

# The Annual Report Illustrative Template Guide





# Foreword by the Commissioner of Charities

The Annual Report Illustrative Template Guide (“AR Template”) is one of the Commissioner of Charities’ (“COC”) initiatives to uplift the capabilities of all charities.

Charities do good work serving the community. It is important that your efforts and the impact of your work are effectively communicated to your stakeholders. This is a form of accountability and transparency so that donors, volunteers and members of the public can have the assurance that their donations and support are put to genuine charitable uses, which will in turn secure their confidence in and continued support for your charity.

Developed by the Commissioner of Charities in partnership with Baker Tilly, this AR Template sets out both the mandatory disclosure required by the Charities Act and Regulations, as well as best practices for transparency and disclosure. It serves as a comprehensive template which charities of all sizes can take reference from. It guides you in meeting your annual reporting requirements, and better presenting certain information for accountability, to enable ease of understanding for your stakeholders. For best practices on disclosure, we understand that smaller charities may face resource constraints and may not be able to adopt them yet. Nonetheless, they serve as a reference point towards which charities can strive to achieve, and for those who are already able, we encourage you to go beyond the requirements, and adopt these best practices in your Annual Reports.

Having a good Annual Report reflects the commitment your charity has to being accountable and building public trust. With this commitment, together, we are able to achieve a thriving and trusted charity sector.

I would also like to thank the individuals and charities for their time, feedback and contributions to the development of this AR Template.

Regards

Dr Ang Hak Seng, FCA (Singapore)  
Commissioner of Charities

# Annual Report Illustrative Template Guide

## Purpose

The Annual Report Illustrative Template Guide (“AR Template”) aims to provide a reference for charities on how to prepare an annual report, using the example of a fictitious charity. All names of people and entities included in this publication, if any, are fictitious. Any resemblance to any person or entity is purely coincidental.

Each section of the AR Template begins with brief guidance notes to provide clarity on the necessity of the section. The AR Template comprises the mandatory disclosures required by the Charities (Accounts and Annual Report) Regulations 2011 and the Charities (Institutions of a Public Character) Regulations.

It also includes recommended disclosures as outlined in the Code of Governance for Charities and Institutions of a Public Character (2017) which sets out the best practices in governance and management. The AR Template also includes tips on how charities can better present information, with the principles from the COC’s Visibility Guide’s PARENT Framework weaved into the AR Template.

Charities should read this AR Template in conjunction with the Charities Act and Regulations, as well as the Code of Governance for Charities and Institutions of a Public Character (2017) which may be downloaded via the Charity Portal: [www.charities.gov.sg](http://www.charities.gov.sg).

## Mandatory Annual Submissions to the COC, via Charity Portal

Under sections 14(1) and 14(3) of the Charities Act read with Regulation 7A of the Charities (Accounts and Annual Report) Regulations, the governing board members of a charity must prepare the following in respect of each financial year of the charity:

- (a) A report by the governing board members on the activities and financials of the charity for the reporting period, as well as key particulars of the charity (this is commonly referred to as the “annual report”);
- (b) The financial statements for that year; and
- (c) The Governance Evaluation Checklist (GEC) for that year.

The respective documents must be submitted to the Commissioner through the Charity Portal within 6 months from the end of each financial year.

Document	To be submitted through the following modules in the Charity Portal
Financial Statements	Financial Statements Module
Annual Report	Annual Report Module
Governance Evaluation Checklist	GEC Module



## Abbreviations used

The abbreviations used to identify the source of authority are as follows:

- AR Regulations – Charities (Accounts and Annual Report) Regulations 2011
- IPC Regulations – Charities (Institutions of a Public Character) Regulations
- Code – Code of Governance for Charities and Institutions of a Public Character (April 2017)

## Legend

The following icons are used to indicate mandatory disclosures required by the Regulations, recommended best practices from the Code as well as tips for better writing and presentation.



▶ Mandatory disclosures required by the Charity Regulations



▶ Recommended Best Practices



▶ Tips

## Charities Capability Fund (CCF Consultancy Grant)

Should charities require assistance from external consultants to facilitate in the preparation of the annual report, charities may wish to apply for the Charities Capability Fund Consultancy Grant for funding assistance. More information can be found on Charity Portal: <https://www.charities.gov.sg/Pages/Charities-and-IPCs/Grants-and-Support-for-Charities-IPCs/Charities-Capability-Fund.aspx#>

*Insert Logo here*

## Annual Report Illustrative Template

# ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED [DATE]

[NAME OF CHARITY]

*Insert image/photo*

## Annual Report Illustrative Template

# Content

**1/ About Us**

**2/ Overview of Charity**

**3/ Welcome Message from the Chairman / CEO**

**4/ Leadership**

**5/ Highlights of the Year**

**6/ Our Work: Programmes and Activities**

**7/ The Year Ahead**

**8/ Governance**

# About Us

## GUIDANCE NOTES



Mandatory

According to Reg 7(b)(i) of the AR Regulations, charities are required to explain the objectives of the charity, which is also known as the purpose.



