

How to Guide:

The Finance Template for 2023-26 Investment Programme and Transfer Programme

2024/25

Arts Council England



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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 on an annual basis to form part of their funding agreement:

- **The financial template**
(<https://www.artscouncil.org.uk/media/22090/download?attachment>)
- **The Investment Principles Plan**
(<https://www.artscouncil.org.uk/media/22091/download?attachment>)
- **The Activity Plan for Outcomes**
(<https://www.artscouncil.org.uk/media/22088/download?attachment>)
or
The Activity Plan for Investment Principles Support Organisations
(<https://www.artscouncil.org.uk/media/22089/download?attachment>)

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** (see page 15).

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

You will need to complete the new **financial templates** (<https://www.artscouncil.org.uk/media/22090/download?attachment>) on an annual basis to form part of your funding agreement.

The financial templates are a tool for you to tell us about your organisation's financial information through an **Annual Budget** (see page 4), and a **Cashflow Forecast** (see page 18).

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 organisations are only required to submit information in our financial templates once annually at the April payment submission.

Annual Budget

From the tabs select 'Annual Budget'.

The annual budget is split into sections of Income and Expenditure, as shown in the images below. You can zoom in to get a clearer view of the text in each cell.

Annual Budget 2023/24		Current Period			Year to date			Annual budget	Projection	Notes on Variances		
		Actual	Budget	Variance	Actual	Budget	Variance					
INCOME	Arts Council England - NPO/IPSO	£	2	£	1	£	1	£	1	£	1	
	Arts Council England - Other	£	2	£	1	£	1	£	1	£	1	
	Contributed income - e.g sponsorship, donations	£	2	£	1	£	1	£	1	£	1	
	DCMS	£	2	£	1	£	1	£	1	£	1	
	Direct Activity Income	£	2	£	1	£	1	£	1	£	1	
	Other earned income	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
	Total other earned income (autosum of rows 18-22 above)	£	10	£	5	£	5	£	5	£	5	
	National Lottery Heritage Fund	£	2	£	1	£	1	£	1	£	1	
	Investment Income	£	2	£	1	£	1	£	1	£	1	
	Local Authority Income	£	2	£	1	£	1	£	1	£	1	
	Other National Lottery Grants	£	2	£	1	£	1	£	1	£	1	
	Other Income sources	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
	<i>Enter detail here</i>	£	2	£	1	£	1	£	1	£	1	
Total other income sources (autosum of rows 33-37)	£	10	£	5	£	5	£	5	£	5		
TOTAL INCOME (autosum of subtotals above)	£	38	£	19	£	19	£	19	£	19		

You should use these rows to itemise different types of earned income that your organisation generates eg ticket sales, publications etc

You may use these rows to detail any other income your organisation has generated

EXPENDITURE										
STAFF COSTS										
National Insurance	£	2	£	1	-£	1	£	1	£	1
Pension	£	2	£	1	-£	1	£	1	£	1
Salaries	£	2	£	1	-£	1	£	1	£	1
Temporary staff	£	2	£	1	-£	1	£	1	£	1
Redundancy costs	£	2	£	1	-£	1	£	1	£	1
Other staff costs	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
Total other staff costs (autosum of rows 48-52)	£	10	£	5	-£	5	£	5	£	5
TOTAL STAFF COSTS	£	22	£	11	-£	11	£	11	£	11
DIRECT ACTIVITY COSTS										
Artistic spend	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
Total artistic spend (autosum of rows 58-62)	£	10	£	5	-£	5	£	5	£	5
Programme costs	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
Total programme costs (autosum of rows 64-69)	£	10	£	5	-£	5	£	5	£	5
Education and outreach costs	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
education and outreach costs (autosum of rows 70-74)	£	10	£	5	-£	5	£	5	£	5
Other direct activity	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
Total other direct activity costs (autosum of rows 76-80)	£	10	£	5	-£	5	£	5	£	5
TOTAL DIRECT ACTIVITY COSTS (autosum of subtotal)	£	40	£	20	-£	20	£	20	£	20
OVERHEADS										
Advertising & Promotion	£	2	£	1	-£	1	£	1	£	1
Audit & Accountancy	£	2	£	1	-£	1	£	1	£	1
Bank Charges	£	2	£	1	-£	1	£	1	£	1
Capital expenditure	£	2	£	1	-£	1	£	1	£	1
Company development	£	2	£	1	-£	1	£	1	£	1
Consultants Fees & Subscriptions	£	2	£	1	-£	1	£	1	£	1
Contingency	£	2	£	1	-£	1	£	1	£	1
Corporation tax	£	2	£	1	-£	1	£	1	£	1
Depreciation	£	2	£	1	-£	1	£	1	£	1
Earned income costs	£	2	£	1	-£	1	£	1	£	1
Insurance	£	2	£	1	-£	1	£	1	£	1
IT costs	£	2	£	1	-£	1	£	1	£	1
Legal & Professional	£	2	£	1	-£	1	£	1	£	1
Loan repayments	£	2	£	1	-£	1	£	1	£	1
Miscellaneous costs	£	2	£	1	-£	1	£	1	£	1
Office equipment purchase	£	2	£	1	-£	1	£	1	£	1
Other costs (not elsewhere specified)	£	2	£	1	-£	1	£	1	£	1
Other office expenses	£	2	£	1	-£	1	£	1	£	1
Rates	£	2	£	1	-£	1	£	1	£	1
Rent/Mortgage	£	2	£	1	-£	1	£	1	£	1
Research & development	£	2	£	1	-£	1	£	1	£	1
Travel	£	2	£	1	-£	1	£	1	£	1
Utilities	£	2	£	1	-£	1	£	1	£	1
VAT liabilities & Irrecoverable VAT	£	2	£	1	-£	1	£	1	£	1
Other overheads	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
<i>Enter detail here</i>	£	2	£	1	-£	1	£	1	£	1
Total other overheads (autosum of rows 110-114)	£	10	£	4	-£	6	£	5	£	5
Total Overheads	£	58	£	28	-£	30	£	29	£	29
TOTAL EXPENDITURE	£	120	£	59	-£	61	£	60	£	60

