



# How to guide:

## 2023-26 Investment Programme and Transfer Programme (NPO & IPSO)

### Finance Template

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## Introduction

Welcome to the How to Guide for the 2023-26 Investment Programme Financial Template document.

Each applicant will need to complete three revised templates to form part of their funding agreement:

- [The financial templates](#)
- [The Investment Principles Plan](#)
- [The Activity Plan for Outcomes](#) or [The Activity Plan for Investment Principles Support Organisations](#)

This guide will outline:

- What the financial templates are and why we're using them
- The functions of each template
- And what you need to tell us when you're filling them in

We also have additional resources that sit alongside this guidance to help you. These include a [glossary of financial terms](#).

### What are the financial templates and why are we using them?

You will need to complete the new [financial templates](#) to form part of your funding agreement. It should be based on the financial templates submitted as part of your application taking into account the level of your funding offer and any feedback received on your application.

The financial templates are a tool for you to tell us about your organisation's financial information through an [Annual Budget](#), and a [Cashflow Forecast](#).

We understand that many organisations will have their own ways of monitoring and reporting financial activity and progress, and that reporting formats can vary greatly. It is for this reason that we've provided templates for this information and we require them to be completed and submitted as part of revised plans for NPOs and IPSOs, and for ongoing monitoring.



You are required to complete the annual budget column within the template with your organisation's detailed annual budget, there is also a column to include any supporting notes.

You should include your budgeted income and expenditure within the headings provided in the template, these include:

<b>EXPENDITURE</b>	<b>STAFF COSTS</b>
	National Insurance
	Pension
	Salaries
	Temporary staff
	Redundancy costs
	Other staff costs
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total other staff costs (autosum of rows 48-52)</b>
	<b>TOTAL STAFF COSTS</b>
	<b>DIRECT ACTIVITY COSTS</b>
	Artistic spend
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total artistic spend (autosum of rows 58-62)</b>
	Programme costs
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total programme costs (autosum of rows 64-69)</b>
	Education and outreach costs
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total education and outreach costs (autosum of rows 70-74)</b>
	Other direct activity
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total other direct activity costs (autosum of rows 76-80)</b>
	<b>TOTAL DIRECT ACTIVITY COSTS (autosum of subtotals above)</b>
	<b>OVERHEADS</b>
	Advertising & Promotion
	Audit & Accountancy
	Bank Charges
	Capital expenditure
	Company development
	Consultants Fees & Subscriptions
	Contingency
	Corporation tax
	Depreciation
	Earned income costs
	Insurance
	IT costs
	Legal & Professional
	Loan repayments
	Miscellaneous costs
	Office equipment purchase
	Other costs (not elsewhere specified)
	Other office expenses
	Rates
	Rent/Mortgage
	Research & development
	Travel
	Utilities
	VAT liabilities & Irrecoverable VAT
	Other overheads
	<i>Enter detail here</i>

<b>INCOME</b>	<b>Annual Budget 2023/24</b>
	Arts Council England - NPO/IPSO
	Arts Council England - Other
	Contributed income - e.g sponsorship, donations
	DCMS
	Direct Activity Income
	Other earned income
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total other earned income (autosum of rows 18-22 above)</b>
	National Lottery Heritage Fund
	Investment Income
	Local Authority Income
	Other National Lottery Grants
	Other income sources
	<i>Enter detail here</i>
<i>Enter detail here</i>	
<i>Enter detail here</i>	
<i>Enter detail here</i>	

We understand that some organisations may budget and report in a different format than is set out here, however this is the level of detail we require for monitoring purposes. This might mean you'll need to group types of income or expenditure together to include within the headings provided. We have added some additional lines if you feel you wish to add extra detail.

As an example, Direct Activity costs may include fees for freelancers and production costs such as room hire and materials, where relevant. You may add detail in each section to be more specific about your Direct Activity costs.

<b>DIRECT ACTIVITY COSTS</b>	
Artistic spend	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>

If you do choose to use the finance template for your ongoing monthly/quarterly reporting, then there is a section in which to include brief explanatory notes on reasons for Variances, as shown in the image below.

<b>Notes on Variances</b>

You should provide budget information in this template at the same level as your business plan and proposed activity. For most applicants, this will mean a whole organisational budget that might include income and expenditure that is not associated with the activity you are applying for.

In some circumstances, a budget may be more appropriate at a department level. This should be exceptional and would normally only apply to Local Authority organisations or universities.

For consortiums, your budget template should be completed for consortium activity.



The cashflow forecast should be completed for the period 1 April 2023 to 31 March 2024.

