

ARTS COUNCIL NATIONAL LOTTERY PROJECT GRANTS

Final income and expenditure

Arts Council National Lottery Project Grants is our open-access programme for arts, museums and libraries projects.

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This information sheet relates to Arts Council National Lottery Project Grants.
See [our website](#) for more information about Project Grants.

In this sheet, we will talk about the following.

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Final income and expenditure for Project Grants

If your application is successful and we give you a grant, you must complete an online Activity report form at the end of your project. The Activity report form helps you to evaluate your work, and allows us to monitor the impact of our funding, and find out how your project went.

You will be asked to confirm the final income and expenditure figures for your project, and compare these with the estimated budget you provided in your application form.

Completing your final income and expenditure

When you submit your Activity report form, we ask you to compare your original income and expenditure (the estimated budget you provided in your application form) against your final income and expenditure (the actual figures at the end of your project).

Your report will automatically show your original budget, and you will be asked to enter your actual income and expenditure figures (as they are at the end of your project).

We expect budgets change during the life of a project, so we understand that your final income and expenditure may not be exactly the same as the budget you put in your application form.

System note: you will not be able to delete any of your original expenditure lines, but you will be able to change the amount spent to zero if you need to. If you add an additional budget line in error, just set the amount to zero.

Key things to remember

Contingency

Contingency is additional money that you set aside in the budget in your application to pay for increased or unexpected costs. As your final expenditure shows what you actually spent, you will not include a contingency.

If you included a contingency line in your original budget, **reduce the amount to £0** in your final expenditure. If you do not do this, it will delay us processing your Activity report form.

If you used all or part of your contingency to pay for increased or unexpected costs, you should list these costs as new expenditure lines.

Do not complete your Activity report form until the project has finished

Your Activity report form needs to show all the income you received and everything you had to pay for, up until the very end of your project. If you report to us before you have finished your project, you will not be able to show the full, final income and expenditure and we will not be able to calculate your final payment accurately.

Explain differences between original and actual income and expenditure

We would not expect your original budget (as shown in your application form) to be exactly the same as the figures for income and expenditure in your Activity report form. We understand that projects change, and that:

- projects may make additional income
- you may not receive match funding that was expected
- goods and services may cost more than originally estimated
- you may not have to spend all the money you expected

Use the text boxes in the Finance section to explain any significant differences between the original and actual income and expenditure.

What if I made more income than I spent?

At the end of your project you may find that your project income is greater than activity expenditure.

Reasons for this may include:

- you made more money than you expect via ticket sales and/or sale of work
- you received additional funding for the project from another source
- some of your expenditure was lower than you expected. For example, you may have negotiated a good deal on goods or some work may have been completed faster than expected
- you may not have delivered all of the activity you expected to

Your grant comes from public funds, and if the figures in your Activity report form show that you have made excess income, we may ask for you to pay back some of the grant.

We will calculate what percentage of the overall income for your project came from our grant, and any deduction we make to your grant would be in proportion to this. This may mean that you have a reduced final payment, no final payment, or we may have to invoice you for part of the grant you have already received.

Before this decision is made we will write to you to explain what our calculations are and advise you of our recommended final payment.

What if I don't spend all the money I received?

If you have not spent all the income you received, your income and expenditure figures in the Activity report form will show that income is greater than expenditure. The same principle applies as if you had made a profit (as described above) and we may ask you to return some of the unspent amount to us.

It is therefore important that you hold any unused part of the grant on trust for us at all times.

Can I spend the money on something else?

In our Terms and Conditions for your grant, we specify that you must use the grant exclusively for the project described in your application. As such, you cannot keep any part of our funding for activity which is not related to the project we originally funded.

If you are aware that you will spend less than you thought on your project, or you have made more income than you expected, you may in some circumstances be able to propose a use for those extra funds. You must get our agreement in writing to use the extra funds for additional activity **before** you spend the money and **before** you complete your Activity report form.

If you have not submitted your final Activity report form

If you have not spent the full amount of your grant and want to undertake additional activity that was not in your original project budget, you should contact us to seek our agreement beforehand. Any proposed use must be directly related to the project we originally funded you to do, and we reserve the right not to approve any suggested use. We cannot agree to fund any **new** activity, and you cannot use unspent funds as match funding for any other funding applications. If we agree to the suggested use, you should not report on your project until you have completed the agreed additional activity. You should then report on your full project including the additional activity.

If you have submitted your final Activity report form

If you have already reported to us on your project and your income and expenditure statement shows an unspent amount, we are unable to consider proposals for using unspent funds and will follow the process outlined above. This may mean that you have a reduced final payment, no final payment, or we may have to invoice you for part of the grant you have already received.

Making records of your project available to us for audit

We regularly carry out checks on a sample of applications to make sure that our funding is being used appropriately. We reserve the right to ask successful applicants for access to all their documentation relating to their project. As such, if we offer you a grant, you must keep clear records of project management and financial records for us to access when required.

Contact us

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