

ACE VALUE

FINANCIAL HELP FOR THE VOLUNTARY SECTOR

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In this edition ...

We all know that these are hard times for fundraising; it's becoming more and more competitive with a growing number of voluntary and community groups chasing an ever declining pool of funds. So what are funders looking for? Essentially, they want to know that their money is making a difference in the world. Success with grant applications is never guaranteed but you increase its likelihood if you can

clearly demonstrate the differences you make in the lives of your beneficiaries. To do this you need to have monitored and evaluated your work and the article "So, how well are you doing?" looks at how to set up simple and effective systems to do this. We also take a look at the different types of insurance you need to think about in "Are you covered?" The Charity Commission has recently changed the various

threshold limits that determine what documents need to be sent to them so we've included information on the new requirements – just look up your income level in the chart! But first, we've developed a new training course *So you want to sell your services?* designed to help small groups navigate a way through the commissioning and procurement process. More below ...

ACE's new course: So you want to sell your services?

Many groups are finding that local authorities are replacing grants with commissioned services. The contract culture is here to stay so we've developed a new training course, *So you want to sell your services?*, which explains what's involved in bidding for contracts and aims to help you decide whether funding from this source is right for your group at this stage of its development. The course covers:-

- ensuring the service or services you are bidding for fits with your group's overall mission;
- understanding & managing the regulatory framework and contract reporting

requirements;

- the possible impact of contracts on your cash-flow;
- the policies and systems you need to have in place before submitting bids;
- thinking about partnership working;
- what the 'personalisation' agenda means for your group.

pm at our offices in Romford. The cost is £25 and we provide lunch. If you'd like to book, please email us at this address: info@acecas.org.uk.

This new course forms day one of a two part course with ACE's existing course *Budgeting Workshop Using the Full Cost Recovery Method* forming the second day. We're running the course on Tuesday 13 and Wednesday 14 July from 10 am to 2.30

MORE TRAINING DATES ON PAGE 7

Some points for successful monitoring:

- build simple, user-friendly monitoring systems into everyday activities
- get commitment from those collecting the information, by explaining why they are doing it
- make sure that everyone responsible for monitoring has clear and consistent guidelines
- make sure that monitoring records are completed fully and accurately
- give people collecting the information feedback
- check that the project is not collecting the same piece of information more than once.

So, how well are you doing? First steps in monitoring and evaluation

Today's increasingly competitive funding climate is tough with more and more voluntary and community groups chasing an ever-declining pool of funds. So what are funders looking for? Essentially, they want to know that their money is making a difference in the world. Success in fundraising applications is never guaranteed but you increase the likelihood of getting that grant if you can clearly demonstrate what difference your work is making in the lives of your beneficiaries. In order to do this, you need to have monitored and evaluated your work and this article looks at how to approach this.

The five-step approach to monitoring and evaluation

Voluntary organisations have to be clear about what they are trying to achieve and need to develop specific aims and objectives.

Step 1

What are your aims?

Your aims are the changes you are trying to achieve in the main group or groups you work with.

It is useful to break aims down into two different parts. The first part can be regarded as an overall aim. The overall aim of a group working with, say, children with learning disabilities will be to improve the children's lives. Many organisations call their overall aim a 'mission statement'. This overall aim is too broad a statement to allow you to plan your work in detail or to provide guidance on what you might monitor and evaluate. It is helpful to break the overall aim down into specific aims. These might be:

- to improve the parenting skills of the parents of learning-disabled children;
- to improve family relationships particularly

between the learning-disabled child and his or her siblings;

- to increase the self-confidence of learning-disabled children;
- to help parents give each other support.

You can now check more easily how you are doing by monitoring and evaluating in relation to each specific aim. Make sure everyone in the project is clear about its aims.

Step 2

What are your objectives?

