

NATIONAL SKILLS-BUILDING TRAINING FOR LIBERIA'S SMALL & MEDIUM GRANTEES



**Palm Springs Resort, Monrovia – Liberia
17 – 19 July, 2012**

African Women's Development Fund, 2012

Photographs by: African Women's Development Fund

Picture Editors: Nafi Chinery and Golda Addo (Rapporteur)

Text: Golda Addo

Layout & Finishing: Golda Addo

Publisher: African Women's Development Fund

AWDF House, Plot 78,
Ambassadorial Enclave,
East Legon
Accra, Ghana

TABLE OF CONTENTS

Welcome & Introduction	04
1. Basic knowledge in Record-Keeping & Documentation	05
1.1. Record-Keeping	06
A. Defining Records	07
B. Types of Records	08
C. Reasons why we keep Records	08
D. Record-Keeping can be overwhelming	08
1.2 Documentation	09
A. Why should Organisations Document their Activities?	09
B. Why Document?	10
C. Linkage between Record-Keeping, Documentation & Report-Writing	11
2. Report-Writing	13
2.1. What is a report?	15
2.2. Forms of Reporting	16
2.3. Tips for Reporting	17
2.4. Report-writing frustrations & more tips	22
2.5. Structure & Presentation of a report	23
3. Interim Reporting & Financial Guidelines	24
A. Interim Reporting Guidelines	24
B. Grant Information	25
C. Procedure after grant information	27
4. Financial Guidelines & Management	28
4.1. Introduction	28
4.2. What is Financial Management?	29
4.3. Why is Financial Management for every NGO?	29
4.4. The 7 Financial Principles of Financial Management	30
4.5. Building Blocks of Financial Management	32
4.6. Internal Controls	32
4.7. Common Weaknesses in Internal Control	34
4.8. Resources for Financial Management	35
4.9. Tips for Financial Management	37
5. Financial Management II	37
5.1. Budgeting	37
5.2. Budgeting Techniques	37
5.3. The Budgeting Process	38
5.4. Good practice in Budgeting	38
5.5. Types of Budgets	39
5.6. Financial Reporting	41
5.7. Guidelines for Financial Reports to Donors	42
5.8. Auditing	43
6. Basic Knowledge in Designing Effective Filing Systems	43
6.1. Filing Practices	43
6.2. Filing	44
6.3. Purposes of Filing	44
6.4. Filing Systems	44
6.5. Tips for Filing	45
6.6. Reviewing your Filing System	45
APPENDIX	
A. Workshop Agenda; Participant List	47

ACKNOWLEDGEMENT

African Women's Development Fund, the facilitator of this training event, will like to congratulate all grantees who participated, and also express sincere thanks to them for believing in AWDF's capacity to assist and ameliorate their efforts. All appreciation goes to staff, executives, and partners who actively participated in this event, especially those who made it at short notice. Special thanks go to Mad. Miata Kiazolu Sirleaf, for her excellent liaison between AWDF and Liberian grantee organisations, and sincere gratitude to everyone who was involved in the planning process of this training event. It is our hope that this report lends insight to our work as a Women's Rights Organization.

Nafi Chinery
Programme Officer Capacity Building, AWDF



NATIONAL SKILLS-BUILDING TRAINING for LIBERIA'S SMALL & MEDIUM GRANTEES
Palm Springs Resort, Monrovia – Liberia
17 – 19 July, 2012

Facilitating body: African Women's Development Fund (AWDF)

Workshop Convener: Nafi Chinery, Capacity Building Programme Specialist

Topics:

1. Basic Knowledge in Record-Keeping & Documentation
2. Report-Writing
3. Interim Reporting & Financial Guidelines
4. Financial Guidelines & Management
5. Financial Management II
6. Basic Knowledge in Designing Effective Filing Systems

Welcome & Introduction - Joana Foster (AWDF Co-Founder)

Ms. Foster introduced herself and shared summary details of her career in Liberia working with Medical Mondiale, for which reason she was present at the event to give the opening address. She gave a brief history of how AWDF started, and the challenges the three of them – Bisi Adeleye-Fayemi, Hilda Tadria, and herself – faced in the beginning. Their biggest obstacle was having to disabuse minds of the notion that as women, they were and would be unable to handle the large amounts of money they were raising as funds for their pan-african, women-focused grant-making body; and to prove to current and potential donors that they were very capable of managing such a responsibility. Indeed, two of them were at the time directing organisations that had large financial portfolios.

It is in light of this experience that AWDF still believes in capacity-building for their grantees in financial, record-keeping, performance, and other areas; they are the key to the success and sustenance of these entities. Improvement in skills in these areas will also assist grantees to not only prepare and keep better documentation, accounts and records for themselves, but also for AWDF their donor, who needs such accounts to monitor and verify work being done across the continent, and to keep funding these grantees time and time again. She expressed hope that the training will impact greatly and positively on Liberia, and wished the participants, speakers, and conveners the very best. Next, Nafi Chinery, the Convener, briefly outlined the training scope, expectations, and daily agenda. The training, she stressed, was AWDF's contribution to improving on the very crucial practices of progress reporting, sharing of grantee stories, updating on accurate and honest experiences, proper documentation, data management, and accounting amongst her grantees. It was also a means to help grantees present the fantastic contributions they send to AWDF, in more organised, consistent, focused, and appreciable formats. Skills-building,



she said, has always been a practice of AWDF, and this current event formed part of a dedicated training programme for small and medium grantees, hence the team's presence in Liberia for the next three days. The year before saw them in Nairobi, and the year after hopes to do training in a francophone country; but most importantly, the desire was to interact – that is, to learn from participants, even as they learned from AWDF.

Nafi ended the introduction by encouraging questions, toleration of each other, giving others opportunities to ask their questions and pursue their challenges and frustrations, and to be committed to the proceedings of the next three days. After housekeeping, lodging, and training rules were given, the Grants Manager of AWDF started the event with the first session of the day.