Best Practices

The Code also encourages charities to disclose the vision, mission and values, so that stakeholders can gain an insight into what the charity strives to do for the community at large.

Purpose / Objects

Our Vision

Our Mission

Our Core Values



Tips

Charities should avoid lengthy sentences to allow the message to be more impactful. To also consider including quotes or photos that best illustrate any of the above components.



# Overview of Charity

## GUIDANCE NOTES



Mandatory

According to Reg 7(a) of the AR Regulations, charities must disclose the following:

- a description of the governing instruments of the charity;
- the Singapore Unique Entity Number of the charity;
- the registered address of the charity;
- the names of the bankers, lawyers, auditors, investment advisers and other advisers of the charity.

[Name of charity] (“short name”) was [registered as a society or set up as a trust / set up by way of a trust deed or incorporated as a company limited by guarantee] in [DD/MM/YYYY].

[Name of organisation] (“short name”) is an exempt charity (if applicable).

[Name of organisation] (“short name”) is a fund established on [DD/MM/YYYY] (if applicable).

[Short name] was registered as a charity under the Charities Act (Chapter 37) since [DD/MM/YYYY].

[Short name] has been accorded IPC (Institution of a Public Character) status from [DD/MM/YYYY to DD/MM/YYYY] (if applicable).

[Short name] has Constitution or Trust deed or M&AA or Rules and Regulations as its governing instrument.

### Unique Registration Number (UEN):

[number]

### Registered Address:

[Address]

### Auditor:

[Name of firm]

### Bankers

[Name of bankers]

### Lawyers (where applicable)

[Name]

### Other advisers (where applicable)

[Name]

# Welcome Message from the Chairman / CEO

## GUIDANCE NOTES



Tips

Including a Chairman / CEO's message in the annual report is not a mandatory requirement.

However, a short message or letter from the charity's leadership will give a personal touch to the publication.

The message could briefly touch on the following:

- the charity's cause(s) and purpose;
- the charity's journey and key developments in the past financial year;
- challenges faced and areas to improve; and
- the charity's aspirations and commitment for the coming year.



Tips

A photo of the Chairman/CEO would be helpful to provide a face to the message.

# Leadership

## GUIDANCE NOTES



Mandatory

According to Reg 7(a)(iv) of the AR Regulations, charities must disclose the name, designation and date of appointment of each Governing Board member and each member of the management committee, advisory council or any other similar body.



Mandatory

According to Reg 7(b)(i) of the AR Regulations, charities are required to describe the way in which the charity is organised.



Mandatory

In addition to the disclosures above, according to Reg 8(1), for registered charities with gross income or total expenditure exceeding \$500,000<sup>1</sup>, the following are required by the AR Regulations to be disclosed in the annual report:

- The name and date of appointment of the CEO, or equivalent, of the charity;
- The occupation of each of the current holders of the relevant offices<sup>2</sup>;
- Where the current holder of any of the relevant offices has prior to his current term held any of the relevant offices in the charity, the date of his first appointment in each of the relevant offices<sup>3</sup>; and
- Where applicable, a listing of the related entities of the charity and, if any of the governing board members of the charity are also persons having the general control and management of the administration of the related entity, the name of each of those members and their designations in the charity and in the related entity.

The information should be disclosed in addition to the names and dates of appointment. It could be illustrated as presented below.



Best Practices

The Code also encourages charities to disclose information on its Board members and executive management.



Tips

Where feasible, charities could include photos of Governing Board members in the annual report to supplement the information provided on each Board member. Charities may choose to present a group photo of the Board or individual photos.

The charity is governed by a Board, which is a governing body responsible for overseeing and managing a charity. It is also sometimes known as a Council or Management Committee. Reporting To the Governing Board / Management Committee, are Sub-Committees that looks into specific areas such as Audit and Finance.

The charity is also headed by an Executive Director / Chief Executive Officer (CEO), or equivalent.