How will you bring about these changes? Objectives are the practical activities you carry out to bring about changes in your target group. It's important to link aims and objectives. The objectives of the group working with learning-disabled children link to the organisation's aims in the following way:-

Aims	Objectives
to improve the parenting skills of the parents of learning-disabled children	So they:- <ul style="list-style-type: none"> • provide workshops, information and advice on parenting skills • run a drop-in centre
to improve family relationships particularly between the learning-disabled child and his or her siblings;	So they:- <ul style="list-style-type: none"> • provide outings and activities for all the family to enjoy together
to increase the self-confidence of learning-disabled children;	So they:- <ul style="list-style-type: none"> • provide opportunities for play, drama and dancing • provide stimulating and challenging opportunities for the children • run a drop-in centre with a play area so children can interact with others outside their immediate families
to help parents give each other support.	So they:- <ul style="list-style-type: none"> • provide workshops, information and advice on parenting skills where parents can share their experiences • run mentoring and befriending schemes • organise outings for parents

So, how well are you doing? (continued)

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When setting your objectives, remember to

- use language that describes action such as ‘to organise’, ‘to produce’, ‘to set up’, ‘to run’ or ‘to provide’ etc;
- be realistic. Make sure you have enough money, staff or volunteers and time to run each activity;
- limit the number of aims and objectives. The more focused the better!
- review your aims and objectives from time to time. You might need to change them in the light of experience.

Step 3

What are your performance indicators?

These are the things you check to see how well your project is doing. They enable you to answer the question ‘how will you know you are bringing about a change?’

There are different types of performance indicators. The two that you will find particularly useful are:-

- Output indicators. These help you assess the work generated by the project and to show progress towards meeting your **objectives**.
- Outcome indicators. These help you to assess the changes that take place as a result of your project and show progress towards meeting your **aims**.

What is an output indicator?

The term ‘output’ is used to describe your project’s activities, services and products. You will need to identify outputs relating to each objective. Continuing with the example of the group working with learning-disabled children:-

Objective	Outputs	Output indicators
<ul style="list-style-type: none"> • provide workshops, information and advice on parenting skills • run a drop-in centre 	<ul style="list-style-type: none"> • running workshops; • holding information and advice sessions; • producing information leaflets 	<ul style="list-style-type: none"> • the number of workshops run; • the number of advice sessions held; • the numbers of people attending workshops & information sessions; • the profile of people attending such as the proportion of men to women, age, ethnicity etc

The organisation can then assess how the workshops and information and advice services were running. Are they well attended? If not, why not? Is it because they’re held at the wrong time? Have the information sessions been adequately publicised? Is there a problem with the content of the workshops? Would parents prefer to use a telephone helpline or on-line services rather than face-to-face sessions? And so on. Similar questions can be asked about quantity, take-up and access in relation to each objective.

Don’t set too many indicators, choose the most important one.

What is an outcome indicator?

These help you measure whether you really are bringing about the change you want.

You need to break down your aims into all the different changes or benefits you hope will take place as a result of project activities. These changes are known as outcomes.

As an example, the group working with learning-disabled children had the aim of increasing the children’s self-confidence. In order to decide the outcomes, the group needs to think about what different changes will show it that the children have increased self-confidence. These might be:-

- able to make their own choices;
- able to relate better to adults and other children;
- comfortable about doing things independently.

When you are clear about the outcomes you want, you can then identify indicators for each outcome as illustrated in the table on page 4.

▶ Page 4

Some reasons for evaluation:

- To provide information to funders and other stakeholders
- To learn and so improve decision-making
- For organisational planning and management
- To set delivery standards
- To review key resources
- For policy change and strategic planning

The services ACE offers include:

- Help and advice via telephone and email
 - Preparation and independent examination of accounts
 - 'ACE Value' Newsletter
 - Training courses
 - Training for groups at their premises
 - Budget / cash-flow statement preparation
 - Financial health check
 - Writing a financial procedures document with a group
 - Advising on and setting up financial systems
 - Other consultancy work for organisations
- Do contact us for further information.

So, how are you doing? (continued)

◀ Page 3

Outcomes	Outcome indicators
• children are more able to make their own choices	• how often children initiate play with other children and adults
• children are able to relate better to adults and other children	• levels of interaction with other children and adults
• children are more comfortable about doing things independently	• how often children choose to do things without their parents

Take each of your aims and ask “What changes (outcomes) do we want to see in our users and what signs (outcome indicators) will show us that the changes we hoped for have happened?”

Limit the number of indicators so that you only collect information that will help you evaluate the project and do make sure that you can collect the information you need.