1. BASIC KNOWLEDGE IN RECORD-KEEPING & DOCUMENTATION – Beatrice Boakye-Yiadom (Grants Manager, AWDF)

1.1 Record-Keeping

In AWDF's last visit to Liberia in March, the Grants team noticed a dearth of record-keeping. This was not a problem peculiar to only the Liberian grantees, and is an obstacle to success in many of the grantee organisations. It is important to keep records of practically everything because that is the source of relevant information for the various reports a grantee must generate to its donor(s) and stakeholders for a sustainable operation. Without keeping records of daily activities, transactions, purchases, etc., how does one produce reports? Report-writing is therefore crucial to record-keeping.

In this session, grantees were to learn of the importance of having and showing evidence of work they do and have done. The expectation is that, at the end of the training, all participants would be able to manage and handle their documents and records, and also be able to categorically archive them for easy location when they are needed.

Interactive Session 1: What are some of the key resources we have in our organisations?

- Human
- Technical, Knowledge
- Reputation
- Financial
- Communication
- Management

These are relevant to the effective administration of any organisation. But nobody mentioned "Information", and that is a very key resource. The information we generate,



use, identify around us all go to play very important roles in our organisations at various points in time. Perhaps, it is because most organisations do not recognize the importance of Information above most others that they do not keep and manage their information well.

A. Defining Records

A record is a piece of information, simply defined. It is information or data which can be said to be a key resource in the operations of any organisation. It is also the information created, sent, or received by the organisation in the course of its activities, and they act as evidence of what the organisation does. For example, a grantee writes to Beatrice, the Grant Manager, alerting them that the money AWDF sent to their bank account had not arrived since their last communication or notification.



Questions and Analysis:

- Why did the grantee not communicate that to us at the time it occurred or was realised?
- Why did the grantee not send a record of this mishap, or send the said record?
- How do we know that what the grantee is saying is true, and their actions, as stated, are accurate?

Therefore, we see that records are also useful as evidence of one's activities. They immortalize data, statistics, information on achievements, and so on. Documents kept as records may not always be true or accurate, but they are still regarded as records, because they lend information that will lead to some conclusion. Therefore, receipts, invoices and legal documents are all records that simultaneously serve as the memory bank of the organisation .

Information as the memory bank of an organisation is a relevant point to note. This is because employees come and go in any working place, and when such turn-overs occur, the records of procedures and processes, activities, minutes, accounts, are what enable the incoming employees to pick up from where the work was left off, and also fluidly fit into the organisations best practices and policies. It also enables the new employee to be able to get helpful data for work and for understanding the company without relying on the accounts of other employees, which may be biased, misunderstood, inaccurate, or not forthcoming. If there are no records, how will Officer B know what is already in place, what to do and how, when Officer A has left the workplace. This is why AWDF believes that records immortalize who we are, sustain us, and give us good image, consistency, and credibility. Organisation with records are not easily accused of 'claims'; people will learn that everything they say is verifiable and confirmable.



B. Types of Records

Interactive Session 2: What types of records do you *actually* keep in your organisation?

- Financial records (accounts of money spent, money coming in)
- Meetings
- Daily activities
- Annual reports
- Departmental reports, comprehensive reports (attendance, clocking in and out, projects, etc)
- Contracts
- Communications

It was AWDF's hope that these practices were actually being fully implemented in participants' organisations, and that they were aware of how these kinds of records will enhance grantees' activities, operations, and improve their reputation. For the purposes of ensuring that participants understood what records are, the below were mentioned as part of an in exhaustive list:

Letters	Emails	Memos	Minutes	Research data	Inventory
Proposals	Reports	Bank statements	Accounts	Receipts	Staff information
Cheque book stubs	Photographs	Newspaper clips	Video recordings	Samples	

It is the systematic compilation of similar information, stored and maintained in files/folders that result in what is called Record-Keeping. This is a challenge most organisations have.



GRANTEE Analysis:

- What kinds of records will enhance my activities and boost my reputation as a grantee?
- What kinds of records does AWDF expect from us?
- Some records can be used to create manuals, which sustain the entire organisation's operations. Can we learn more about those?

Every grantee has a unique record-keeping priority to AWDF, as it does for its own needs. Focus on what enhances your credibility and boosts your growth most; and when sending reports to AWDF, work on meeting the given guidelines and adding as much relevant information as can possibly make our appreciation, understanding, and acceptance of your document easier. In the case of manuals, creating something like a finance manual for petty



cash, payments and such will help anyone coming in to seamlessly fit into the way of doing things at the organisation, and ensure that neither the employer or employee suffers for this change of staff.

C. Reasons why we keep Records

We keep records because they capture the past, and help plan for the future. Records guide the user, and helps keep an account of things that have been done. It is only through the information an organisation records in the normal course of its activities that it can know what it has achieved, and then effectively strategise for the future. Records must therefore be created, organised, secured, maintained, and used in a way that effectively supports the activities of the organisation.

Beginning to keep records is not the challenge for most people; sustaining it is. A few months from now, most participants who start record-keeping will be finding it difficult to continue. At AWDF, records on every single grantee, and the organisation itself are kept and maintained for as long as five (5) years before being destroyed. In the same way, it is important to take decisions about what policies should drive one's organisational record-keeping. Record-keeping facilitates the day-to-day operations of an organisation, supports predictive activities such as planning and budgeting, assists in answering questions about the organisation's activities, and demonstrates documents compliance with applicable laws and regulations. It helps to follow up on people, projects, progress, and to plan/predict/forecast the future.

Record-keeping assists in answering questions about "how" decisions. So, for instance, an employee goes to buy water and comes back with a variety different from what he was mandated to get. When asked why, he/she is able to prove, using an invoice/receipt, that perhaps the cost or value acquired from that action is of great benefit to the organisation's budget. In Liberia, for instance, some of the requirements for NGOs are that they must send a report to the Gender Ministry every month, and to Social Services every year. How will an NGO meet this requirement if it does not have good records? For this reason, many organisations are always far behind in sending crucial reports; not because they have not done any work, or achieved targets, but because of poor record-keeping and bad documentation, they have nothing to show or nothing to use to create their reports.