## Governing Board:

### Council Term

Name	Current Charity Board Appointment	Occupation	Past Charity Board Appointments
Peter Chan	Chairman 1 Jan 2016	Managing Director of ABC Asia	<ul style="list-style-type: none"> <li>• Honorary Treasurer, 15 Mar 2013</li> <li>• Secretary, 20 Oct 2010</li> </ul>
Priyanka Anand	Honorary Treasurer 1 Jan 2016	Finance Head, RST Corporations	<ul style="list-style-type: none"> <li>• Board Director, 1 Jan 2014</li> </ul>
[name]	[appointment on charity board; date of current appointment]	[occupation outside of the charity's board]	[past appointments on this charity, if any]

<sup>1</sup> This regulation shall apply to an annual report of a charity required under section 14 of the Act, in respect of a financial year of the charity ending on or after 1st July 2011 where the gross income or total expenditure of the charity exceeds \$500,000 in —

- (a) that financial year of the charity;
- (b) the financial year of the charity immediately preceding that financial year, if any; or
- (c) the financial year of the charity immediately preceding the year specified in sub-paragraph (b), if any.

<sup>2</sup> For Societies, this refers to the President, Secretary or Treasurer, or their equivalents. For CLGs, this refers to the directors of the company. For Trusts, this refers to the trustees.

<sup>3</sup> The Code also encourages charities with income/expenses from \$50,000 to less than \$500,000 to disclose this.

## Executive Management Team:

**Nur Aisha Iskandar**  
 Executive Director  
 Appointed to position since 20 Oct 2015

**Alan Collins**  
 Deputy Executive Director  
 Appointed to position since 1 March 2013

## GUIDANCE NOTES



Best Practices

Where applicable, the charity may present a chart to provide a snapshot of the governance and organisational structure of the charity and the various committees in the charity.

## Organisational Structure





# Highlights of the Year

## GUIDANCE NOTES



Mandatory

According to Reg 7(b)(iii) of the AR Regulations, charities are required to disclose a review of the financial state of the charity, an explanation of all major financial transactions and salient features of the financial statements.



Mandatory

According to Reg 7(b)(iv) of the AR Regulations, charities are required to provide an explanation of the purposes for which the assets of the charity are held.



Tips

Charities can consider using infographics or graphs to present a snapshot of the key financial information to enable easier navigation by readers.

## Summary Financial Performance

- Total Income: \$60,000
- Total Expenditure: \$35,000
- Donations / expenses increased / decreased by \$XXX,XXX in the financial year, due to [provide reasons].

## Major Financial Transactions

For example, the following list is non-exhaustive:

- Purchase of building at \$XXX,XXX
- Major renovation works for ABC House at \$XX,XXX
- Investment in XYZ shares at \$XXX,XXX

## Purpose of Charitable Assets held

Suggested content, list is non-exhaustive:

- Building Fund: Held to build a school at [area] by [year]
- Maintenance Fund: Funds held for upcoming major renovation to ABC Centre which will be completed by [year]



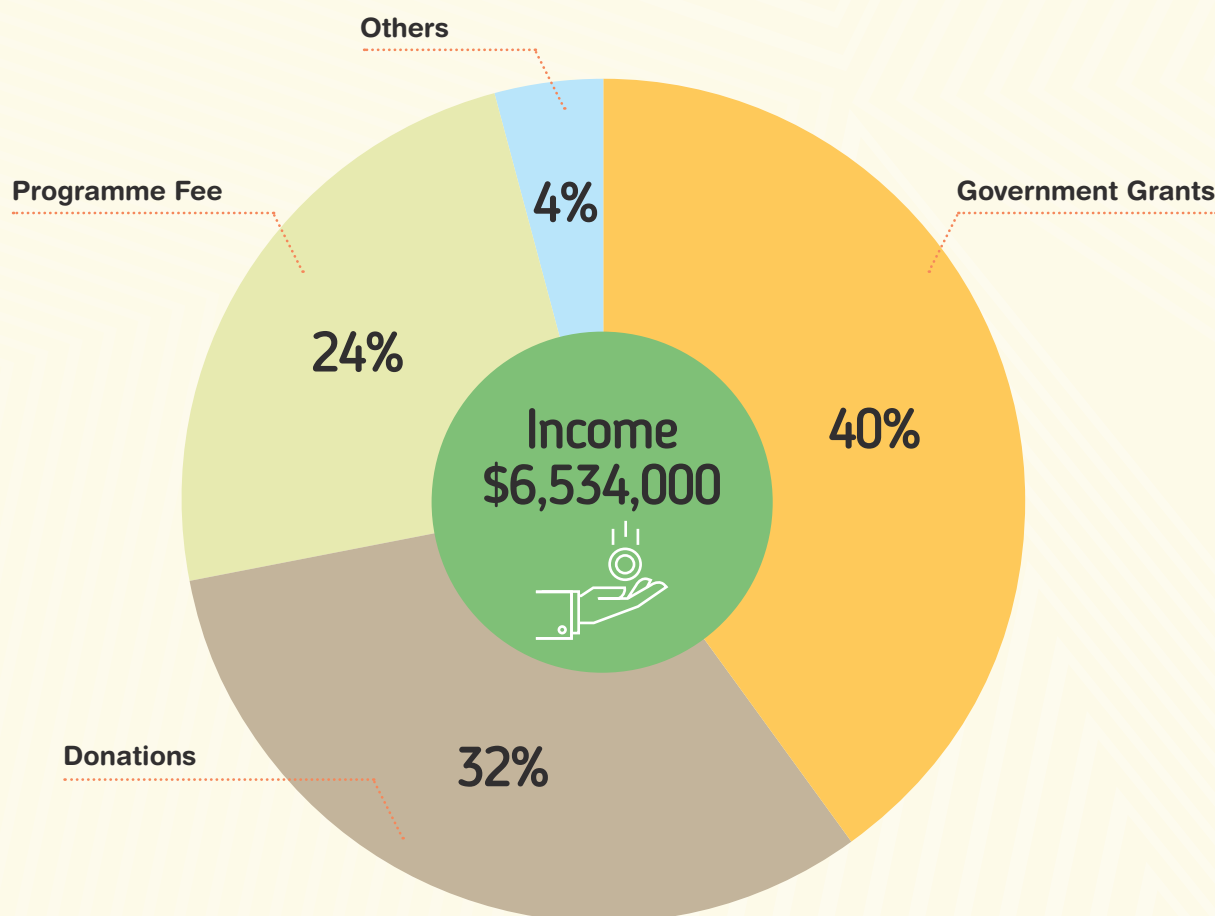
**[Note to charities: Should disclosure on Major Financial Transactions and Purpose of Charitable Assets Held be found in the Financial Statement, the charity should state so as illustrated:**