Your organisation’s cashflow forecast should indicate the anticipated sources of cash income and expenditure for each month, showing the impact on the cash position. The cash flow forecast should be a summary of all cash transactions from 1 April 2023 to 31 March 2024. You should include your projected cash income and expenditure within the headings provided in the template, as depicted below:

<b>INCOME</b>	<b>Cashflow forecast</b>
	Arts Council England - NPO/IPSO
	Arts Council England - Other
	Contributed income - e.g sponsorship, donations
	DCMS
	Direct Activity Income
	Other earned income
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total other earned income (autosum of rows 12-16 above)</b>
	National Lottery Heritage Fund
	Investment Income
	Local Authority Income
	Other National Lottery Grants
	Other income sources
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<b>Total other income sources (autosum of rows 27-31)</b>
	<b>TOTAL INCOME (autosum of subtotals above)</b>



<b>EXPENDITURE</b>	<b>STAFF COSTS</b>	
	National Insurance	
	Pension	
	Salaries	
	Temporary staff	
	Redundancy costs	
	Other staff costs	
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<b>Total other staff costs (autosum of rows 42-46)</b>
		<b>TOTAL STAFF COSTS</b>
	<b>DIRECT ACTIVITY COSTS</b>	
	Artistic spend	
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<b>Total artistic spend (autosum of rows 52-56)</b>
	Programme costs	
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<b>Total programme costs (autosum of rows 58-62)</b>
	Education and outreach costs	
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<b>Total education and outreach costs (autosum of rows 64-68)</b>
	Other direct activity	
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<i>Enter detail here</i>
		<b>Total other direct activity costs (autosum of rows 70-74)</b>
		<b>TOTAL DIRECT ACTIVITY COSTS (autosum of subtotals above)</b>
	<b>OVERHEADS</b>	
	Advertising & Promotion	
	Audit & Accountancy	
	Bank Charges	
	Capital expenditure	
	Company development	
	Consultants Fees & Subscriptions	
	Contingency	
Corporation tax		
Earned income costs		
Insurance		
IT costs		
Legal & Professional		
Loan repayments		
Miscellaneous costs		
Office equipment purchase		
Other costs (not elsewhere specified)		
Other office expenses		
Rates		
Rent/Mortgage		
Research & development		
Travel		
Utilities		
VAT liabilities		
Other overheads		
	<i>Enter detail here</i>	
	<i>Enter detail here</i>	
	<i>Enter detail here</i>	
	<i>Enter detail here</i>	
	<b>Total other overheads (autosum of rows 103-107)</b>	
	<b>TOTAL OVERHEADS (autosum of subtotals above)</b>	
	<b>TOTAL EXPENDITURE</b>	

As with the annual budget, we understand that your organisation may not report in exactly the way we're asking you to, but this is the level of detail we require for ongoing monitoring. This may mean you need to group types of cash income or expenditure together within the headings provided.

For many organisations, your cashflow totals will reflect your budget. This will vary depending on the scale and nature of your business.

You should forecast your cashflow carefully. For example, if your annual rent is £12,000 and you pay it quarterly, include the four payments of £3,000 in the months you expect to pay it.

The balance brought forward figure for Period 1, as highlighted below, should be your anticipated opening cash balance at the start of that month.

<b>TOTAL EXPENDITURE</b>	£ -	£ -	£ -
<b>Balance brought forward</b>	£ -	£ -	£ -
<b>Surplus/(Deficit)</b>	£ -	£ -	£ -
<b>Balance carried forward</b>	£ -	£ -	£ -
<b>FUND BALANCES</b>			
Restricted funds/endowments	£ -	£ -	£ -
Unrestricted designated funds	£ -	£ -	£ -
Unrestricted general funds	£ -	£ -	£ -
<b>Total funds</b>	£ -	£ -	£ -

This figure should include all cash held by your organisation, for example cash in your bank account (whether positive or negative) and petty cash accounts held by different members of your team.

Please note, the orange cell for Period 1 is the only cell where you will need to input a figure. All other orange cells will automatically populate as you complete the cashflow forecast.

The closing cash balance for each month should be broken down in the section of the template headed 'Fund Balances' as shown below. This is to make clear whether the sources of the monthly cash balance are restricted, meaning you can't use it for general purposes, for example:

- Restricted funds/Endowment funds
- Unrestricted designated funds
- Unrestricted general funds

<b>FUND BALANCES</b>						
Restricted funds/endowments	£	1	£	1	£	1
Unrestricted designated funds	£	1	£	1	£	1
Unrestricted general funds	£	1	£	1	£	1
<b>Total funds</b>	£	<b>3</b>	£	<b>3</b>	£	<b>3</b>

Please see the [glossary of financial terms](#) to help you with these definitions.

If you don't have restricted or unrestricted designated or general funds, you can leave these lines blank. In this instance your cash balance should be entered into the 'free reserves' section, shown below, so that it reconciles with the balance brought forward line.

<b>FUND BALANCES</b>						
Restricted funds/endowments	£	1	£	1	£	1
Unrestricted designated funds	£	1	£	1	£	1
Unrestricted general funds	£	1	£	1	£	1
<b>Total funds</b>	£	<b>3</b>	£	<b>3</b>	£	<b>3</b>
<b>Free reserves</b>	£	<b>1</b>	£	<b>1</b>	£	<b>1</b>
<i>*free reserves includes unrestricted, undesignated funds, not held in fixed assets or investments</i>						

For local authorities and universities, the cashflow forecast template should be completed for the service for which you are applying, for example a museum.

For libraries, you should include the elements of library provision for which you have applied.

For consortiums, the cash flow forecast template should be completed for consortium activity.