D. Record-Keeping can be Overwhelming

Record-keeping can appear frustrating and overwhelming, with many things to record, and equally many methods and styles to use for the purpose; however, it is a necessary evil, and must be performed. In addition to these, there are many reasons why people choose to and are obliged to keep records.





GRANTEE Analysis:

- Grantee wants to know: most of the time, because a person or entity does not support our organisation, we do not see the need, or even think of sending them our reports. How do we identify who to send our reports to?
- What about if you are a self-funded organisation? Who do you send your reports to, and do you even need to write reports, much more write them with any recipients in mind?

Beatrice clarifies to participants that when trying to identify who must receive reports, it is always helpful and easier to make that list using the stakeholders in the field of operation of said NGO. The stakeholders must always receive reports, whether they know the organisation or not; whether they support it or not; whether they fund it or not. Not only does this create and grow awareness about one's operations and achievements, it also draws potential partners, donors, funders, resource personnel, and philanthropists to the organisation.

If the organisation is self-funded, reports must still go to stakeholders and other personally selected individuals and organisations who will benefit from the actions of the NGO, or the information contained in the report. There might also be people who will volunteer to the organisation; chiefs, leaders, politicians, entities who might want to get involved. Furthermore, the NGO can send its reports to the appropriate Ministry under which it works, then liberally send the rest out.

It is helpful to keep in mind that reports are always helpful for future references, archive material, proof of achievements and existence, promotional and publicisation efforts, and for recommendation purposes. Even when not certain what reports can gain for your organisation, bear in mind that good information is always useful and often shared. Your work is carried along as the information you put out is shared around.

Record-keeping is important. No record, no work, and therefore no organisation. At the end of this capacity-building training, all grantees must go back and meet with their Board members, or prepare to do so at the next quarterly meeting, and determine who the organisation's stakeholders are. They are the ones for whom the reports must be prioritized.

1.2 DOCUMENTATION

This session will help participants to have a better understanding of the need for documentation, to help strengthen their resolve to document their activities, and to build a strong system of information. Documentation is a method for concisely capturing and



sharing critical project concepts, plans and information as they develop, so that impacted parties can share this information and also make informed decisions.

A. Why should Organisations Document their Activities?

If an organisation sets out to have a three-week project with young women in country A, location X, by party E, why should all the activities therein be documented?



GRANTEE Analysis:

- It supports record-keeping, which in turn helps us create evidence of our work, immortalizes our efforts and achievements, and encourages support for our work.
- It also helps us to show accountability, in that, when many things are documented via video coverage, photographs and so on, things are put into perspective for an onlooker, and in the same manner, 'claims' of the organisation are proven in situations of awards, nominations, honours, large funding and so on.
- Documentation keeps the organisation on track, helps spread information to other donors, and helps guide the future/next implementation of projects.
- What is the difference between Documentation and Records? Documents turn into records. Documents become records as they are completed in step-by-step capture of data.
- The documentational direction and needs of an organisation depends on its field of operation, interests, capacity, and objectives.

B. Why Document?

We document to facilitate learning, help with accountability issues, create systematic information to back our advocacy, to feed into other projects, to help raise funds, to help tell our story, and to help in keeping records of the works of women's organisations.

Documentation does not just come about, or happen out of the blue. It must be planned and strategized, it must be factored into the organisation's activities, and there must be a strategy behind documenting the organisation's work. The questions to ask are:

- How do I document this?
- What do I document?
- What will I use it for?

Once these questions are answered, do not let the plan just remain on paper. Implement it and ensure that unplanned-for occurrences are also noted and factored into future planning.





Interactive Session 3: If you are to tell someone (say a potential donor) a story; describe to them an exciting event you witnessed; or convince them of your point of view, in what ways can you communicate your message?

- Grantee 1: I shall first put the project together, share memorable moments of the ground work done, put strong points of need across, and show credibility that the grant and support acquired will be well-utilised.
- Grantee 2: I shall share when the event happened, where it did, those involved, what happened, and how it was all concluded.
- Grantee 3: I shall make my story short, to the point, and convincing.
- Grantee 4: my story will be realistic of what the problems/challenges of the issue are, specifying what areas I wish to solve or help solve; I shall identify the root cause of this problem, and also identify what is necessary to finding a solution for it, and I will put that in place, accountably and with evidence saved.
- Grantee 5: I shall let my story make sense, have a mission, vision, and core values, and I shall create a report on the process, ensuring even then that recipients of the report will find reading it comprehensible and memorable.
- Grantee 6: I shall share to them what happened, where, why, those involved, and the impact on the people.
- Grantee 7: I shall make it factual, relevant, and impactful so I can get support.
- Grantee 8: I shall give evidence-based, objective data.
- Grantee 9: I shall narrate my story in order to persuade the listener(s).
- Grantee 10: I shall share details of event, location, mission, main purpose, and so on.

These contributions were summarized up under three categories:

- ✓ Text/Written Documentation – Words
- ✓ Visual Documentation – Pictures
- ✓ Audio Documentation – Sound

These categories are found through the following activities:

<i>TEXT/WRITTEN</i>	<i>VISUAL</i>	<i>AUDIO</i>
Ideas, Questions	Photographs	Recordings of interviews
Feedback from stakeholders	Short video recordings of key activities	Recordings of testimonies
Observations	Drawings/paintings	Recordings or recommendations
Suggestions		Suggestions from the general public or stakeholders via audio recorders



Personal reflections – thoughts, feelings, triumphs, frustrations about a project	Photographs, paintings drawings	Interviews, short stories
Newspaper articles	Cantons, PowerPoint presentations	Radio
Reports/newsletters/websites/blogs	photographs	Radio broadcast

If anyone wonders what they can do with all these documents and records, just note that it can all be fed into organisational projects, reports, proposals, fundraising efforts, and advocacy work at various points in the lifetime of the organisation.

C. Linkage between Record-Keeping, Documentation & Report-Writing

The two feed each other, but the difference is as follows:

- a. Reports are only of value if they are based on fact, accurate, complete, compiled by competent people, and are accessible.
- b. Reports should therefore have data, useful information, and quality in conformity with requirements – all derived from good record-keeping.