**For more information on the charity’s major financial transactions and purpose of the charitable assets held, please refer to Note X (page X) of the charity’s Financial Statements.]**

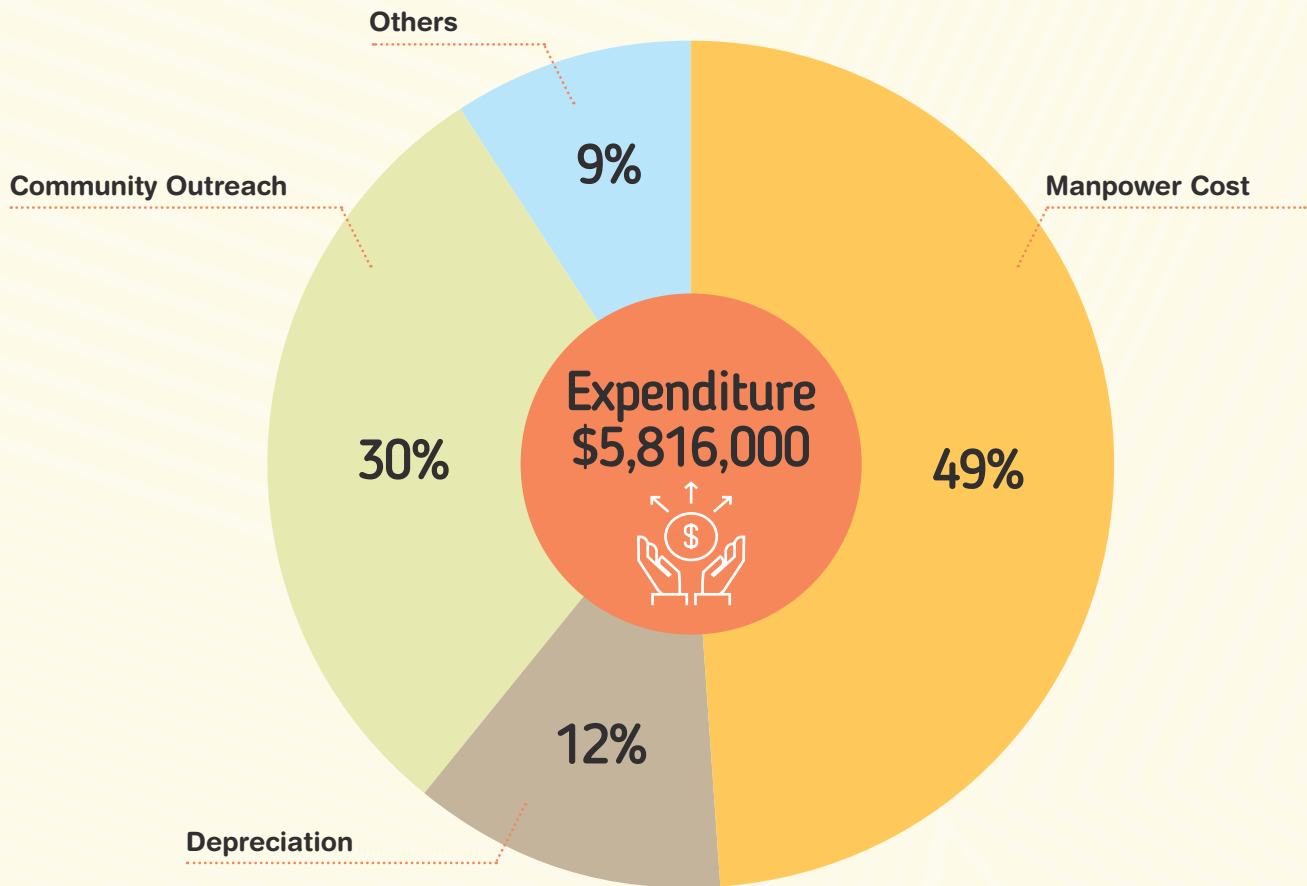
### For charities with income / expenses of more than \$500,000

