



The Asha Foundation

providing hope, changing lives

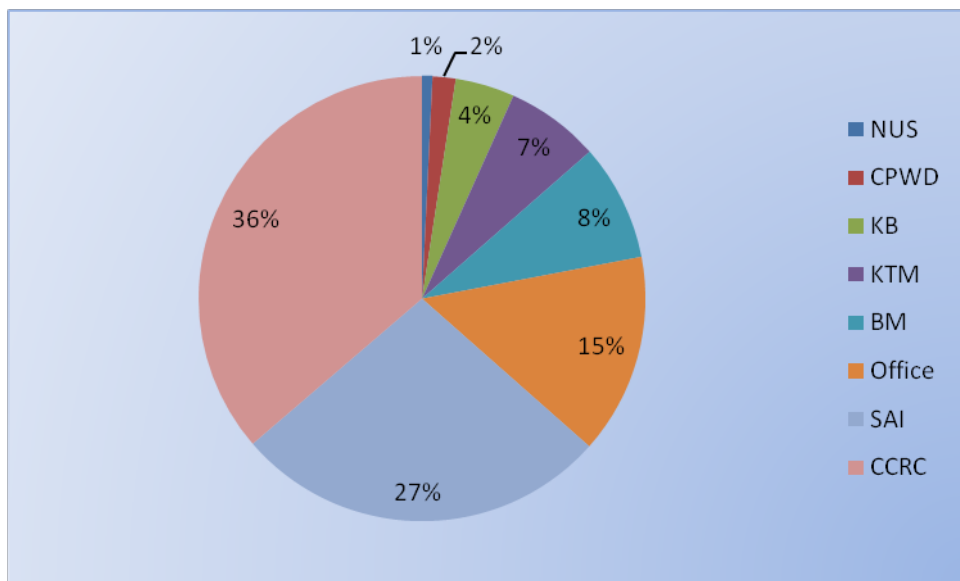
FINANCIAL EXPENDITURE REPORT – CHILD SPONSORSHIP – APRIL 2011

By Mark McIntyre, Nepal Director.

Around 100 people in Nepal depend on regular Asha Foundation sponsors for their well being and development. This report explains to sponsors how their money has been spent in Nepal. At Asha, we pride ourselves on doing a lot with a little, and we think sponsors have a right to know exactly how much of a positive difference they achieve in the world directly via their generous donations.

This report is based on expenditure between August 2009 and February 2011. In the 19 months of the study we spent \$3555 per month. As you can see in the pie chart below, our office overhead was 15%, which is entirely the cost of our local Nepalese office staff because none of the management committee or Australian volunteers receive any payment for their labor or expenses.

In this period, our useable incomeⁱ from regular sponsors was \$2540 per month. Sponsor funds are spent only for the welfare of the children and their guardians. In the chart below, the related cost centers are the children's homes know as "SAI", "CCRC" and "CPWD". We also have "KTM", meaning all those children we support in Kathmandu outside group homes. The numbers in each group are 20, 20, 10 and 12. All together these kids make up 72% of direct expenses. We need to add in our three office staff who perform vital management, secretarial and financial roles which keep the whole organization running transparently and with review. About 60% of the office staff time is spent running the routine children's welfare issues and the other 40% is planning and managing our other projects, which are not discussed in this report.



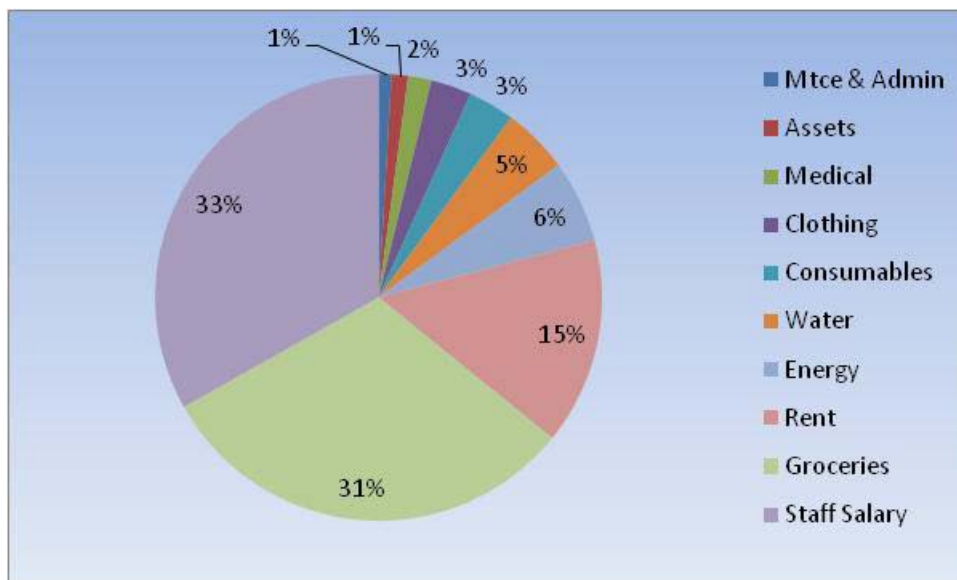
Adding 72% + office staff time gives a total of 81% of total expenditure on the children who are sponsored. Overall therefore we spent \$2880 per month on the children and we receive \$2540 from sponsors leaving a \$430 per month shortfall which we are trying to make up by encouraging more sponsors to sign up. On the following page there is a detailed analysis of one of the supported children's homes.

CCRC – A CASE STUDY

CCRC is our largest cost center and this is a children’s home almost entirely managed by The Asha Foundation. The staff are all hired and employed by our in country partners Dharmik Nepal and we purchase all of the food, housing and clothing. The children also receive some donations in Nepal from foreign visitors and local people. It is hard to know exactly, but it would be reasonable to say that the Aha Foundation sponsors are covering 90% of the costs in this home.

Prior to The Asha Foundation taking on this responsibility in August 2008, the condition of the children was very poor physically and emotionally. Many visitors can attest the improvements in this home over time and now it is a very happy and healthy place indeed. If The Asha Foundation were to withdraw support, the children would be directly and adversely impacted which is why we are staying for as long as our sponsors support us.

The chart below looks at all the sponsor funded costs over the study period within CCRC only. The categories shown are the ones we use for financial reporting and forecasting.



The main costs are the food and people who prepare it. 31% for staff may seem high, but these hard working women earn around \$3 a day and collectively create a happy and positive home. Food is an interesting item. The cheapest item is coriander which has doubled in price over the study period and is now 5 cents a bunch. Most expensive is rice which has gone up from \$14 to \$17 for a 25kg bag. These kids have eaten around 1925 kg of rice in the study period, about 7kg per person per month.

We spent over \$9,000 on Education in the study period in other homes but in CCRC this is funded by a German donor until the end of 2011.

The complete financial expenses are available in Excel format to anyone who would like to see the details of how far the donations of generous sponsors go and how effective every sponsor dollar is in Nepal. The 100 people supported by Asha Foundation sponsors include the children at SAI, CCRC, CPWD and Kuntabesi as well as our Nepalese staff and their families. Other non-children’s home projects, such as The Good Oil, support hundreds more children and families. Please visit our web site for more information.

<http://www.ashafoundation.org.au/>

ⁱ Refer to the Asha financial policy on our web site for details on income management policy. In summary we reserve 10% for the children’s future and 10% for unplanned events leaving \$24 per month per sponsor to spend.