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Title : Charities can outsource accounting functions to third-party service providers
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SINGAPORE : Charities and Institutions of a Public Character (IPCs) in the social services, health and sports sectors can now outsource their finance and accounting functions to a professional third-party service provider.

The Charity Council, set up in October 2006 to promote a culture of good governance and self-regulation in the charity sector, has launched a pilot project called iServe.

Eight organisations have signed up for iServe so far.

By outsourcing their non-core functions, charities and National Sports Associations (NSAs) will be able to focus their attention and resources on delivering programmes to their beneficiaries.

With the help of the shared pool of professional resources, charities can also further beef up their internal controls and processes.

Charities will be given a funding support of 75 per cent of the monthly cost of the service in the first year. They will next receive 50 per cent and 25 per cent of the monthly costs in the second and third year respectively.

The three-year project will run from 1 October 2009 to 30 September 2012.

ST Electronics has been appointed service provider through an open tender exercise.

Dr Vivian Balakrishnan, Minister for Community Development, Youth and Sports, said: "Through economies of scale, iServe can enable charities, IPCs and NSAs, especially the smaller ones, to enjoy the services provided by professionals in a more cost-effective manner.

"They can work with the service provider to explore ways of improving their various internal processes such as budgeting, accounting procedures and funds management." - CNA /ls

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