According to Reg 8(2) of the AR Regulations, charities with gross annual receipts or total expenditure more than \$500,000 must disclose the principal funding sources of the charity and disclose funds of the charity which are in deficits and details on these funds, where applicable.

## Summary Financial Performance



## Summary Financial Performance



## GUIDANCE NOTES



Best Practices

In addition to providing key financial information in the financial year, charities could also provide stakeholders a snapshot of the major and significant milestones achieved during the financial year.



Tips

It is recommended that only key milestones and statistics are highlighted to prevent overly detailed information which could obscure the important achievements that the charity wishes to highlight to stakeholders. Charities are encouraged to use infographic visuals to present the information to enable easier navigation. A possible presentation is suggested on the following page.

**Non-exhaustive example:**



**1,540**

**beneficiaries supported across  
55 programmes run by  
20 community partners**

*Note: Other similar information could be number of attendances at day activity centre, number of clients counselled, number of families supported, community outreach participants and others.*



**1,800**

**children from low income families  
received financial assistance  
through our social concern fund**

*Note: Other similar information could be transport fees subsidised or free meals provided during the past year.*



**1,050** volunteers donated  
**21,090** man hours

*Note: Charities may also wish to present number of volunteers / staff recruited should there be a significant increase.*



**20,000**

**individuals attended the church's /  
temple's worship services  
and programmes**

*Note: Other similar information could be number of individuals outreached over specific events of the year/ educational outreach programmes.*

# Our Work: Programmes and Activities

## GUIDANCE NOTES



Mandatory

According to Reg 7(b)(ii) of the AR Regulations, charities must provide a review of the activities during the financial year. In this section, charities could also disclose information such as major events, activities and milestones achieved by the charity during the financial year. Information on the charity's existing services and programmes for beneficiaries or clients should also be shared.



Best Practices

The Code recommends adequate reporting, by charities in the Intermediate Tier and above, to stakeholders on how the charity's strategic plan and programmes are implemented, as well as the outcomes.



Tips

For clarity, a separate write-up should be presented for each programme or core service provided by the charity. Charities may wish to publish a photo for each highlighted activity or certain activities to accompany the short write-up of the events.



Tips

To better demonstrate the impact of the charity's programmes and services, testimonials or quotes from beneficiaries and their family members, accompanied by photos are recommended as strong evidence.



Tips

If the charity's programme is conducted largely with support from volunteers, it would be useful to also include testimonials from volunteers of the programme. Volunteers could share how they have partnered the charity in their good work, their journey and their experiences of the process.



Tips

Charities should also be mindful to strike a good balance of information and photos in this section.



[Name of Programme/ Activity/ Event]

**Suggested content (non-exhaustive) - include short narration of:**

- Why is there a need for this programme / activity / event;
- When was it conducted / held;
- What was done during the event / brief description of the programme or how the services are delivered;
- Who were the beneficiaries;
- How many beneficiaries were supported;
- How has the activity achieved positive impact for the charity;
- Testimonials and quotes from beneficiaries / clients / volunteers; and
- Include pictures of the event.

If it was a fund-raising event, suggested content (non-exhaustive) – include short narration of:



[Name of Fund-raising Event]

[Name of Fund-raising Event]

- Why is there a need for the fund-raising event;
- When was it conducted / held;
- What was done during the fund-raising event / brief description of the fund-raising event;
- Who were the beneficiaries for this fund-raising event;
- How much funds were raised;
- How much fund-raising expenses was incurred (if any);
- What were the fee arrangements with the fund-raiser (if any);
- How did the fund-raising event helped to achieve positive impact for the charity;
- Testimonials and quotes from beneficiaries / clients / volunteers;
- Include pictures of the event.



# The Year Ahead

## GUIDANCE NOTES



Mandatory

According to 7(b)(iv) of the AR Regulations, charities must provide an indication of the future plans and commitments of the charity, with particular regard to on-going items of expenditure, projects yet to be completed and obligations yet to be met.