Step 4

Monitoring – how well are you doing?

Once you are clear about your aims, objectives and performance indicators, you can check systematically on progress. This checking process is known as **monitoring**.

Monitoring outputs

The group working with learning-disabled children identified the following output indicators:-

- the number of workshops run;
- the number of advice sessions held;
- the numbers of people attending workshops & information sessions;
- the profile of people attending such as the proportion of men to women, age, ethnicity etc

To collect this information, the organisation could use the following methods:-

- a sign-in sheet at the beginning of each workshop or session to record the numbers of those attending;
- a diary to record how often and how many workshops and advice sessions were run over one year;
- the gender and home address of each participant who attended the workshops and advice sessions were collected and entered onto a database.

By monitoring this information, the group can see whether it needs to make any changes in the way it runs workshops and advice sessions.

Monitoring outcomes

It is harder to collect information about outcomes than outputs because it involves collecting information about people’s behaviour and attitudes. To collect information about whether the aim “to increase children’s self-confidence” was being met, the group asked several questions:-

- how often and when did children initiate activities?
- how dependent was each child on others for different things?

To collect this information, staff at the group did the following:-

- observed the children and recorded in a log-book when the children initiated play with adults and other children;
- asked the parents, using a questionnaire, whether they thought their children chose to do more things without them over a period of time.

Bear in mind the following points:-

- think about ways of collecting information that will best fit with your project;
- you may need to collect information by observing your activities and their impact on your beneficiaries;
- you may want to use written questionnaires completed either by project workers or beneficiaries that record changes;
- be clear about who will collect each piece of information and when to do it;
- make sure people collecting information understand why they are doing it and how the information will be used;
- make sure the monitoring records are completed fully and accurately and stored safely and confidentially.

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So, how are you doing? (continued)

◀ Page 4

Step 5

Evaluation – what difference have you made?

All of the information you have collected will now help you to answer questions like “did the project achieve its aims? Did it make the changes in people’s lives you hoped for? If not, why not? What worked well and what not so well? What else have you learned from the evaluation?” Take time to consider what the information is telling you. The answers to these questions will feed into your planning process, helping you to identify the developments you want to make to future work plans.

Reporting the results

How you share the results of your monitoring & evaluation is very important. You are likely to need a written report for your funders but there will be many other people interested in the evaluation such as your donors, service users, trustees and staff. Think creatively about ways of sharing information such as:

- your annual report
- training events
- conferences
- videos
- newspaper articles
- local radio
- newsletters
- your website

Remember – evaluations are meant to be used!

It’s very important to feedback what you’ve learned from your evaluation into your daily work and the project’s future development. Evaluation should be a continual process which is built into your annual work plan. This will help your project to remain healthy and to provide high quality services. **Above all, it will help the work you do make a real difference to the lives of your beneficiaries.**

(This article is taken from the Charities Evaluation Services’ publication “First Steps in Monitoring and Evaluation”)



Are you covered? A brief guide to insurance and the questions trustees (or management committee members) need to ask

Organisations that are members of national associations should contact their national headquarters for advice on insurance as many have negotiated schemes that members can join. If you are reviewing your insurance needs, it is advisable to use an insurance broker who has an appropriate understanding of the insurance needs of the voluntary and community sector. For further information see the Charity Commission’s publication ‘CC49 – Charities and Insurance’. The National Council for Voluntary Organisations (NCVO) has several very helpful publications on insurance on its website at www.ncvo-vol.org.uk.

Type of insurance	What it covers	Issues for the Board to think about
Buildings	Property	If an organisation is the freehold owner of a building, it should be insured for its full reinstatement value. Where an organisation leases property it must ensure its insurance is adequate to comply with the terms of its lease
Contents	Furniture, equipment, cash & other assets	Governing body has a duty to protect all charity property. Consideration to be given to whether insurance:- <ul style="list-style-type: none"> • should be on a replacement cost basis • covers loss arising from theft • covers specific items such as IT equipment • covers money in transit and on the premises
Public liability	Protections against (1) claims from members of the public for injury, loss or damage incurred on the premises of the charity; and (2) claims arising under the Occupier’s Liability Acts 1957 and 1984.	Public liability insurance may also be appropriate for organisations which arrange events attended by the public or supply goods to the public. Always check with your insurer to ensure these types of activities are covered by this type of policy
Employers’ liability	Protects against claims by members of staff for injury or disease suffered or contracted by employees while carrying out their duties.	All employers required to have minimum cover of £5 million & a certificate showing that a valid policy is in force must be prominently displayed by the employer.

