must be presented using **the same currency** as in the approved budget.
- e) The exchange rate for the outcome **must be filled out in the template** (or the connected sheets will not show any results).

The exchange rates used in the report for each level can be calculated as:

- On each level an average yearly transfer exchange rate is calculated from transfers amounts received/made during the year.
- If that is not possible, the average exchange rate against SEK for 2023 can be used to calculate the rate. Verify the history of the local currency concerned for the above period <https://www1.oanda.com/currency/converter>. The value in SEK for the Outcome will then be according to that average transfer rate.

The final value of the outgoing balance will be calculated at an end of year rate by *Union to Union* and notified to the agreement partner in the Project Report Memo.

Comparison between where costs are audited and where they are attributed

The “**Budget_Outcome_template_2023_GUF-updated**” file includes sheet “**2B.Sent vs Spent**”. This sheet copies the figures entered in the “2.Budget and Outcome” sheet (which includes a Revised Budget column) and has a column Outcome (spent/attributed to/benefited). This sheet is for analysis purpose only and its use is optional.

UNION TO UNION LO, TCO & SACO GLOBAL		GUF Exchange rate and currency must be filled in.			GUF Re
Currency:		CHF			E
Exc.Rate:		9,1600	9,8800	9,8800	10,
BUDGET ITEM	Budget	Outcome (sent/audited)	Outcome (spent/attributed to/benefited)	Bu	
1 Administration	10 000	9 000	5 000	1	
2 Audit	10 000	10 000	10 000	1	
3 Wages/Salaries	30 000	35 000	20 000	1	
Summary overhead cost above:	50 000	54 000	35 000	3	
Summary activity costs below:	240 000	233 541	119 888	20	
<i>Details activity costs: Time line</i>					
4 Plan/Monitor/Eval/Reporting	20 000	15 000	10 000		
5 workshop A	20.000	19.888	19.888		

Multilateral projects – costs on level 2

If the Swedish unions have costs related to the projects, an invoice has to be sent to the GUF with supporting documents and they shall be reimbursed by the GUF. These costs shall be noted in a separate budget line on the level where the outcome is audited. This will clearly show the amount that is related to the Swedish affiliate.

If costs are noted on level 2 (as in old excel templates) an audit must be made for level 2 and sent to the GUF and included in the GUF audit. The cost for the level 2 audit shall not be included in the project costs.

Cost per country

List all countries where costs have occurred. This is not in the audit chain, but countries where activities etc have taken place. This sheet is for analysis purpose only.

The table automatically deducts the budget/outcome for the GUF HO leaving the remaining funds to be distributed per country. If there is an amount left in "Remains to be distributed" please explain why (Question 10b).

If costs are related to a regional office, please note costs for the country where the office is as well as the countries in that region where costs have occurred. Cost should be related to where the activity has taken place, not from where any participants come from.

A	B	C	D	E
	UNION TO UNION LO, TCO & SACO GLOBAL	COST PER COUNTRY		2022
		60999 test project		
		<i>Total Project Budget in SEK:</i>		5 476 000
		<i>Total Project Costs in SEK:</i>		4 882 600
		<i>See Budget Reporting Guidelines for more information</i>		
		Please list all countries where costs actually occurred		
			Budget	Actual Costs
		GUF Head Office	916 000	778 600
		Remaining amount to be distributed per country below:	2 285 000	4 104 000
		Remains to be distributed:	10 000	4 104 000
		Countries		
		Africa GUF Reg	1 000 000	
		Zimbabwe	10 000	
		Kenya	100 000	
		Botswana	250 000	
		India	900 000	
		Colombia	15 000	

D. Transfers received and sent (Question 8)

For each level note the amount of money that was requested and received, if needed please add a new row, use the Excel file "Transfer_Details_2023.xls".

If funds are transfers from a lower level to a higher (level 5 to 4) this must be commented on separately in the annual financial report.

Only transfers of project funds in the project chain of Agreements should be noted. Please note especially for level 5 that reimbursements of costs for minor costs are not the same as Agreements for transfers of funds in the project chain. Only transfers that induces audits or have an exception from audits are eligible here.

Please fill in the figures in the excel file, not in the narrative report template. Any comments should be written in the narrative report.

Please note that this is the summary of the transfers and average transfer rates that correspond to the “**Transfer and Balance**” excel sheet in the Financial Report.

