Instructions on Financial Reporting 2018

Introduction

The purpose of these instructions are to provide guidance on financial reporting for organizations with project/program agreements with Union to Union. Please note that there are separate instructions for information and communication projects.

Reporting requirements

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

Midterm report
- Every year, by September 30 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.
- A forecast on the outcome of the remaining funds must be made.

Annual and Financial report
Reports, as listed below, for the preceding calendar year (January 1 – December 31), shall be submitted to Union to Union no later than March 15.

1. An Annual Report for the project/program
2. Partner Organisation information
3. A Financial Report, that has been audited by an independent and qualified auditor
4. An Audit Report according to ISA 805 as well as additional assignment according to ISRS 4400
5. A Management Letter


Required contents (Financial report)

Reports should be drawn up using the forms provided by Union to Union for this purpose; Be sure to use the current templates, i.e. the templates on Union to Union’s homepage. (http://www.uniontounion.org)

Budget vs reporting

a) Use the same budget items as in the approved budget in the agreement. The financial report must compare outcomes with the approved budget. 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).
b) Financial accounts must be presented using the same currency as in the approved budget.

c) The exchange rates used in the report for each level can be calculated as:
   • On each level an average yearly exchange rate is calculated from transfers received/made during the year.
   • If that is not possible the average exchange course against SEK for 2018 can be used to calculate the rate. Verify the history of the local currency concerned for the above period. This can be made at: https://www.oanda.com/fx-for-business/historical-rates

d) The principles applied for staff costs that are allocated to the program or project, shall be accounted for and allow reviewing and auditing. The costs should be charged on a regular basis and authorized by the appropriate person. Rough estimates are not sufficient. National accounting and tax rules must be complied with. Voluntary work does not qualify as a project/program cost or as a part of an organization’s co-financing or own contribution.

e) It must be possible to trace project/program expenditure including costs covered by Swedish contribution and own contribution in the accounting and there has to be supporting documents for these costs.

Own contribution 2018 (will be changed for 2019)

a) The organization’s Swedish own contribution must amount to at least 10% of the total project costs excluding local own contribution. The own contribution must not be 10% in each specific project, but amount to at least 10% for the project portfolio.

Swedish Own contribution is only calculated for levels 2 and 3. (All contributions on level 4 and 5 is stated as “Contribution from other sources” in the financial form. (Other income / third party contributions are for example financial contributions from other donors, organizational or logistical support from member unions, etc.)

b) The Swedish union/s and global union/s must provide Swedish own contribution, which should consist of cash payments made in Sweden (membership dues), including global union or unions’ membership dues. The amount of Swedish own contribution funding from global unions is based on membership dues and may not exceed this figure. This may never include estimated time for voluntary work.

c) The own contribution must be included in the yearly financial report to Union to Union and is therefore subject to the review of the auditor and shall be commented on in the auditor’s report according to the Audit Instruction.

Audit

a) 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, has to be repaid at the time were any outgoing balances or interest revenues are repaid.

b) The financial report must be signed by the auditor at the relevant sheets in the template.

**Interest revenues**

a) Interest revenues related to projects or programmes shall be included in the financial reports.

**Signing of report**

a) The financial report must be signed by an authorized signatory (as laid down by the Organization’s delegation of powers)

**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.

**Repayment of funds**

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

Any balances from 2018 must be returned to **Union to Union** as soon as possible, but no later than 30th of September the year following the project’s completion.

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 7999 4266 1878  
Account no: 8327-9 – 994 266 187-8