### For Institutions of a Public Character:

According to 16(1)(d) of the IPC Regulations, IPCs must furnish the fund-raising and expenditure plans of the IPC for the following financial year.

*Provide short write-up on:*

### Charity's future plans

*Suggested content, list is non-exhaustive*

- New programme in the pipeline;
- New initiatives to improve programme;
- Plans to upgrade service delivery.

### Charity's commitments

*Suggested content, list is non-exhaustive*

- New centre to be opened;
- Capacity upgrading;
- Planned and committed capital expenditure with respect to building or major assets.

## **IPC's fund-raising plans for the following year**

**Suggested content, list is non-exhaustive**

- Annual Charity fund-raising dinner;
- Online fund-raising campaign for [programme] on [online platform].

## **IPC's expenditure plans for the following year**

**Suggested content, list is non-exhaustive**

- Fund-raising expenses, including venue rental, events management, printing, etc;
- Governance Costs
- Charitable Activities
- Administrative / Overheads

# Governance

## GUIDANCE NOTES



Best Practices

Where applicable, charities are encouraged to demonstrate understanding of the role of the governing Board. As encouraged by the Code, charities could also disclose in the annual report i) the number of Board meetings held in the financial year and ii) the attendance of individual Board members. Charities could also consider disclosing whether Governing Board members receive remuneration for their Board services here. This could be illustrated as presented below.



Best Practices

Other information that charities may wish to disclose in this section for greater transparency and accountability would be whether any staff sits on the Board, the terms reference of the Board and disclosure of term limit for the Treasurer (or equivalent such as the Finance Committee Chairman).



Best Practices

Other governance information such as remuneration of Board members (if any) and top three highest paid staff could be disclosed in this section. The charity's policy for Board selection and recruitment, induction, training and evaluation of Board effectiveness and the policy on conflict of interest could be disclosed in this section.

## Role of the Governing Board

The Board's role is to provide strategic direction and oversight of [short name of charity]'s programmes and objectives and to steer the charity towards fulfilling its vision and mission through good governance. As part of its role, the following matters require Board's approval:

*[list the roles and responsibilities of the Board here]*

- Approve budget for the financial year and monitor expenditure against budget;
- Review and approve quarterly financial statements;
- Regularly monitor the progress of the charity's programmes.

### Term Limit of Board

To enable succession planning and steady renewal in the spirit of sustainability of the charity, the Board has a term limit of ten years. In particular, the Treasurer or Financial Committee Chairman (or equivalent) has a term limit of four years.

*[Should the charity have board members serving more than 10 consecutive years, they should disclose the reason.]*

Board member who have served more than 10 consecutive years:

- Name

Reason: <to indicate>

### Board Meetings and Attendance

A total of four Board meetings and one AGM were held during the financial year. The following sets out the individual Board member’s attendance at the meetings:

Names of Board members	% of attendances

### Disclosure of Remuneration and Benefits received by Board Members

No Board members are remunerated for their Board services in the financial year.

[OR]

Names of Board members	Amount of remuneration and benefits for the financial year (\$)

## GUIDANCE NOTES



Best Practices

In this section, charities should disclose the Board committees set up to oversee areas relevant to the charity. Generally, the size of the charity and the activities it undertakes will determine the relevant committees required.



Best Practices

The Code provides guidelines for different tiers of charities on the relevant areas where committees could be set up. For charities with gross annual receipts or total expenditure of more than \$50,000, the Board should, at minimal, set up the Audit Committee and Finance Committee.



Best Practices

Charities that wish to disclose additional information about its committees for stakeholders' understanding could voluntarily disclose the terms of reference or activities of each of its committees during the year.

This can be illustrated as presented below (sub-committees listed below is not exhaustive).

## Sub-Committees

<p><b>Audit Committee</b></p> <p><b>Chairman</b> [Name]</p> <p><b>Members</b> [Name] [Name]</p>	<p><b>Describe terms of reference or activities of that committee during the year:</b></p> <p><b>The Audit Committee (AC) held two meetings during the financial year. In carrying out its functions as specified in its terms of reference, the AC reviewed the overall scope of the external and internal audit and met with the charity’s independent external auditor and internal auditor to discuss the findings of their audits. The AC also reviewed the financial statements of the charity and the auditor’s report for the financial year ended DD/MM/YYYY.</b></p>
<p><b>Finance Committee</b></p> <p><b>Chairman</b> [Name]</p> <p><b>Members</b> [Name] [Name]</p>	<p><b>The Finance Committee is responsible for overseeing the fund, the charity’s financial performance and annual budget. The committee met four times during the financial year and reviewed the financial performance and annual budget of the organisation. The Finance Committee also discussed on the Reserve Policy, the level of reserves and disclosure in Annual Report and finance report.</b></p>
<p><b>Fund-raising Committee</b></p> <p><b>Chairman</b> [Name]</p> <p><b>Members</b> [Name] [Name]</p>	<p><b>The Fund-raising Committee has oversight of all the charity’s fund-raising activities, budget, income and expenses during the financial year. The Committee met four times during the year to discuss on fund-raising plans for the next three years.</b></p>



## GUIDANCE NOTES



Best Practices

The Code encourages charities to disclose in the Annual Report, the total annual remuneration of each of the three highest paid staff, who receives remuneration exceeding \$100,000 during the financial year, in bands of \$100,000. Should there be no remunerated staff, the charity should disclose this fact.