Apart from this, there are several ways the two work together (linkages). Very important to record-keeping and report-writing is the stating of appropriate and correct figures, true data, and what one actually has. Since data is needed for a good report, data must then always be gathered. This is raw data, which must then be translated into useful, understandable information. This must be done because translation leads to increased knowledge, increased understanding and increased usefulness.

To make sure that the data you are collecting is going to be useful, you must ask yourself, 'what story do I want to tell the reader?' The recipients of your document must be able to see any differences and similarities you point out in your data, should be able to have a really good idea of what you are recounting, and should be able to get sold an any idea you are promoting. What you should do, therefore, is to:

- Analyse the data
- Think critically and logically
- Break the data down and connect the dots
- Weigh the possible outcomes and alternatives
- Draw inferences and make recommendations
- Decide the correct plan of action at the phase/point you have arrived at

Furthermore, have more than one person write the needed reports, where possible, then let them harmonise their data to make one whole in the end. Ensure that you have coherence in your reports, so the reader can follow from point to point.



Once you are ready to write the final report, here are some things you should use as guidelines:

Key areas of importance:	Purpose (of the report) Audience Needs Information type to use
Organisation of report:	What are the results of the analysis of data gathered? How should the report be structured to share this information?
Presentation:	Information should be in a format accessible and appealing to the intended audience.

Beyond this point, if you have done your work well, you will be able to watch as your reports create more reputation and opportunities for your organisation. Go out there, write your stories and strengths, and tell the story of the African woman prouder and louder.

2. REPORT-WRITING – Nafi Chinery, Capacity Building Programme Specialist

The objective of this session was to provide basic tips in report-writing, and to help grantee participants understand the critical role of reports in an organisational setting. The impression held at AWDF is that most organisations do not understand why they are writing the reports, and this makes the final result un-useful to the recipient. As a pan-african grant-making body, AWDF has worked on over 800 reports over the past twelve (12) years, and will share the lessons of report-writing with all, for the benefit of not just the grantees, but for AWDF to identify and help with challenges in this endeavour as well. This session is complementary to record-keeping and documentation, and lessons taught previously still apply.

Interactive Session 4: Any volunteers to tell us something about their project of choice, and what makes it their choice?

- Grantee 1: Told story about Jonestown. How she went there and found girls as young as thirteen years old pregnant, and some already mothers at that age. This made her decide to focus on teenage pregnancy of young aged girls. She intends to do this by educating the girls about use of condoms and other contraception, and to focus on how the community can stop the male motorcyclists from having indiscriminate sexual activity with the girls when passing through.
- Grantee 2: Her focus of service is on adult illiteracy programmes for specifically market women. Most women in Liberia are illiterate, and she decided to start a program for market women, whereby they could patronize the classes after market hours (6pm onwards). The main aim is to help them to read and write.





Interactive Session 5: A volunteer to tell us three striking things they identified in the stories shared, and why?

- Grantee 1: The first story hit a passionate, emotional note, and practically anyone listening will be moved by it, and donors encouraged to support. She went to the site, verified the problems she suspected, and took a particular decision on what to tackle/where to start solving the problem from. However, how will the girls survive if she stops motorcyclists from passing through the community? She should rather give the girls alternatives to sex-for-money, instead of focusing only on stopping the motorcyclists' business. After all, the girls could look for other places to offer sex for money.
- Grantee 2: The second story is encouraging, but it seems too limited in focus; what about the other women who may want to learn, but are not market women? Even if her resources and affiliation is what prompted her to narrow down to a particular sector of women, she should still be open to future possibilities of teaching other women.

Nafi Chinery rounds up the interaction by pointing out how moving the stories shared were, and how quickly and easily they caused discussion amongst participants, most of whom agreed that if they had money, they would donate to those causes. The point in question, however, is that when the same grantees are writing reports, it is opposite to the lively manner in which they just recounted the same stories. The lesson, therefore, is that when writing a report, it must have a life of its own, such that all who read it can connect with it. An organisation's report is the link between them and the reader. There are times, one may never have been to a location, but simply reading about it makes it easy to imagine and relate.



Interactive Session 6: Hence, why do we not write like the way we talk? Why do we fail to convince donors to give us funds?

- Grantee 1: It is true that we are guilty of taking the emotion out of our reports and proposals, but it is because we have been made to believe that such documents are only about facts. Writing guidelines have made us believe that reports must be serious and professional.
- Grantee 2: Sometimes we put very little thought and innovation into our writing. We simply put a lot of data together and send it off.
- Grantee 3: I do not know the situation in other countries, but over here in Liberia and with local NGOs like us, it is very difficult to afford experts who can guide and train us in these areas of writing.
- Grantee 4: Sometimes, the donor demands that you do it a certain way, so it also affects how we write it.
- Grantee 5: Sometimes the person in charge of the projects may actually write a lively report, only for it to be copy-edited and formatted into a strict report by a



senior person in the organisation. This makes the end result incoherent and unemotional.



Interactive Session 7: What have we therefore learnt from this session?

- Grantee 1: We must generate emotive reports.
- Grantee 2: Our reports must be short, sweet, and interesting.
- Grantee 3: We must process our reports right after each event, so that we still have the freshness of the experience to help write a good report.

Nafi adds one final advice for the session: when writing reports, ensure that it is in an area you are comfortable with. Do the same for your NGO, and do not jump into an area simply because that is where the money is. If you do so, it will show via strains in your reportage, accountability, documentation and such.

2.1 What is a Report?

The Oxford English Dictionary defines a report as a statement of the results of an investigation, or of any matter on which definite information is required. Moving away from the dictionary to explain it even further, a report is not a narrative or an essay. We are not telling a story, or giving a subjective description. Also, it is not a series of blunt bullet points. It is a well-written statement of evidence, with conclusions and perhaps recommendations. It is an analysis of the data of the investigation, written in an objective, logical and factual way. Take the story shared by the first volunteer – she picked up certain facts, followed through to confirm them, and got the data to prove it. In sharing her findings, the other participants reacted and asked questions. An interaction commenced, and more things were discussed.