You may use these rows to report on other staff costs incurred by your organisation.

You may use these rows to report on other artistic spend incurred by your organisation.

You may use these rows to report on other programme costs incurred by your organisation.

You may use these rows to report on other education and outreach costs incurred by your organisation.

You may use these rows to report on other direct activity costs incurred by your organisation.

You may use these rows to report on other overheads incurred by your organisation.

You are required to populate the annual budget column with your organisation's detailed annual budget figures, there is also a column where you can include any relevant supporting notes.

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

INCOME	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>
	Total other earned income (autosum of rows 18-22 above)	
	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>

EXPENDITURE

STAFF COSTS	
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>
Total other staff costs (autosum of rows 48-52)	
TOTAL STAFF COSTS	
DIRECT ACTIVITY COSTS	
Artistic spend	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total artistic spend (autosum of rows 58-62)	
Programme costs	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total programme costs (autosum of rows 64-69)	
Education and outreach costs	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total education and outreach costs (autosum of rows 70-74)	
Other direct activity	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total other direct activity costs (autosum of rows 76-80)	
TOTAL DIRECT ACTIVITY COSTS (autosum of subtotals above)	
OVERHEADS	
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>

We understand that some organisations may budget and report in a different format than is set out here. 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.

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

Notes on Variances

You should provide budget information at the same level as your business plan and proposed activity. For most applicants, this will mean a whole organisational budget that includes 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.

Cashflow Forecast

The whole cashflow forecast is shown in the image below – you can zoom in to get a clearer view of the text in each cell.

The image displays a detailed spreadsheet template for a cashflow forecast. It is organized into two main vertical sections: 'INCOME' (top, light blue background) and 'EXPENDITURE' (bottom, light purple background). Each section contains multiple rows of data, with columns representing different time periods (likely months) and summary columns on the right. The 'EXPENDITURE' section is further divided into sub-sections, with some rows highlighted in yellow. The spreadsheet is enclosed in a black border, and the overall layout is clean and professional.

The cashflow forecast should be completed for the period 1 April 2024 to 31 March 2025.

Your cashflow forecast should indicate the anticipated sources of cash income and expenditure for each month, showing the impact on your organisation’s cash position. The cash flow forecast should be a summary of all cash transactions from 1 April 2024 to 31 March 2025. You should include your projected cash income and expenditure within the headings provided in the template, as depicted below:

Cashflow forecast	
INCOME	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>
	Total other earned income (autosum of rows 12-16 above)
	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>
Total other income sources (autosum of rows 27-31)	
TOTAL INCOME (autosum of subtotals above)	

[Expenditure template image on the next page]

EXPENDITURE

STAFF COSTS	
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>
Total other staff costs (autosum of rows 42-46)	
TOTAL STAFF COSTS	
DIRECT ACTIVITY COSTS	
Artistic spend	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total artistic spend (autosum of rows 52-56)	
Programme costs	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total programme costs (autosum of rows 58-62)	
Education and outreach costs	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total education and outreach costs (autosum of rows 64-68)	
Other direct activity	
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
	<i>Enter detail here</i>
Total other direct activity costs (autosum of rows 70-74)	
TOTAL DIRECT ACTIVITY COSTS (autosum of subtotals above)	
OVERHEADS	
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>
Total other overheads (autosum of rows 103-107)	
TOTAL OVERHEADS (autosum of subtotals above)	
TOTAL EXPENDITURE	

As with the annual budget, we understand that your organisation may not report in exactly the way we're asking you to. 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 as accurately as possible. 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.