Best Practices

The Code also states that should any of the three highest paid staff serve on the Board of the charity, it should be disclosed, where applicable.

### Disclosure of Remuneration of three highest paid staff

Disclosure of annual remuneration of three highest paid staff who each receives more than \$100,000, in bands of \$100,000:

Remuneration band	Number of staff
Between \$100,000 to \$200,000	
Between \$200,000 to \$300,000	

None of the above staff serve in the Board of the charity [or] One of the three staff disclosed above serves as a Board member of the charity.

[OR] None of the charity’s staff receives more than \$100,000 in annual remuneration each.

## GUIDANCE NOTES



Best Practices

For charities and IPCs in the Enhanced and Advanced tiers stipulated by the Code, it is recommended to disclose any staff who are close members of the family<sup>4</sup> of the Executive Head or Board members, who each receives remuneration exceeding \$50,000 during the financial year, in bands of \$100,000.

Disclosure of the number of paid staff who are close members of the family of the Executive Head or Board members, who each receives remuneration exceeding \$50,000 during the year, in bands of \$100,000:

Remuneration band	Number of staff	Name of Executive Head or Board member with whom the staff is a close family member
Between \$50,000 to \$150,000		
Between \$150,000 to \$250,000		

[OR] The charity has no paid staff, who are close members of the family of the Executive Head or Board members, who each receives total remuneration of more than \$50,000 during the year.

<sup>4</sup> Close members of the family: A family member belonging to the Executive Head or a Governing Board member of a charity: who may be expected to influence the Executive Head’s or Governing Board;

- (a) member’s (as the case may be) dealings with the charity; or
- (b) who may be influenced by the Executive Head or Governing Board member (as the case may be) in the family member’s dealings with the charity.

A close member of the family may include the following:

- (a) the child or spouse of the Executive Head or Governing Board member;
- (b) the stepchild of the Executive Head or Governing Board member;
- (c) the dependant of the Executive Head or Governing Board member;
- (d) the dependant of the Executive Head’s or Governing Board member’s spouse.

## GUIDANCE NOTES



Best Practices

As part of reserves management, charities should maintain some level of reserves to ensure its long-term sustainability.



Best Practices

Charities should ensure that restricted funds and endowments funds are set up solely for clear and justifiable needs. The charity should make sure that these funds are used or transferred to other fund(s) only after getting permission of the donor(s) to do so.

The charity must inform prospective donors of the:

- Purpose of the funds; and
- Amount of funds needed.



Best Practices

For existing restricted and endowment funds, the charity must disclose the purpose, size and planned timing of use (if applicable) for these funds.

### For charities with income / expenses of more than \$500,000

According to Reg 8 (2)(e) of the AR Regulations, disclosure of reserves policy is required. Charities should disclose the level and purpose of the reserves<sup>5</sup>, the level and purpose of reserves held and when the funds are likely to be used.

According to Reg 8 (2)(f) of the AR Regulations, should there be any funds of the charity be in deficit<sup>6</sup>, the charity must disclose the following information:

- The purpose of the fund;
- Reason(s) for the deficit;
- Plans to address the deficit in the fund; and
- Any other details in relation to the deficit fund.

<sup>5</sup> “Reserves” means that part of the income of the charity that is freely available to be used or applied for the furtherance of the objects of the charity and is not subject to the commitments, planned expenditure and spending limits of the charity, and excludes endowment funds and donations collected for a specific purpose;

<sup>6</sup> It is uncommon for restricted funds to be in deficit, unless the charity is pending subvention funding.

## Reserves Policy

The charity has a reserve policy for long-term stability of the operations and it ensures that there are sufficient resources to support the charity in the event of unforeseen circumstances. As a general rule of thumb, the charity has [X] years of operational expenditure kept as reserves. The reserve level is reviewed yearly by the Board to ensure that the reserves are adequate to fulfil the charity's continuing obligations.

