

Grant reporting for volunteers:

The building blocks

Part 2: Financial report

Vassia Atanassova ■ User: Spiritia ■ Wikimedians of Bulgaria User Group

What are the typical mistakes in financial reporting?

Here are some of the lame mistakes you can easily avoid. ☺ Don't forget to calculate VAT for any purchased goods or services and carefully check if it is included in your proforma invoice or price quote. If you operate in different currencies, be careful not to mix them. Attach a document as a reference for floating exchange rates. And don't forget the bank fees.

How to organize the documents?

Introduce a mnemonic file naming convention that naturally sorts according to a preferred criterion like date (in format YYYY-MM-DD), or budgetary item as in the project proposal, add a short description.

We have several project running in parallel. What can go wrong?

Actually, many things. ☺ Basic rule: Do not mix documentations for different projects. Make **separate** transactions for each project, even if they are payments to the same provider, or for small amounts. Yes, this will probably incur double bank charges, but it is important to maintain accountability for each project separately.

Please, start reading **bottom-up**, because:

- This is how buildings are built. ☺
- This is how grassroots communities operate. ☺

How to reimburse cash payments from the shared bank account?

It depends on whether it is small or large amount, known or unknown in advance. For smaller amounts that you can afford to cover from your pocket, make cash payments now and later withdraw the *equivalent* amount from the bank account. Drawing bulk amounts for unspecified expenditures is sometimes unavoidable, but less desirable, as it may require either additional withdrawal or return of money, and is harder to track. In such cases, requiring the provider to issue a proforma invoice is the better practice. Always specify the type of expenditure or the document reference number.

What if we are missing some expense document?

The basic rule is: never buy from a seller who does not issue expense documents: money donated to the Wikimedia movement shall not feed the "grey economy"... But sometimes valid documents for expenses get lost, or come incomplete. Inform your WMF officer if this is the case... And some documents are not even supposed to remain with you (like return tickets for transportation and gift vouchers). Scan the originals in advance and keep the scans for the report.

What is a shared (joint) bank account and why is it needed?

Joint bank accounts are accounts shared between 2 (or more) individuals. In the absence of a formal legal body (chapter), user groups applying for WMF grants are required to have such joint accounts, whose holders enjoy community support and trust. They are two or more in order to audit each other, and ensure accountability and transparency in spending the donors' funds.

Are shared account holders required to collaborate in a project?

Yes. Each WMF funded grant shall have in its team at least one of the joint bank account holders for that user group, who has agreed to operate the account for that project and help preparing its financial report. All the rest holders are equally accountable and should be informed about any grant proposal and funded project on behalf of the UG, and be given access to expense documents, ensuring the good coordination and internal auditing.

What if our real expenditures slightly differ from the proposed budget?

Your proposed budget may happen to be structured differently from your real expenditures. As long as you are within the budget, ask your officer for permission to restructure adequately.

What kind of expense documents do we work with?

Chapters need invoices including chapter's name, address, VAT identifier. Informal user groups have more relaxed accounting and receipts alone (without obligatory invoices) are eligible expense documents. For cash payments always demand (and store) the cash register receipt or the ticket. When making bank payments, the provider cannot issue a cash register receipt, but must issue an invoice (with your name, address, ID).

When do we need a proforma invoice?

Proforma invoice gives an estimate how much a certain number of services / goods will cost. It is *not* a binding agreement between seller and buyer, and can be used as a price quote. If purchase takes place, make sure to obtain the *original* invoice.

When and how to start preparing the grant's financial report?

When? From the very first day of the project term. ☺ How? Create a shared spreadsheet or wiki table to track expenses and remainders. Also, create a shared repository to store all scans of expense documents (min 300 dpi, color). While the spreadsheet/table can be public, the repository shall not, since some documents may contain personal data (full names, home address, personal identification number, etc.).

Who shall have access to the shared spreadsheet and expense documents in a user group project run by volunteers?

Ideally, all project team members, unless otherwise agreed. Remember, in a user group, we are all equally volunteers and concentration of power / information in just one person is not the wiki way. Sharing the access increases: interchangeability, accountability, inclusivity, motivation for teamwork, learning.

We're volunteers in an informal user group. Do we need formal training in accountancy and finance, in order to propose and report grants to WMF?

No. But any relevant experience and advise you can take – either from a local professional or from WMF or another user group – can be helpful. Read carefully [\[\[meta:Grants:Start\]\]](#) and [\[\[meta:Grants:Documenting project expenses\]\]](#).

What if our project is not completed by the end of the grant term?

Sometimes the difficulties in front of a project may be really hard to overcome within the specified period of project implementation. What will happen depends on the reasons for the delay, and on the implications for the project outcomes, budget, team and community. Don't panic! Ask for an extension and openly explain the situation to your project officer.