## Uploading the template to Grantium

Once you have completed the template, you will need to upload it as an attachment as part of your conditional offer on our online system Grantium.




To upload your completed template, click on the blue hyperlink titled 'Investment Principles Plan', as shown below.

**Submit updated plans for funding agreement negotiation**

Please use the hooks below to upload your updated Activity and Investment Principles Plans and a completed Financial Template (annual budget and cash flow) for the period April 2023 – March 2024.

The deadline to provide this information and submit the conditional offer notification step is **20 January 2023**. Please see the funding agreement negotiation letter on the attachments screen of this workflow for further information.

Please note that the maximum file size you can upload is 10MB.

Document Type	Required?	Description	Date attached	Download
<a href="#">1. Activity Plan</a>	Yes	Activity plan	12/10/2022	
<a href="#">2. Investment Principles plan</a>	Yes	IP plan	12/10/2022	
<a href="#">3. Financial document</a>	Yes	Financials	12/10/2022	
<a href="#">4. Draft Partnership Agreement (consortiums only)</a>	No	--	No attachment	

This e.Form has been submitted

After following the link, you should be taken to the page shown below. Here you'll be able to attach your completed template to Grantium. Once you have uploaded the file, click 'Save & Back to List' to return to the previous page and continue with your application.

**Attachment Details**

**\* Document Description:**

**File Name:** Investment Principles Plan.xlsx

**Document Type:** Investment Principles plan

**Maximum Size:** 10 MB

**Allowable Formats:** jpg, zip, xls, xlsx, jpeg, pdf, doc, docx, pptx, ppt

**Instructions:**

For further guidance on how to use Grantium, read the Grantium guidance on [our website](#).

## Glossary of Financial Terms

Budget	A plan of income and expenditure for a future period.
Business plan	A business plan is a written document that describes your business. It covers objectives, strategies, sales, marketing and financial forecasts. A helpful guide to business planning can be found here: <a href="#">‘Business planning guidance for arts and cultural organisations’</a>
Cash flow forecast	Report on the estimated sources of an organisation’s income, how it plans to spend cash, when it will receive and spend cash, and the resulting change in the organisation’s cash balance
Current assets	Current assets are all the assets of a company that are expected to be sold or used as a result of standard business operations over the next year. Current assets include cash, cash equivalents, accounts receivable, stock inventory, marketable securities, pre-paid liabilities, and other liquid assets
Current liabilities	Current liabilities are a company's debts or obligations that are due to be paid to creditors within one year
Direct activity cost	Direct costs are those for all aspects of a project or programme of activity. They include salaries (and on-costs) and fees for permanent and temporary staff working on the (creative and cultural) programme, freelancers, materials and production costs
Endowment funds	Endowment funds are restricted assets held to benefit an organisation long-term. Endowments are property, cash or other investments that are held by a charity in the long term. These assets do not have to be spent on delivering your purpose but can be held to generate income. The income can be spent in line with the purpose of endowment <b>Examples:</b> heritage buildings, general endowments to support ongoing costs, endowments to support bursaries, scholarships or specific posts
Financial Statements	Also known as: audited/unaudited accounts, annual accounts, statutory accounts. A statutory report on an organisation’s financial activities and performance over a fixed period (normally a year), and financial position at a point in time ie balance sheet, profit and loss statement (also known as income statement)

Fixed assets	Fixed assets are long-term assets that a firm owns and uses to produce income and is not expected to be used or sold within a year. Fixed assets include land, property, equipment, investments, tangible and intangible assets
Free reserves	Unrestricted undesignated funds not tied up in fixed assets and investments, therefore freely available for use essentially 'liquid assets'
Management accounts	Management accounts are an internal monitoring tool and present information for planning and control in the most helpful form for management and board
Non-current liabilities/Long-term liabilities	Non-current liabilities, also known as long-term liabilities, are obligations listed on the balance sheet not due for more than a year
Overheads	Overhead refers to the ongoing business expenses not directly attributed to creating a product or service. It is important for budgeting purposes but also for determining how much a company must charge for its products or services to make a profit. In short, overhead is any expense incurred to support the business while not being directly related to a specific product or service
Restricted funds	Restricted funds are those funds that are donated or granted for specific purposes stated by the funder. Restricted funds can only be used for the purposes for which they were given <b>Examples:</b> project grants, capital funding, public appeals for restoration of a venue
Salaries	Salaries are those staff costs not directly working on the project or programme of activity. Salaries are incurred regardless of a project or programme of activity. <b>Examples:</b> marketing, general management/administration staff
Unrestricted Designated funds	Designated funds are unrestricted funds that the trustees have set aside for a particular purpose. Such funds can be undesignated or re-designated. <b>Examples:</b> funds set aside for a major project in the next one or two years, a development fund set aside to provide seed corn or match funding for projects or a fund to support innovation within the organisation

Unrestricted general funds	Unrestricted general funds – these are funds that a charity has received from a donor and which are not held for any particular charitable purpose. They can be spent as deemed fit by the trustees <b>Examples:</b> core grants from public funders, trading income, interest on main bank accounts
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