Financial Reporting — Nonprofit Organizations

The following questions were specific to nonprofit (grant-funded) reporting requirements.

Q: When is the financial report due?

July 31.

Q: What’s the difference between the progress/expense report and the annual financial report?

- **Progress / expense report:** Submitted every six months, covering how TerraFund funds specifically were spent during that period (e.g., the report due this July covers January–June).
- **Annual financial report:** Submitted once a year and covers your whole organization’s finances, not just TerraFund activities. It becomes available starting in January but isn’t due until July 31, to give you time to obtain audited financial statements.

Q: We started our project in January — why isn’t our first annual financial report due until July, six months later?

Your first financial report follows a different cadence than future ones. Financial reports become available to complete starting in January, but aren’t due until July, giving champions time to procure audited financial documents.

Q: When will the next tranche payment be made?

Tranche timing is defined in your individual contract. Please refer to the schedule outlined in your contract to identify the next payment timeline. Please note that payments are contingent on project compliance, i.e. reporting, quality assurance, project deliverables, etc.

Financial Reporting — Enterprise Organizations

The following questions were specific to enterprise (investment-funded) reporting requirements.

Q: Which financial statements do we need to provide?

Two: your income statement and your balance sheet (statement of financial position). A cash flow statement is not required. Use audited financial statements where available; if audited statements aren’t ready yet for the period being reported, share unaudited management accounts with your project manager instead.

Q: How is net profit calculated?

Take total revenue/sales/income for the reporting year and subtract all expenses — cost of goods and services, operating expenses, salaries, utilities, taxes, and financing costs. TerraMatch calculates net profit automatically once you enter revenue and expenses; you don’t need to calculate it yourself. Net profit margin (profit as a percentage of revenue) isn’t calculated by the system but it can be a useful figure to track internally.

Q: What counts as a “current asset” or “current liability” for the liquidity calculation? Do planted trees count as an asset here?

Current assets are resources expected to convert to cash within a year — e.g., accounts receivable, inventory (such as unsold seedlings), and prepaid expenses. Current liabilities are obligations due within a year — e.g., salaries, utility bills, and short-term debt. Planted trees are a long-term investment, not a current asset, and are excluded from this liquidity calculation. (They would only factor into a broader business valuation, which is a separate exercise from this reporting requirement.)

Q: What should we include in the narrative alongside our financial figures?

Briefly explain what's driving your numbers — for example, why revenue increased or decreased, what caused a loss (extreme weather, lost contracts), or what new opportunities emerged (new markets, certifications, new equipment). This context helps WRI understand your business's trajectory, not just the raw figures.

Still Have Questions?

- Project-specific questions: reach out to your project manager directly.
- General questions: info@terramatch.org, or your cohort's WhatsApp group.
- Self-serve guidance: terramatchsupport.zendesk.com