### Charity's reserves position:

	Current Year	Previous Year <sup>7</sup>
(A) General / Unrestricted Funds (Reserves)	\$150,000	\$100,000
Restricted / Endowment Funds		
• Building Fund	\$1,000,000	\$900,000
• XYZ Education Fund	\$100,000	\$100,000
• Others	\$50,000	\$40,000
(B) Annual Operating Expenditure	\$100,000	\$100,000
Ratio of Reserves	1.5 : 1	1 : 1
[Formula of Reserve ratio = (A) Total unrestricted funds / (B) Annual operating expenditure]		

The reserves that have been set aside provide financial stability and the means for the development of the charity's principal activity. The charity intends to maintain its reserves at a level which is at least equivalent to XXXX (a set range, amount or manner of calculation, with justification/ reasons). Charity intends to use the reserves in the following manner in XXXX (state timeframe):

- a.
- b.
- c.

[Note to charities: Should the disclosure on its reserves policy be found in the Financial Statements, the charity should state so as illustrated:

For more information on the charity's reserves policy, please refer to Note X (page X) of the charity's Financial Statements.]

<sup>7</sup> Having the comparative figures to the previous year is a good practice.

## Purpose of Restricted / Endowment Funds

- **Building Fund** – Funds received for building fund are for the construction and furnishing of the charity’s premises which is targeted to be completed by 2020.
- **XYZ Education Fund** – The Education Fund is set up from the donations in memory of the late Dr XYZ in accordance to the wishes of the donors. The donations received from the donors shall be used for general educational purposes, including without limitation the funding of scholarships, study trips and attachments.

*[Note to charities: Should the disclosure on its restricted / endowment funds be found in the Financial Statements, the charity should state so as illustrated:*

*The charity has disclosed its restricted / endowment funds in the Financial Statements, Note X, page XX. Please refer to the Financial Statements for more information.]*

## Funds in Deficit (where applicable)

*ABC Fund, which is meant for [indicate purpose], is in deficit because [indicate reason]. The charity intends to [indicate plans to address the deficit and include any other details in relation to the deficit fund].*



## GUIDANCE NOTES



Mandatory

According to Reg 18 of the IPC Regulations, disclosure of policies relating to the management and avoidance of conflicts of interest is only mandatory for all charities with IPC status.



Best Practices

For charities that are not IPCs, the Code encourages the charity to have a documented procedure for Board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.

### Conflict of Interest Policy<sup>8</sup>

All Board members and staff are required to comply with the charity's conflict of interest policy.

The Board has put in place documented procedures for Board members and staff to declare actual or potential conflicts of interests on a regular and need-to basis.

Board members also abstain and do not participate in decision-making on matters where they have a conflict of interest.

## GUIDANCE NOTES



Best Practices

The disclosure of whether the charity has a whistle-blowing policy is recommended for all registered charities and IPCs in the Enhanced and Advanced tiers as defined in the Code.

The policy and arrangements should enable concerns about possible wrong-doing or improprieties in financial or other matters within the charity to be raised, independently investigated and for appropriate follow up action to be taken.

### Whistle-blowing policy

Our charity has in place, a whistle-blowing policy to address concerns about possible wrong-doing or improprieties in financial or other matters within the charity.

<sup>8</sup> For more information on Conflict of Interest and Whistle Policy policies, charities may visit the Charity Council website for templates available: <https://www.charitycouncil.org.sg/Resources/For You/Guides and Templates.aspx>



## Visibility Guide for Charities

Before you finalise your annual report, use this Visibility Guide for Charities as an internal self-review to ensure you have incorporated the principles of COC's Visibility Guide's PARENT Framework into your Annual Report:

PARENT Framework	Have you ensured this principle is met?
<p><b>Purpose</b> – Was the purpose of the charity clearly stated and written in a clear manner in your annual report?</p>	
<p><b>Alignment</b> – In your descriptions and explanations of your charity's activities, was there clear linkage to demonstrate how these activities achieve the charity's charitable purposes?</p> <p>Is it clear enough that the reader would be able to see the alignment?</p>	
<p><b>Results</b> – Have you disclosed enough information on the charity's results to show how you have effectively used resources?</p> <p>Were results presented in a clear manner?</p>	
<p><b>Evidence</b> – Did you try to provide testimonials and feedback from beneficiaries and their family members in your annual report to provide evidence of the charity's positive impact?</p>	
<p><b>Navigate</b> – Is the format and content of your annual report easy to navigate and provide an overview which is easy to follow?</p>	
<p><b>Transparent</b> – Have you provided information on your charity's plans for the year ahead and areas for improvement that you will be working on?</p>	

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED [DATE]**

**[NAME OF CHARITY]**

**GOVERNANCE EVALUATION CHECKLIST  
FOR THE FINANCIAL YEAR ENDED [DATE]**

**[NAME OF CHARITY]**



**Commissioner of Charities**

