



How to Present Accounts

At RDA when we are sent a grant application with the accompanying budgets and accounting information, we take the time to pick through those that are not clear to gain all the information we need. Other funders may not be so patient and your application may not be looked at if they cannot find the information quickly.

It is important that you clearly state the following from the previously financial year, (or previous 12 months if necessary):

- Total Income and Total Expenditure (these should be displayed in the form of a basic Income and Expenditure Account as shown below)
- Total Reserves (these then need to be broken down into restricted and unrestricted This should be shown in a balance sheet)

For smaller groups these two areas may be able to be combined onto a single sheet. Always check what the grant application asks for as every application can be different.

The Charity Commission provides a very useful accounts layout, which covers all of the areas above.

<https://www.gov.uk/prepare-charitys-annual-accounts>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571142/CC15d.pdf

<https://www.gov.uk/government/publications/charity-accounting-templates-receipts-and-payments-accounts>

Financial Reserves

As a charity, it is important to keep money aside as a reserve to protect your charity against drops in income or allow to be able to take advantage of new opportunities. These are your reserves and can be spent on any of your aims.

Write a reserves policy to explain to others why you are setting money aside rather than spending it on your charity's aims.

How to set a reserves policy

Your reserves policy should set out:

- how much your charity needs to hold in reserve and why
- how and when your charity's reserves can be spent
- how often the reserves policy will be reviewed

You can set aside enough money to meet a potential need, such as an unexpected drop in income.

However if you set aside money for a specific purpose, such as building works, a major capital fundraising project which you are still raising funds for; make it clear that this is separate from the charity's general reserves. This is extremely important for grant success!

Restricted- specified by the donor and can only be used for this project

Designated- internally ring-fenced for a particular project (e.g fundraising for a major project)

'Free' Unrestricted- general

It is extremely important that the reserves are clearly marked out into these categories so that funders are aware of your current situation. If you are saving money they need to know why!

Review your reserves policy regularly to make sure you aren't setting aside too much or too little.

The Charity Commission's gives more information on writing a reserves policy.

<https://www.gov.uk/government/organisations/charity-commission/about/publication-scheme>

Example Template for Account Summaries

Income and Expenditure for Riding for the Disabled (Charity No.....) Financial Year.....				
Income		Expenditure		
Fundraising Events	£			Hire of Horses
Grants				Horse care
Gift Aid				Insurance
Lessons				Membership
Donations				Admin costs
Miscellaneous				Training
				Travel Expenses
Total Income	£			Purchases
				Miscellaneous
				Total Expenditure
				£
Reserves				
Restricted Reserves				
.....	£			
.....	£			
.....	£			
.....	£			
Unrestricted Reserves				
Designated Reserves				
.....	£			
.....	£			
.....	£			
Free Unrestricted Reserves				
.....	£			
.....	£			
.....	£			
Total	£			