

Social Accountability Standards (SAS) 9

Own Means of Contribution And Non-Monetized Assets

OBJECT

09.01 The main objective of this draft standard is to provide guidance on the systems and procedures which ensure that the non-cash contribution and other voluntary efforts are assessed and reflected in proper perspective.

EXPLANATORY STATEMENT

09.02 Own Means generally refers to the component of resources and funds mobilised or contributed by the implementing or co-ordinating partner of a development project. In an externally funded project, own means could be the value of goods and services and funds other than the grants received from the donor agency. In other words, own means is the commitment or contribution of various stakeholders to the project other than the funding agencies. A donor/funding agency normally does not finance 100% of the project and it expects that the stakeholders should contribute the remaining amount of funds or resources, the local contributing stakeholders could be :

- Partner organisation
- Community based organisation
- Beneficiaries
- Other local organisation
- Government Agencies
- And, at times, co-funding organisations

09.03 Owing to the limitation of financial accounting where everything is

recorded in monetary terms. As a result, various types of values and assets generated by an organisation do not get reflection anywhere. Some instances are as under :

09.04 Community skills and resources : Each village and each community has abundance of resources, which do not find reflection in the books anywhere. The capacity building and skill development of communities itself is an asset. The physical aspect of such assets can be measured by assessing the access of the communities to various natural resources and assets. The skill and empowerment part of the community can be assessed through a '*time-line*' model where the changes in the

- Ability to fight for a legal social right
- Ability to earn and sustain
- Quantum of social assets
- Social and cultural behaviour
- PRI initiatives, etc.

is seen over various point of time for instance, the changes over a period of 5 year could be compared and assessment of such changes would be treated as the contribution of the programme to a particular community.

09.05 Technical Capacities : NGOs working in specified areas also develop various kind of technical capacities in terms of organisational database and the ability of its staff member. The technical capacities which can be replicated and used by other NGOs and communities is in itself an achievement as well as an asset. An assessment in this regard could be made as a part of social accounting initiatives.

09.06 Work of Volunteers and Intellectuals : Voluntary work not only at the level of the community but also on various other levels generally go unreported. The experiences and the intellectual capability of various person engaged in a project do not always found a mention in the books of accounts.

09.07 It is not easy to quantify all of the above non-cash attributes of an on going project or the NGO or the community. However efforts could be made to structure the achievements and the latent resources in an intelligible manner which can be used for decision making and future maximisation. The standard indicates some norms and suggested practice which can be used depending on the circumstantial necessities.

RECOMMENDED PRACTICES

09.08 Any cash or non-cash contribution received outside the project plan should be quantified and documented in subsidiary records. It should be ensured that the contribution is directly relevant to the project. The project reports, both financial and narrative should reflect such contribution by the suitable notes.

09.09 The items/services treated as own means should be otherwise available at a cost. In other words the goods and services contributed should have a reasonably ascertainable realizable value.

09.10 The basis of valuation should be reasonable and acceptable. Arbitrary basis of valuation should always be avoided. For instance, contribution of labour should always be related with actual work done.

09.11 Small items of revenue nature should normally be taken at cost.

09.12 Large items generally of capital nature should be taken at market value.

09.13 A written acknowledgment from the donor should always be obtained and kept as a supporting document for the own means of contribution.

09.14 Proper subsidiary records should be prepared for all the own means of contribution generated.

09.15 The donor agencies should be informed of the various components of own means as well as the methods of assessing the own means of contribution.

09.16 A village level score card of various financial, qualitative and quantitative data should be prepared annually comparing it with preceding years. Such analysis can provide an insight into the impact of work. The score card should be certified by the village committee. The qualitative data may differ from NGO to NGOs but some instances could be as under :

- Area under community forestry in terms of acre or the trees.
 - The amount of savings and thrift made by communities.
 - Representation from village to PRI institutions.
 - Access to primary education and basic health facilities.
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- The number of self employed and the resource mobilised.
 - Detail of cooperative activity and marketing thereof.
 - Number of bank accounts opened.
 - Irrigation facilities.
 - Status of seed bank and grain bank.
 - Access to government subsidies and schemes etc.
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