

On Call in action

Leeds based charity, The Zimbabwe Educational Trust (ZET) is focused on supporting communities to keep children in school and out of poverty. It supports a wide range of educational projects in Zimbabwe.

The charity relies heavily on the support of volunteers and its one employee, the part-time Operations Manager, made contact with Cranfield Trust through our On Call service.

The Operations Manager had read one of the Trust's online articles, 'Top 10 financial ratios for charities' and called for further advice on the programme expense ratio. The Operations Manager specifically called about the demarcation of UK staff costs between project delivery and support.

Cranfield Trust identified one of its financial expert volunteers, Frank Learner, to explore this issue with the charity. The On Call conversation focused on assurance that the inclusion of a portion of a 'core' person's time into direct service delivery cost is common practice and that the accounting ledger structure was a reasonable approach balancing the charity's own reporting needs and the expectations of current funders.

Frank was also able to provide two charity examples of how 'core' costs were allocated/apportioned between direct and support costs to deliver activity programme expense ratios to help illustrate his advice.



The Zimbabwe Educational Trust

During the 40 minute video call with the Operations Manager, the Board Chair and the finance trustee, ZET was comfortable that it had the capacity to evolve a reliable and flexible programme expense ratio methodology that will be a simple addition to the current accounting ledger. Frank was also able to reassure the charity on concerns it had about its programme expenses ratio and offered advice on how to explain it in the charity's trustees' annual report and accounts, as well as wider advice on other issues for the charity to be aware of as a UK based charity operating overseas.

Following the video On Call, Frank also emailed further information, including several introductory guides to charity financial management.

"It was heartening to discover that this call was prompted by the Cranfield Trust top ten financial ratios article co-authored by Marie Langan (Regional Manager) and myself. The query was delving below the overview given in the article."

Cranfield Trust Volunteer Frank Learner

"With support from a Cranfield Trust volunteer we were able to calculate ratios on programme spend and the methods and options for doing so. We are now able to base a decision on the information we gained and can use the resulting calculation as part of our marketing and fundraising. We are very grateful to Frank our Cranfield Trust volunteer for all his help – his knowledge has had such an impact!"

Andrew Jackson, Operations Manager