Are you covered? (continued)

◀ Page 5

Type of insurance	What it covers	Issues for the Board to think about
Vehicles	Third party injury and property damage	If trustees, employees or volunteers use their own vehicles while carrying out the organisation's activities, the governing body must ensure that the insurance held by the owner of the vehicle extends to such use. Any additional premiums incurred in this respect can be reimbursed by the organisation. If you transport people on minibuses, you will need to speak to your insurers because special requirements apply
Fidelity	Protects against loss from fraud or dishonesty of employees when they are handling cash or other valuables	It may be possible to extend this to cover loss from dishonesty of trustees and volunteers. This type of cover is not a substitute for proper financial and personnel management and is usually only provided if an organisation can demonstrate that it has effective controls in place
Fundraising events	(1) protection against bad weather	Organisers of outdoor fundraising events such as fetes, shows and galas can take out 'pluvius insurance' to cover against losses arising from cancellation of the event due to bad weather. Trustees should seek professional advice if they wish to do this
Fundraising events	(2) poor response to appeals	Trustees proposing a large public appeal should consider this type of policy which aims to cover the costs of establishing and administering the appeal where the response to the appeal is poorer than expected. Can also be extended to cover loss of cash raised at an event when being carried or kept overnight or over a weekend at the private home of a nominated individual or senior individual of the organisation.
Legal expenses	Indemnify the costs of certain legal expenses	Where this form of insurance covers the cost of an employment dispute, it usually also covers the charity's liability (as employer) for any compensation awarded to the employee. May also include access to a free legal advice helpline.
Consequential loss insurance	Reductions in income and/or increases in overheads when activities are disrupted as a result of damage sustained from an event such as a fire or flood	Cover should at least meet the cost of hiring new premises and/or equipment for the duration of any remedial work or whilst awaiting the replacement of equipment
Professional indemnity insurance	Organisation providing professional services or advice or information	Protects against claims that an organisation is legally liable for loss, injury or damage sustained as a result of following advice or using information.
Trustee indemnity insurance	Covers trustees from having to personally pay out when legal claims are made against them	Since this insurance protects individuals rather than the organisation, the governing document must specifically permit its purchase. Protection is valid only as long as trustees act honestly and reasonably. Will not protect against criminal acts or reckless behaviour that the trustee should have known was not in the interests of the charity
Volunteers		The Charity Commission advises that trustees regard volunteers as being employees for insurance purposes and to ensure they are properly covered by the usual types of insurance such as employers' liability or public liability. Trustees should check their policies to see how volunteers are defined and accurate records should be kept of all those working for the charity who fall within that definition.

Training Diary: July - August 2010

Date	Course	Venue
Monday 5 July	Keeping a Cash Book on Excel	Barking
Tuesday 13 and Wednesday 14 July (10 am - 2.30 pm)	So you want to sell your services? <i>(lunch is provided for this two-day workshop)</i>	Romford
Tuesday 20 July (10 am - 2.30 pm)	Budgeting Workshop Using the Full Cost Recovery Method <i>(lunch is provided for this workshop)</i>	Romford
Tuesday 27 and Wednesday 28 July (10 am - 2.30 pm)	QuickBooks Workshop <i>(lunch is provided for this two-day workshop)</i>	Romford
Tuesday 3 August	Budgeting and Reporting to the Management Committee	Ilford
Monday 9 and Tuesday 10 August (10 am - 2.30 pm)	So you want to sell your services? <i>(lunch is provided for this two-day workshop)</i>	Barking
Monday 16 August	Keeping a Cash Book on Excel	Barking
Wednesday 18 August	Business Planning	Dagenham
For dates later in the year, please see our training diary available online or at our office.		

Details are subject to change but are correct at time of going to press.

