

Request for Tender

Accounting and Financial Reporting Services

January 2024

1. Introduction

The Sheila McKechnie Foundation (“SMK”) is here for people working to make lasting change, whether in their community, across society, or for our planet.

We support change-makers by sharing the latest thinking and advice. We connect the campaign community to grow solidarity, share ideas, and find common cause. And we act as a powerful champion for the right to campaign.

When we do our job well, people have the tools and knowledge to make change happen. They form strong communities that can share knowledge, offer mutual support, and work in solidarity. They are confident in their right to campaign, which is widely valued and actively protected.

We are passionate, single-minded, and tenacious. We think like campaigners: we analyse problems, find ways to overcome them, and bring people with us. We use our independence to stand up against those who put barriers and constraints in the way.

Social justice drives our approach, and we are committed to using our own power to create greater equity. We work right across the campaign community, from those campaigning from their front rooms to those in the offices of global organisations.

Campaigners need someone to support and campaign for them too. And that’s SMK.

Our Operating Context

SMK is a national charitable group registered in England and in Scotland, with an office in London. The group consists of two legal entities: the registered charity, SMK; and a trading subsidiary, Sheila McKechnie Trading (“SMT”). SMT is registered for VAT; SMK is not.

SMK is funded predominantly by restricted funds from institutional donors, so there is a need to be able to easily track and report on grant expenditure and restricted reserve positions, as well as the allocation of payroll costs and overheads to these funds.

In addition, SMT provides consultancy services and training courses, paid for by invoicing entities

or online payments. SMT donates its profits to SMK at the end of each financial year.

SMK has a team of 11 employees, over two payrolls (one for each entity). Payrolls are run once per month. SMK's key suppliers are independent contractors and consultants who help deliver SMT's services and SMK's wider project work. It is critical that these suppliers are paid in a timely manner.

SMK works within the UK, so foreign currency transactions rarely occur.

SMK's management reports are created on a monthly basis alongside SMK's management. They consolidate the two entities so that a single group picture can be seen. Key risks that the reports should cover include cashflow, forecast P&L position at the end of the year, restricted and unrestricted reserves positions, income pipeline, and debtor management. Reports are presented to the Resources Group, a committee of the Board, on a quarterly basis, before being discussed at a full Board. SMK's Treasurer takes an active interest in the content and format of these reports.

A formal budget is prepared annually in a similar fashion and discussed at the Resources Group before being approved at the Board. Reforecasts are integrated into the regular management reporting.

SMK needs to produce an annual report and accounts to UK SORP standards. It is required to have a full external audit of the group each year.

Currently, our accounting and reporting is outsourced to an external accountant, who processes payroll and transactions, produces management accounts and budgets, drafts annual accounts and liaises with auditors. They use Liberty Accounts as their base system. We are agnostic on future systems, provided that costs are not appreciatively more than currently, and that any migration can be handled swiftly and accurately.

2. Tender Information

We are tendering for accounting and financial reporting services in two lots:

- Lot 1: System Provision, Financial Accounting, Payroll and Annual Accounts Preparation
- Lot 2: Management Accounting, Donor Reporting and Budgeting

We would be happy for a supplier to provide any combination of these two lots. We would envisage each lot to be contracted on a rolling monthly basis, with a minimum term of 6 months.

To preserve auditor independence, we will not accept bids from any firm that has acted as SMK's auditor in the last 6 years, or is contracted to provide future audit work. We would also seek to include clauses in our agreement that would terminate these contracts, should a successful bidder go on to bid for audit work from us.



We would like contracts to start from early 2024.

To submit a tender, please provide a brief document setting out:

- How your firm can meet our needs for the appropriate lots
- Any relevant qualifications / licences held by your team members / your firm
- Details of experience providing similar services to charities that operate in the UK
- A quote for your services
- Details of your professional indemnity insurance

Please submit these in Microsoft Office or PDF format to lorna.massey@smk.org.uk by 31st January.

We will assess all tenders and reply back by the end of February.

3. Our Needs

Lot 1 Part a: System Provision if migrating:

- Chart of accounts in line with internal reporting requirements and UK charity SORP requirements
- At least three other coding dimensions, to allow for different reporting requirements.
- Purchase-to-pay support to allow purchase orders, goods receipting, and approval workflows, through to batch bank payments. This includes reporting on, and accrual of, hard commitments.
- Staff expenses module, to allow staff to easily request reimbursements
- Payroll support for two UK payrolls, including MTD reporting
- UK VAT MTD reporting
- Automated bank feeds such as Open Banking to allow for banking reconciliations
- Fixed asset ledger
- Ability to close periods
- Ideally, the ability to maintain forecasts and budgets within the system, and report against actuals.

Lot 1 Part b: Financial Accounting



- Ongoing bookkeeping service, able to code supplier invoices etc to appropriate codes
- Two payment runs monthly, including supplier and staff expenditures, in conjunction with payroll runs, through to lodging payments at relevant bank. Estimated 15-20 payments per run.
- Monthly Bank and other balance sheet reconciliations
- Monthly financial accounting to make accounting adjustments
- Ongoing management of controls and workflows, such as invoice approvals
- Annual preparation of statutory reports to UK FRS102 Charity SORP standards
- Assistance with audits
- Filing of accounts at Companies House / Charity Commissions

Lot 1 Part c: Payroll

- Monthly UK payroll, including MTD submissions, provision of payslips, and pension contribution management

Lot 2: Management Accounting, Donor Reporting and Budgeting

- Monthly provision of internal budget reporting for management purposes, including monthly updates of actuals and forecasts, variance analysis, and monitoring of reserves.
- Assistance with setting annual budget
- Ad hoc assistance with preparation of prospective donor budgets for grant applications
- Provision of donor reporting in compliance with donor requirements, as requested
- Ongoing Management of chart of accounts and other coding.
- Submission of Annual Return at the Charity Commission

Lot 4: Audit and Assurance

- Annual Provision of statutory audit and/or independent examination services. For our first accounting period (filing deadline: 10th May 2023), we would like this to be an independent examination; future periods will need to be at full statutory audit level.
- Pre-audit reviews of controls and procedures to assure that these correctly manage risks. This would include, for example, sampling previous transactions for compliance.