A report had a purpose, and to be effective, that purpose must be achieved. The people reading this report must be able to find the required and desired information, and understand its logic and argument from one point to the other. Remember that your report is an analysis of the information you have collected, put together factually and systematically for the benefit of your donor. It cannot be imagined and written. You must have facts, know the topic well, maintain your credibility by presenting the genuine details, and present it in a lively, impactful report. Never underestimate what your donor knows, nor the links they may have in your country/area. Furthermore, in case of follow-ups, site visits, investigations, and such, you must keep those records where your staff can always find them and pull them out for assessment, unless you be found wanting and your reputation damaged, losing donor confidence or support in the end.

Additionally, remember that you are writing the report for a reason. The people you are sending it to must find it relevant, and it must be in simple, clear, coherent English (or



official chosen language). Do not make the reader frustrated when they are reading your report. Understand it yourself, from beginning to end, or give it to others to read and give you feedback before sending it off to the final recipients. If in doubt, give the report to another person in a different field of work to read, and if they understand most of it, you have one major challenge cleared. Donors are more likely to support stories they can relate with.

2.2 Forms of Reporting

Reporting may come in a variety of forms: pictures, documentaries, write-ups, blog posts, twitter posts, articles, news items, and the like. When planning one's report, it is important to identify who the stakeholders of that area of activity are, and depending on the answer, the following types of reports will result:

- Narrative progress reports
- Interim and final reports
- Financial reports
- Activity/process reports
- Annual reports
- Monthly reports
- Monitoring and evaluation reports

To write a report, capture everything that comes to mind first, then start putting form and shape to it, deleting the irrelevant portions and improving the necessary ones. Once you have finished the draft, leave it for some hours or days and come back to it with fresh eyes and mind. Polish it up, and finalise, then send it off to the recipients.

The type of report you must use depends on your donors, the stakeholders, the final recipients of your report, your project, and so on. This is why you must have a good idea of who you are sending your report to, why you are sending, and what you intend the report to achieve.

Interactive session 8: Two grantees to share what types of reports they generate, to what recipients, and why.

- Grantee 1: Our organisation deals with HIV/AIDS, and the women and girls who are affected. Sometimes we go out into the streets to find such people, interact with them, find out why they are in those living conditions, and what they intend to do with themselves. Some are found in entertainment spots and red-light districts. From our interactions with them, we generate documentary reports on their relationship with men, first reactions to the female condom, and sexual habits of their own.



- Grantee 2: We report on finance, and find that we must accurately report on budgets and accounts. We often work with receipts, invoices, supporting documents of expenditure, and our reports must show transparency and accountability.
- Grantees 3, 4, and 5: We send Narrative reports; Progress reports; Quarterly and annual reports.

These are all well recounted, and as iterated earlier, organisations must find creative innovative ways of passing on their messages, such that it will make appealing and coherent reading for the recipients. Additional tips for reporting is to always have well-filed hard copy records of everything that goes into and supports the organisation's reports, and where there are soft copies, ensure that they are not limited to one computer's storage or to placed under only one person's care. Relevant information must always be accessible by more than one person, in case of any emergency.

One of the biggest challenges AWDF faces with her grantees is dearth of documentation. They is often very little evidence to support what grantees claim to have achieved, and much as AWDF does not accuse them of untruthfulness, it is difficult to keep sustaining an activity for which there is inadequate proof. In line with this, nothing must be taken for granted by way of documentation. Even the visitor's book at one's front desk is a very powerful piece of evidence – who came, when, how many, what comments they put, what they came for and so on. In addition, there can be no one summarised reporting format for all reports. Depending on your contract with the donor, the point in time within the project, the aspect of the project, the progress or challenges, an organisation's reports will differ. These are necessary to identify before starting the project, as the types of reports necessary determines the kind of documentation to be done.

2.3 Tips for Reporting

In report-writing, do not just start writing the report. There are questions that must be asked to guide the effort, like "Who is the report for?" Furthermore, some donors are interested in just particular aspects of the organisation's work, and that is the only place the reports must focus on. Other questions include:

- What is the reporting period (report to cover what duration)?
- When should the report get to the recipients? (bi-annually, quarterly?)
- What format should be used? (does the donor have a special guideline for reports?)

Once the time is almost due to send in the report, send a courteous email to the officer and ask for any updates, specifics, confirmations that must be noted in the report, and ensure that they are all met. Look over the guidelines – do you understand the various sections, questions, and terminologies? Do read, and if uncertain of anything, send an email to the officer in charge of your project, or the appropriate department and enquire as to the terminologies and requirements.





Questions & Analysis:

- Within your own organisation, who is responsible for the various sections of the guidelines for reporting? Who is responsible for supplying the necessary data for compiling the report? This is where the need for 2 to 3 people to be responsible for reports, as mentioned in Session One, comes in.
- Have you let the report breathe before finalizing it and sending it off? Do so to be sure of the best possible reporting.
- Who can be contacted for clarification on the report within your organisation? Always copy the project officer who handled the reports, and where necessary, the staff in charge of visuals or finances or data, etc.
- Do you have a mind map of the reports to help your mental flow of formatting and writing – topics, objectives, structure?
- Very important also, is to ensure that where hired experts do the reports for your organisation, you ensure that they capture the heart and tone of it, so that you are not sending a technical, non-appealing report to your donors that is difficult to read and appreciate.

Your report should be objective, concise and focused on the key ideas, clear and consistent, simple and easy to read, and you should keep your readers firmly in mind as to whether they will be able to follow the logic of your presentation. Communicate in a way that is both acceptable and intelligible to the reader. Remember that the person(s) reading your reports are human beings with mood changes and emotions, and may either find your report interesting and 'acceptable' or too bulky or incoherent. Additional information can be attached as appendix or annex. Do not tell stories, especially long-winding ones. Good reporting connects and invites interest.