There is an Annual Total column that will auto-populate as information is entered across the cashflow;

January	February	March	Annual Total	Notes on Variances
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	
-	£	-	£ -	

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

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

This figure should include all cash held by your organisation at the end of March 2024, for example all 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 April 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 'Fund Balances' section 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:

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

Please see the **glossary of financial terms** (see page 15) to help you with these definitions.

- **For local authorities and universities**, the cashflow forecast template should be completed for the service for which you are applying, for example a museum. Whilst Local Authorities and Universities should submit a cash flow at departmental/organisational level (to align with their budget) once a year as part of their financial template, we would not expect to see one submitted as part of board papers for ongoing monitoring where they are not able to provide a cashflow at the department level that we fund.
- **For libraries** which are not local authority run, you should provide financial information for the organisation as a whole, in line with requirements for all other organisations.
- **For consortiums**, the cash flow forecast template should be completed for consortium activity.

Uploading the template to Grantium

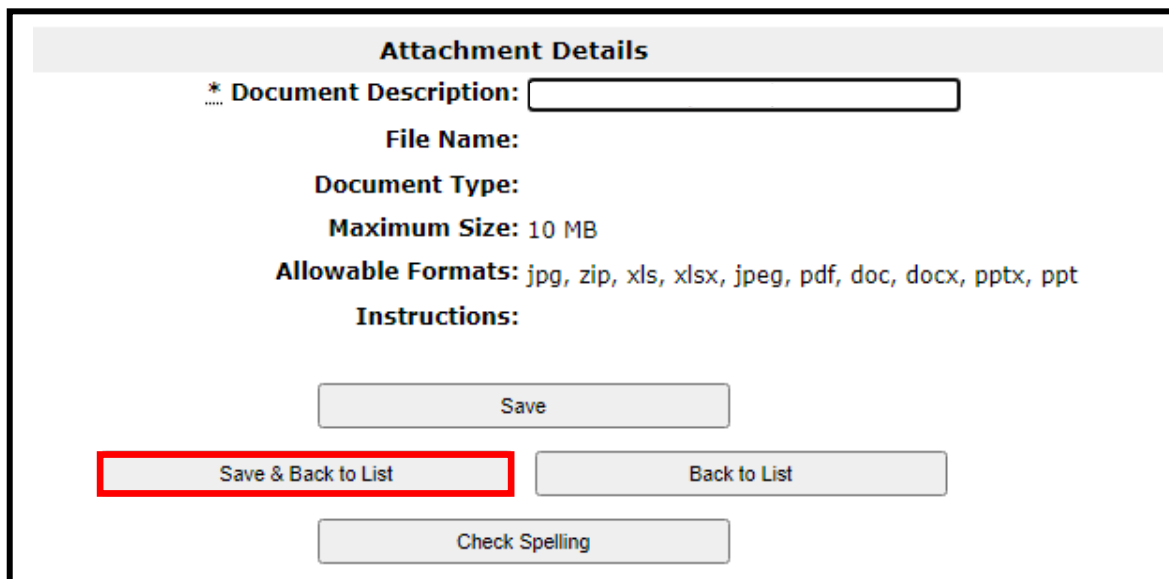
Once you have completed the template, you will need to upload it as an attachment as part of your April payment request on our online system Grantium.

To upload your completed template, click on the blue hyperlink titled 'Financial document', as shown below.

Document Type	Required?	Description	Date attached	Download
1. Activity Plan	Yes	Activity plan		
2. Investment Principles plan	Yes	IP plan		
3. Financial document	Yes	Financials		

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.



The image shows a screenshot of a web form titled "Attachment Details". The form contains the following elements:

- A header bar with the text "Attachment Details".
- A field labeled "* Document Description:" followed by an empty text input box.
- A label "File Name:".
- A label "Document Type:".
- A label "Maximum Size: 10 MB".
- A label "Allowable Formats: jpg, zip, xls, xlsx, jpeg, pdf, doc, docx, pptx, ppt".
- A label "Instructions:".
- A "Save" button.
- A "Save & Back to List" button, which is highlighted with a red border.
- A "Back to List" button.
- A "Check Spelling" button.

For further guidance on how to use Grantium, read the Grantium guidance on **our website** (<https://www.artscouncil.org.uk/grantium-support>).

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: 'Business planning guidance for arts and cultural organisations'
- **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 because 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
Examples: 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 Examples: 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. Examples: 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.
Examples: 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 are funds which are available for general use to spend on charitable objects at the trustee's discretion.
Examples: core grants from public funders, trading income, interest on main bank accounts

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