All courses in the diary above start at 10 am and finish at 1 pm (unless stated otherwise).

Lunch is provided for courses which finish at 2.30 pm.

ACE training courses are also advertised on these websites:

www.bdcvs.org.uk
www.havco.org.uk
www.redbridgecvs.net
www.citycomm.org.uk
www.elcvsnetwork.org.uk

Course bookings / general enquiries, email: info@acecas.org.uk (see page 8 for our address & phone number)	
Sue Cullum ACE Manager sue.cullum@acecas.org.uk	Joseph Yongo Community Accountant joseph.yongo@acecas.org.uk
Siobhan Bailey Training Officer / Community Accountant siobhan.bailey@acecas.org.uk	Richard Mico Community Accountant / Administrator richard.mico@acecas.org.uk

Training venues

Community House,
19/21 Eastern Road,
Romford,
RM1 3NH

Forest House,
16-20 Clements Road,
Ilford,
IG1 1BA

St. George's Centre,
St. George's Road,
Dagenham,
RM9 5AJ

Starting Point, 16 Pickering Road,
Barking,
IG11 8PG

ACE (Accounting for Community Enterprises)

Community House
19/21 Eastern Road
Romford
Essex, RM1 3NH
Phone: 01708-735214
Fax: 01708-721312
Email: info@acecas.org.uk

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ACE works in association
with Redbridge CVS and
Barking & Dagenham
CVS



and in association with
CITY.COMM



ACE receives funding
from London Councils
and from the London
boroughs of Havering,
Redbridge and Barking &
Dagenham



News

Updated information from the Charity Commission

The Charity Commission has recently updated their guidance on these four topics:

- risk management (CC26)
- financial difficulties and insolvency (CC12)
- reserves (CC19); and
- internal financial controls (CC8)

Andrew Hind, Chief Executive of the Charity Commission said:

"Careful management of risks, strong internal financial controls and a clear reserves policy form the cornerstone of a well managed charity. At a time when many charities are reviewing their financial and risk management, it is important that they have the right tools to be able to mitigate risk, overcome financial difficulties and to be clear about how to manage reserves and establish internal financial controls. In an uncertain economic climate, it is more important than ever for charities to review and actively manage the risks they face. Regardless of a charity's size, this revised guidance is something for all trustees to read".

Go to www.charity-commission.gov.uk for more information.

What information do trustees need to send to the Charity Commission?

Is your annual income under £10,000?

You need to complete Part A (Charity information) of the Charity Commission's Annual Update form.

All registered charities must prepare a Trustees' Annual Report (TAR) and accounts and make copies available to the public but if your group's income is below £10,000, you do not need to send your TAR and accounts to the Charity Commission.

Is your annual income over £10,000 but less than £25,000?

You need to complete Part A (Charity information) of the Charity Commission's Annual Return. Now the next bit is tricky.....If the financial period you are reporting on ended **before** 1 April 2009, you should send your TAR and Accounts. For financial periods ending on or **after** 1 April 2009, however, you do not need to send your TAR and Accounts to the Charity Commission if your income is below £25,000.

Is your annual income over £25,001 but less than £500,000?

You need to complete Part A (Charity information) of the Annual Return along with the 'Reporting serious incidents' section. When completing this, you must confirm that there are no serious incidents or other matters that should be reported to the Charity Commission which have not already been reported. Trustees should read the Commission's guidance *Reporting Serious Incidents* which details what it regards as 'serious'. You must also submit your TAR and annual accounts.

Is your annual income over £500,001 but less than £1,000,000?

You need to complete Parts A (Charity information) and B (Financial information) of the Annual Return and the 'Reporting serious incidents' section of the form. Trustees should read the Commission's guidance *Reporting Serious Incidents* which details what it regards as 'serious'.

You must also submit your TAR and annual accounts.

Is your annual income over £1,000,000?

You must send Parts A, (Charity information); B (Financial information) and C (Summary information return) of the Annual Return along with the 'Reporting serious incidents' section of the form. Trustees should read the Commission's guidance *Reporting Serious Incidents* which details what it regards as 'serious'.

You must also submit your TAR and annual accounts.

IN THE NEXT ISSUE: MORE ON MEASURING OUTCOMES