Project Financial Reporting

Core Project Financial Report

- The core project financial report format is used for all cash-funded projects, including projects that receive grant funding.
- The core project financial report includes the following sections: balance sheet, income statement, including expenses by 8xxx account, expenses by IPC, DPC and DOS, expenses by T7 programming codes, expenses by funding source (grants), and expenses by T7 and 8xxx. For offices that have adopted CAM, OOCA/SDPC, etc… categories reporting format should be considered.
- This report is submitted in the FFR database on a quarterly basis within 30 days of the end of the quarter.
- Guidelines and Sunsystems report definitions for the core project financial report format were are available in to Sunsystems resources database in Lotus Notes for further information.
- A variance explanation report must be attached in the financial reports database in the same document as the core project financial report.
- Some offices are unable to produce balance sheets because the Sunsystems accounting for the office is integrated with the National Office or is being done on a centralised basis. In these cases, the section on "Balance Sheet" is not required. Refer to the section on balance sheet reporting for further details.

Logframe Project Financial Reports (Outcomes and Outputs, see Appendix 5 and Appendix 8)

- All LEAP-aligned projects and programmes must submit separate financial report with category "Logframe Financial Report" on a semi-annual and annual basis in the financial reports database.
- A standard format for project logframe financial report and guidelines to produce it are available on the TD website and the Sunsystems resources database in Lotus Notes.
- The logframe financial report is required only at the outcome and output level. However, offices can produce activities level reports for their internal use if necessary.
- The LEAP & Finance CD-ROM gives some explanations on how to produce such reports. Refer to **Appendix 5** for a sample report.

Additional Financial Reports (to be input in the FR DB quarterly)

- Account 310 reconciliation.

Internal Financial Reporting

Monthly project or programme financial reports are produced for the programme/project management to support better monitoring of the project/programme.

Type of Report	What's in this report?	Why do this report?	How often?
Monthly Project/programme Financial Report	Report on actual versus budget for the month and year-to-date	As a monitoring tool for the project/programme management and the National Office Finance Department	On a monthly basis, by the 20th of the following month
Quarterly project Financial Reports	• Core project financial report and explanation of variances,	As a monitoring tool for the project/programme management, the National Office Finance Department	Quarterly project financial reports must be submitted within 30 days after the end

	• Account 310 reconciliation and (if applicable) grant financial reports	and the various stakeholders including Funding Offices	of the quarter on the FFR database.
Semi-Annual and Annual Project Financial Report	• Same as above • Logframe financial report and explanation of variances	Enables projects and programmes to communicate with, and be accountable to, various stakeholders. Must be attached to the semi-annual and annual project or programme management report	It is recognised that the year-end financial report takes longer to produce as books are not closed for a couple of weeks Therefore, the deadline for the year-end (September 30th) report is November 15th.
Semi-Annual and Annual Programme Core Financial Report	• Programme core financial report	Enables projects and programmes to communicate with, and be accountable to, various stakeholders. Shows programme overall expenses as well as individual summary projects expenses	It is recognised that the year-end financial report takes longer to produce as books are not closed for a couple of weeks. Therefore, the deadline for the year-end (September 30th) report is November 15th.

Programme Logframe Financial report & Project Logframe financial report

- The programme logframe financial report is a summary of expenses by Outcome/Output for the entire programme per constituent project. It also shows the detailed Output level actual for each individual project of the programme. Offices that submit this format should do it for each programme on a **quarterly basis**. In this case, no individual Logframe project report is required.

Project Variances Explanation

- It is the responsibility of the Project Manager and the Project Finance Officer to provide a proper variance explanation. Therefore, they must meet at least quarterly to discuss and prepare variance explanations.
- Both for the core project financial reports and logframe financial reports, variance between actual expenses and budgets must be explained properly.
- Budget variance explanations must be brief, but clear, regarding the reason for the variance. For example, in travel, an explanation such as "We travelled more" is not acceptable. "Additional travel was due to the opening of five new projects in the north region" is an example of an explanation that is brief and clear. Corrective action to be taken may be briefly stated, if needed.
- Explanations must be made in English but can be submitted in local language if the Funding Office agrees. Explanations that are not written in English must be translated if the Funding Office requires it. If translation is necessary, explanations must be submitted on time in the local language and an extra seven days will be allowed for submission in English, if necessary.

- Variances explanations must be attached to the same document in the financial reporting database as the core project financial report or logframe financial report. For reasons of tracking reports submissions easily, it is a requirement that the document be marked to indicate that a variance report is attached.
- For financial reporting database, variances explanations documents for logframe financial reports are required semi-annually and annually, and on a quarterly basis for the core report.
- Variances explanations must indicate any potential for carryforward to enable SO and NO to decide on the use of the remaining funds before the end of the fiscal year.
- In general, overspending the project budget is to be avoided. For policy on overspending or underspending, refer to the section on "Overspending/under spending" in the WVI Finance Manual.

Core Project Financial Reports: Variance explanations must be submitted with each core project financial report. For a project with a budget of $100,000 or less, a line item variance of 20% or more between actual expenditures and budget must be explained. For projects with a budget of over $100,000, a variance of 10% or more must be explained. In either case, explanation should be made by main **account code** (8xxx) and by **T7 programming categories** (P21…P26). Variances analysis by T7 categories is not required for LEAP aligned project/programmes.

Logframe Financial Reports: Variance explanations must accompany each logframe financial report. For a project with a budget of $100,000 or less, a line item variance of 20% or more between actual expenditures and budgets must be explained. For projects with a budget of over $100,000, a variance of 10% or more must be explained. In each case, explanation must be by **Output**.

Variance Explanations Forms: The columns of these forms should be incorporated into the projects' financial reports formats to explain variances, which would eliminate the need for a different form. If this is not the case, the standard forms in **Appendix 6** are to be submitted.

Variance Explanation Summary Table:

(1) PROJECT BUDGET IS OR LESS THAN USD100,000

Explain Variances by:	Core Project Financial Report	Logframe Financial Report
Account Code (8xxx)	**If variance exceeds 20% for each account**	
T7 Code (P1…26) only if project does not produce Logframe report variances	**If variance exceeds 20% for each sector code**	
Output		**If variance exceeds 20% for each output**

(2) PROJECT BUDGET IS OVER USD100,000

Explain Variances by:	Core Project Financial Report	Logframe Financial Report
Account Code (8xxx)	**If variance exceeds 10% for each line item**	
T7 Code (P1…26) only if project does not produce Logframe report variances	**If variance exceeds 10% for each programming category**	
Output		**If variance exceeds 10% for each output**