

Budget and financial reporting

The purpose of this document is to support Sida Partners' work with budget and financial reporting. To promote aid effectiveness, Sida does not have a general template for the partner organisation's budgets.

This document highlights which information Sida usually needs. The information is the basis for Sida's analysis of budgets and financial reports when providing core support.

BUDGET IN GENERAL

- The period of the budget shall correspond to the reporting period.
- The figures shall be in the local currency, i.e. in the currency of which the expenses will be paid. If another currency is used the exchange rate must be clearly stated.

In case the organisation has a country-office shall the budget be stated in the main organisations currency. If another currency is used the exchange rate, compared to the main organisations currency, must be clearly stated.

- The content of the budget lines can advantageously be presented in a budget narrative.
- Information shall be provided on which financiers are available and the funding they contribute with the extent of secured funding and what funding gap Sida's funds are expected to cover. If there is a funding gap, an action plan to manage it must be presented and attached to the budget.
- Other important information is how any surpluses or deficits created will be managed.

- It is recommended that the budget is provided in Excel to make it possible to see the calculations bases. If another format is used, the calculation bases should be clearly stated.
- Costs should be in line with the organisations internal guidelines, such as for travels and per diem. Policy documents shall be communicated to Sida, who will assess their reasonableness.

Please note that only economy class is allowed for flights and for the staying the standard is a good middle-class hotel.

FORWARDING OF FUNDS

- Total amount forwarded to third parties shall be clearly stated and distributed per party (if applicable). It's important that the local currency used by third parties is indicated.

STAFF COST

- Remuneration levels shall be in line with the organisation's approved payroll and remuneration policy, and assessed reasonable in relation to the local context. Sida has a restricted policy when it comes to bonuses and other benefits. If present, they should be clearly stated, e.g. a thirteenth month's salary.
- The date of the last pay review shall be specified and the new levels compared to the old ones displayed. Information should also be provided on the principle used for annual salary increases.

FINANCIAL REPORTING

- The partner shall report the financial outcome annually (or another contractual period) to Sida.
- If the financial statement in the annual report has the same structure as the most recently approved budget, and the budget is shown in the financial statement, Sida accept this as the financial reporting.

If the financial statement deviates from the budget approved by Sida, a supplementary financial report shall be submitted that follows the same structure and principles as the approved budget.

Variations to the budget shall be stated and major discrepancies explained. It is also important that the same currency is used in the financial report as in the budget.

Facts

The checklist is created by the Controlling & Investigations unit within the department Operational Support.

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