View the report as a fundraising tool, do not be afraid to speak about challenges (because challenges are always opportunities), clearly link activities with outcomes, do not underestimate exceptional successes, and include the lessons you learnt in your reports; donors are always open to more knowledge, to enhance their performance and that of other grantees as well. Finally, demonstrate the outcome or impact of your activities in your report. Collect verbatim quotes from community members where possible, as these are useful to demonstrate shifts in attitudes or behavior. Note that if you miss the guidelines of your donor, you affect their checks and balances and makes their own reporting, feedback, and funding unsustainable, which may also affect your future funding.



GRANTEE Analysis:

- Some donors and organisations do not want certain information to be made public. How does one go about this and reporting?



- What happens if I get funding but funds arrive late, and yet there is a strict timeline for my projects which the donor agreed in the contract to keep to, for the sake of reporting requirements?
- In the case of late arrival of funds, do I need to maintain the same schedules and plan, or change? And what about if another donor takes over the project due to the delay of the original one?
- What happens if a donor agrees to a pre-finance plan with you, you meet your side of the bargain, pre-finance the project, then the donor fails to reimburse the funds spent?
- A donor gives a grant and expects quarterly reports. You had targeted 50 beneficiaries in the agreed plan, but now you see 200. Can you plan to assist the 200 beneficiaries over a period of 6 months instead of the original 50 beneficiaries over a period of 1 year?
- What if the money sent you covered everything planned and there was excess?

Regarding what kind of information should be privy to only the donor, and what should be public, always be guided by the contract you sign with the donor. Where you are uncertain of anything, ask for clarification. Some donors will save you much of this work by giving you a lot of specifics about reporting, but where for any reason these are lacking, in the spirit of good partnership, ask questions and be clear on the process. Do not be excited by the money and forget to verify. Furthermore, it is always good to create and maintain communications with donors. Some organisation are wary of writing to their donors, but it is rather essential and helpful for building good understanding and relationships, so keep in touch and communicate regularly. The constant interaction ultimately makes for easy, fluid communication, clarification, sharing of tips and updates and helpful pointers.

If your funding arrives late, through no fault of yours, and there was a strict timeline for reporting, still go ahead and state that the funds arrived at exactly so-and-so time, then proceed to keep to the rest of the contract. In your reporting, make the donor aware of what aspects you could not do or achieve due to the delay, and what you could do before the funding arrived, where applicable. If there was a big shift in the plan due to the delay, also state it in your report. If another donor picked up the slack created by the delay in funds, make it clear and communicate to them (original donor) about the way forward. This way, there is understanding, and where necessary, a re-writing of the contract or agreement. In the case of AWDF, there is the policy of flexibility with grantees, and delays and challenges are often met with understanding tempered with strictness, so continue to share and report from where the project/funding began and further communication will help you adjust to meet mutual needs.

Concerning a donor arrangement to reimburse a pre-financed project, and not holding true to that contract, certainly any donor worth their salt will not do that to any organisation.



Nevertheless, always ensure that you have contracts and agreements signed to that effect, and always be certain of the donors you apply to. Where you have doubts, write to enquire for certainty or simply refrain completely from applying for such funding arrangements.

Where you have a contract for funding with specific statistics, do not change any aspect of it without first speaking with your donor. Even if you are certain you can have better impact supporting the 200 beneficiaries instead of the original 50, and you can do it efficiently with no repercussions, you must still confirm with your donor. A change in contract is a big issue, and the more your donor feels you are one to easily change details of a funded activity, the less you will be credible in their eyes. It is better to interact with them and get their permission to proceed, and enable them to amend the agreement and their records, than to go ahead, do a wonderful job, and send them a report very different in targets from what they expected all the while.

Where you have some money remaining after the successful completion of your activity, or you run out of time for the project and some funds therefore remain, simply follow the demands of the clause on 'balance'. If there is none, for any reason, in your contract, alert the donor and return the money, or request permission to plough it back into a future project of the same activity. Additionally, do not go for any donor money because it suddenly became available to you, when you are not ready to work with it, or you know you will be unable to deliver on the defined project, or you are under-equipped to handle the project. As an organisation, you should be able to define the boundaries of your abilities and capacities, and not ruin your reputation or credibility.



GRANTEE Analysis:

- Why don't we like to tell which other donors are supporting our projects?
- Sometimes a grantee needs \$5, and has several donors offering \$1 each. Is there anything wrong with applying to them all, to acquire the sum total needed?
- Can I replicate the same project in different locations and apply to the same donors for support for all of them, or to different donors?
- What happens to organisations with great ideas but not the criteria necessary to gain funding? How do they get the help they so much require?

Most of the grantees confirmed that they do not like to tell a donor which other donors are supporting the organisation's work because of the fear that they will lose that donor who gets the information. This is especially possible in the case where they are competing donors or un-allied donors who prefer sovereignty in the organisation they are funding. Some donors also do not care about this, but organisations may feel safer not sharing that information, and finally, some organisations hold the fear that knowing that there are other donors might lead to a decrease in the amount of funds granted them for their specific projects.



Participants were assured that, in truth, donors are often more willing to give when they know that an organisation has other equally credible donors supporting other aspects of work, or that an organisation has previously been supported by such donors. Should a donor request for a list of your other sources of funding, and you declare none, and you have no balance of funds in your accounts, then the amount they entrust you with is smaller, and sometimes none at all. However, if they find several credible donors supporting various aspects of your work, then it shows them that you are doing something right.

If you really need that amount, and you are applying ethically to all the donors, then it is within your right. However, should any of the donors find out that you are taking funds from multiple donors for the same project and you had enough funds from just one or two sources yet went for all, you will face the repercussions. Remember that donors speak to each other and run cross-checks, or receive inadvertent data across funds, so always be truthful and satisfied with what you have. If for some reason, during the facilitation of a funded project, you realise you simply need more funds, interact with your donor about it, and where available, they will give you extra funds to balance out the unplanned expenditure or occurrence. Another option is to alert the original donor, then apply to a second one for the extra funds, with full explanations. Remember that all donors want your success, because it becomes theirs too.

Concerning replication of the same project in different locations and applying to same or different donors, it depends on a number of factors: have you completed the initial project successfully? Do you have enough resources to replicate if you were to be given the funds? Do you absolutely need to replicate or to do so at that point in time? Answering these questions and honestly assessing yourself will help you to apply correctly to your donors for replication funds.