A	B	C	D	E	F	G	H	I	J	K	
1	Project number 60xxx	proj title is filled in on front page					Project number 60xxx	proj title is filled in on front p			
2	Level 4: Transfers to Regional GUF:						Level 4: Transfers to Regional GUF:				
3	(If there are several regional offices and/or different currencies, please copy the table for each office/currency):										
4											
5	Regional GUF 1: Name						Regional GUF 1: Name				
6	Date funds were received	Amount requested	Currency1 request	Amount received, Currency	Currency2 received		Date funds were received	Amount requested	Currency1 request		
7	First transfer:	-		-			First transfer:	-			
8	Second transfer:	-		-			Second transfer:	-			
9	Third transfer:	-		-			Third transfer:	-			
10	Fourth transfer:	-		-			Fourth transfer:	-			
11											
12		Total amount requested:		-				Total amount requested:			
13		Total amount received:		-				Total amount received:			
14		Average transfer rate, (=Currency1/Currency2):		#DIVISION/0!	#DIVISION/0!			Average transfer rate, (=Currency1/Currency2):			
15											
16											
17	Regional GUF 2: Name						Regional GUF 2: Name				
18	Date funds were received	Amount requested	Currency1 request	Amount received, Currency	Currency2 received		Date funds were received	Amount requested	Currency1 request		
19	First transfer:	-		-			First transfer:	-			
20	Second transfer:	-		-			Second transfer:	-			
21	Third transfer:	-		-			Third transfer:	-			
22	Fourth transfer:	-		-			Fourth transfer:	-			
23											
24		Total amount requested:		-				Total amount requested:			
25		Total amount received:		-				Total amount received:			
26		Average transfer rate, (=Currency1/Currency2):		#DIVISION/0!	#DIVISION/0!			Average transfer rate, (=Currency1/Currency2):			
27											
28	Regional GUF 3: Name						Regional GUF 3: Name				
29	Date funds were received	Amount requested	Currency1 request	Amount received, Currency	Currency2 received		Date funds were received	Amount requested	Currency1 request		
30	First transfer:	-		-			First transfer:	-			
31	Second transfer:	-		-			Second transfer:	-			
32	Third transfer:	-		-			Third transfer:	-			
33	Fourth transfer:	-		-			Fourth transfer:	-			
34											
35		Total amount requested:		-				Total amount requested:			
36		Total amount received:		-				Total amount received:			
37											
	Frontpage	Transfer details SWE	Transfer details GUF	Transfer details REG	Transfer details LOCAL						

E. Interest revenues

The Co-operation Partner may keep surpluses resulting from interest. The interest shall be used to finance activities in line with the approved objective. Interest revenues related to projects or programmes shall be included in the financial reports.

F. Signing of report

The financial report **must be signed by the auditor** at the relevant sheets in the template. Those sheets (“Budget and Outcome” and “Transfer and Balances”) applicable have lines for the auditor **visible when printed**.

G. Exchange rates gains or losses (Question 9)

Any gains or losses resulting from changes in currency exchange rates should be accounted for in connection with the annual reporting.

- Comments should be made on the impact on the **outcome** of the project costs (for example: were any activities added or cancelled?).

- Comments should also be made on the exchange rate gain or loss in the **closing balance** for each level.

Compare the end of year rate with the average exchange rate of transferred funds (on each level) and write the amount/s in the narrative annual financial report. The end of year rate according to www.oanda.com per 31st December shall be used as comparison.

For each level comment on the exchange rate gain or loss in the outgoing balance by using the average transfer rate and the end of year rate.

Example:	Outgoing balance (currency)	Value at transfer rate in SEK	Value at end of year rate in SEK	Gain / loss in SEK
Level 2	0			
Level 3	-564,20 CHF	-5 675,85	-5 783,05	-107,20
Level 4	0			
Level 5	797,43 EUR	8 022,15	8 173,66	151,51

Example on level 5 for how to arrive at the numbers above:

- Average transfer rate for three transfers = 10,06 SEK/EUR
- Per 31/12/2023 the SEK/EUR the end of year exchange rate was 10,25 SEK/EUR
- **Outgoing balance** as noted in "Transfer & Balance"-sheet, in this example it is **EUR 797,43**
- **Value at transfer rate** = SEK value against the average rate is entered, i.e. the same rate that corresponds with the outcome rate in "Transfers and Balance" = 10,06 => **SEK 8 022,15**
- **Value at end of year rate** = SEK value against the end of year rate = 10,25 => **SEK 8 173,66**
- Calculated gain/loss is then 8 173,66 - 8 022,15= **SEK 151,51**

H. Additional requirements for organizations forwarding funding

- Organizations forwarding funding must ensure that agreements are signed with partners at subordinate levels, and that these agreements contain the applicable sections of the agreement with *Union to Union*.
- The Organization must ensure that when funding has been transferred to subordinate levels, it is audited according to the Agreement and Audit instruction from *Union to Union*.
- Organizations are responsible for carrying out the following at subordinate levels:
 - Assess and act on information received in reports relating to transferred funding.
 - Keep written records of decisions made about reports received from partner organizations.
 - Report any shortcomings and/or significant issues that come to light to *Union to Union* immediately.
 - Check agreement partners against the EU-sanction list.

I. Outgoing balances/Repayment of funds

The final outgoing balance in SEK for the whole project will be notified in the Balance sheet from *Union to Union*.

If *Union to Unions* Co-operation Partner wishes to forward the balance into next year, a written request must be submitted to *Union to Union* no later than 30th of November 2023. The request must include an updated budget and activity plan and specify the use of the balance in relation to the allocation for the next year.

If a request to keep balances have been approved, *Union to Union* will assess the Mid-term report for 2024 in detail to prevent new balances this year.

Any other balances from 2023 must be returned to *Union to Union* as soon as possible, but no later than **30th of June**.

Always note the project/program number on payment. Payment in SEK should be made to:

Bank: Swedbank AB

SWIFT/BIC: SWEDSESS

IBAN: **SE94 8000 0832 7901 4623 8365**

Account no: 8327-9 – 14 623 836-5