What happens to organisations with good ideas but no history or criteria for winning funds? It is unfortunate that most organisations meet this hurdle, but it is also a necessary one that sustains the funding bodies' checks and balances. Sometimes, though, depending on the credibility and promise of an organisation, an officer may be convinced to follow through on a small grant for them and work through the years till they acquire status and become independent and even more credible for funding.

Interactive Session 9: What is a loan and what is a grant?

- Grantee 1 shared how an individual witnessed an event they held for their organisation, and was so impressed that she gave them \$500 as donation to support them. By all communications, it was not a loan that she would come back for. However, some time later, at another event where they had a very successful



fundraising, the same individual came over and requested the “refund of her \$500 loan”. This so affected the staff of the organisation emotionally and psychologically, and they had to pay back the woman in the end. Was what the woman did right?

A loan is a fund that must be paid back, with or without interest, but a grant is never paid back. Organisations are advised to always have records, contracts, and documentation to cover such acts, so that they do not suffer what they did again.

2.4 Report-writing Frustrations & More Tips

When you are planning to write reports, never take your reader(s) for granted, assuming what they know and do not know, especially with the facts you are sharing in your document. Additionally, do not be patronizing, insolent, or disrespectful of people’s intelligence. Your report is an inadvertent fundraising tool that enables you to touch, reach, encourage, impress, and educate all those who read it; and it also shares your dreams, hopes, achievements, and ambitions to the world. Always maintain interactions with your donors and stakeholders, so that your reports have the necessary impact and meet the requisite criteria. Use your reports to build a firm relationship with your donor, so that they can understand, appreciate, and support (even train) you. The lessons learnt in the course of implementing your projects are helpful. Donors want to invest in areas where there is also knowledge production.

Do not be afraid to speak about challenges you experience, as a challenge always comes with an opportunity. Donors are also open to learning from your experiences, so share the challenges, discuss possible solutions and options, and contribute to the future efforts and teachings of others coming after you. Clearly link your activities to outcomes, and do not just mention topics, projects, and issues without connecting them. For instance, a grantee earlier spoke about their work in teenage pregnancy. Their report might have to cover the hows, wheres, impacts, timeframes, and details of the projects in a connected, coherent manner which is clearly in line with your organisation’s focus area. Furthermore, capture the essential moments of your project while on the field or on road – what happened, when, why, how it was managed, and use the results as a training manual for future trainings.

Do not underestimate your exceptional successes. Women are bad at celebrating their achievements and successes, and must be encouraged to do this. Most of the activities of the grantees present are life-saving and life-changing for many girls, women, men, and families everywhere, for generations, and the passion and energy that goes into it must be appreciated; the events seen as exceptional stories, and these must all reflect in the organisation’s reports. They improve fundraising, encourage donors, and other individuals too.

Impact takes a long time to occur, so in reporting to your donor, do not wait to see particular outcomes before you feel you need to send them a report or update. Even where



there are no signs of outcome, write to them about it. For instance, you purchased ten chairs and twenty tables for the community school, and no child has yet shown literacy benefits, but at least 20 children now have writing desks and improved schooling conditions, and their progress will be assessed over time to observe what the impacts will be.

Collect verbatim quotes from the community members where possible, as these are useful in demonstrating shifts in attitudes or behaviours. Apply these direct views and perspectives in enhancing and emphasizing points in your own reporting. Also, avoid using several bullet points in your reports. You must have narratives backed with facts, you must include actual stories, and give quotations and experiences for an emotive appreciable effect.

2.5 Structure & Presentation of a Report

The participants were next taught the basics of structuring and formatting their reports.

TITLE PAGE contains the following:

- a. Report title
- b. The name of the person, company, or organisation for whom the report has been prepared, for e.g. the Grants Manager with her name and so on.
- c. The name of the author and the organisation which originated the report
- d. Report completion date and possibly, the contact number or security classification (if the project has any unique number within the organisation or the donor entity for easier filing)

Next is the ACKNOWLEDGMENT, which is not necessary in some reports; but where necessary, this part of the report is used to say thank you to individual persons and entities who helped the writer and facilitated the project. It helps to add credibility to the activity as well, as it shows the various persons and groups who were involved in the process. The summary ABSTRACT follows, where a scope of the project and the topics discussed are communicated to the reader. The ideal way to go about it is to summarize each aspect of the report in a single sentence, and gel them coherently together into an abstract. The abstract is better written when the report is finished, as it is only at this time that one knows the total contents of their document and therefore able to outline its important features.

To make a good outline of a report, ask yourself why another donor or stakeholder would be interested in reading such a report/whether a potential reader would find the project and contents within it interesting and inviting? The INTRODUCTION should therefore be brief but thorough, and typically a page and half long. It must touch on:

- a. The purpose of the report



- b. Background information (a brief history of the organisation and the context of the issue handled)

A reader often decides on further reading with the help or discouragement of the introduction. Hence, before writing the purpose, make sure you understand it clearly. If you do not, your reader will not either. Even if an expert or other person wrote the report on your behalf, go through and ensure clarity and coherence. Another important fact to bear in mind is that every report sent to your donors are read, no matter how bad. This is necessary because once you are being funded, all documents must be analysed. It is also the reason why an organisation's reports must be as well-written as possible, so that there is understanding and credibility within the donor organisation, for longer and better relations. The donors also use the stories in the reports to encourage others, so no matter how long it takes, these reports are read.

LOGICAL STRUCTURE OF THE REPORT

Do not begin your introduction with a sentence that is too broad or narrow. Be focused and clear. Before writing about the purpose, make sure you understand it clearly. If you do not, your reader will be in the same predicament. The body of the report is the main part, and includes all facts and materials essential for understanding the issues presented in your report. RECOMMENDATION is the part of your report where you give directions or propositions on how the challenge you encountered can be solved or improved in your report. List them clearly.

The CONCLUSION is the final part of your writing. Here, sum up the main points and arguments and refer to any underlying themes. If any questions or issues remain unsolved, mention them in the conclusion. Write in a brief, concise manner, so that your readers can understand everything you talk about. Do not introduce any new information, ensure that your conclusion stresses the importance of your project, and make the transition from the body to the conclusion a smooth one.

Finally, a good report is one that is used, and from which actions are taken (quoted from Phil Bartle). Write a good report and send it out there; you never know who is going to fund you in future.

3. INTERIM REPORTING & FINANCIAL GUIDELINES

When sending interim reports to AWDF or your donor, or communicating with them, there are guidelines to this that facilitate a smoother interaction:

3.1. A. Interim Reporting Guidelines

On the grantee's application and interim reports, Contact Information often consists of:

- a. Grant ID
- b. Organisation Name



- c. Contact Person
- d. Present Address (Postal and Physical)
- e. Country
- f. Type of Report: Interim

When sending your report, it is important to identify yourself to the donor/project officer. You are one out of many grantees and potential grantees, and must use any ID the donor has confirmed as yours for interactions and funding relations. Should you have no assigned ID yet, clearly identify yourself by name and organisation, but where you do have one, state it at the head of every correspondence you send them, and maintain this practice in all your responses and interactions. It makes processing your details and requests smoother and easier.

Some grantees also write reports or send documents which do not have their organisation's name on it. This is a big mishap, and must be avoided. Identification makes working with your document easier.

Adding contact names to the report lends a face and some human element to the donor's interactions with your organisation, so add the project officer's name, and also look for that of the donor officer(s) interacting with you.

Physical and postal addresses help the donor to always locate you, map their resources as part of internal data, plan trips, know who can pay you visits on their behalf, and where to send people on the ground near you. Country location is related to this, and you must always state your country for your addresses to have full effect.

Type of report: Interim/Final allows the donor to know what level of urgency to place on your report; whether it has to be processed immediately for the next phase of the grant, or it is final.

B. Grant Information

- a. Project Title
- b. Purpose of Grant as stated in the grant agreement
- c. Any change to the agreed purpose of grant?
- d. Total amount approved
- e. Amount received till date
- f. Date received
- g. Project: Start up date; Completion date
- h. Project goals
- i. Project outputs (deliverables)



The PROJECT TITLE is that which you have given your project. You have the choice of how you want to caption it, but it is advisable that you make sure it is a memorable title that can sell your idea or project to the donor/reader.

The PURPOSE OF THE GRANT as stated in your agreement is a brief capture of the agreed reason for your receiving the funds, for e.g. to train women in peace and security. This helps the donor/ officer to quickly orient themselves when reviewing the report, and to be able to categorise it thematically and focus-wise. If you are unsure of what it is, simply go back to the agreement you signed with the donor, and capture the definition that is in the same category.

The TOTAL AMOUNT approved has to do with exactly that, not the tranches it will come in. Hence the total amount should be \$10,000 not \$5000 x 2 tranches. AMOUNT RECEIVED TO DATE is where you may state how many tranches or how much money has come in out of the total, if that is applicable.

The DATE RECEIVED is when you received your money, and must be stated along with an inserted copy of the bank statement proving the date, and it is linked to your START DATE, which confirms when you finally started your project. If you planned to start in January, but because of the delay in arrival of funds, you started in March, state March on the report. This helps the donor to know what your banking system of choice is like, and helps to better determine future transfers.

COMPLETION DATE states when you expect to complete the project. If you have completed the project, was it done on schedule? If no, what were the reasons? AWDF usually works within one year for all grantees, so note and let us know the actual date calculated and agreed on. What measures have you put in place to ensure the sustainability of your project? No donor wants to see a project die because they are over-dependent on grants and funding.

PROJECT GOALS let the donor know what your specific goals are, within the area of activity the funds are meant for.

PROJECT OUTPUT (deliverables) is the immediate results of your project, the effect or influence it had on, say, the community or your own organisation as a whole; what were the general views of the community about issues covered under the project? For instance, a training is organised for 20 people, and 18 people are trained successfully. This is the project output to be stated in the report. The impact comes after the output. The impact will cover, for instance, to what extent behavior, attitudes, beliefs, and practices has changed as a result of the project; what specific policies and legislations (if any), have emerged as a result of the project. Is there more confidence in girls to stand up to men who



attempt to rape them? Do they have physical training to resist sexual and violent attacks? Is there less rape? Can more women read and write? Is there more participation of women in the development, management, and implementation of projects in the area? And so on.

Furthermore, there are direct/primary beneficiaries and indirect/secondary beneficiaries. Identify them and showcase in your report where applicable. The direct beneficiaries are those you deal with yourself, as an organisation, and the indirect ones are those who benefit from those you trained or supported. The secondary are often more than the primary, as each direct beneficiary often touches two or more other secondary persons, who then pass it on, leading to exponential growth. It is always useful to mention all your beneficiaries in your report.

C. After your grant information page, please provide summaries of the following:

- a. Project background
- b. The project activities for the grant
- c. The strategies adopted and utilized
- d. The achievements during the period under review, with details
- e. What work remains to be completed, with details
- f. The main challenges you faced in carrying out the project
- g. If the project has been completed on schedule, and if not, why
- h. If there will be any financial implications should there be a delay, and if so, who pays
- i. Photographs, newspaper clippings, etc
- j. Any other comments

The PROJECT BACKGROUND has to do with the project itself, not your organisation, its mission and vision or objectives, as most grantees usually do. This portion is about the project you are implementing, why that particular project, what its concerns are; an example can run along the lines of a project to create awareness and specific counseling and education to young self-catering women on HIV/AIDS. This should normally be a very concise statement, no more than half a page.

The PROJECT ACTIVITIES for the grant are the specific activities you intend to run, for e.g. training, education, workshop, trips, retreats, etc. Always report your planned activities against your actual activities, so that any occurrences can be recorded for future projects. If you wish to share exceptional successes or extra accomplishments in the execution of this project, attach it as an appendix and direct attention to it when writing the body of the report. If it has absolutely nothing to do with the project, however, do not add it. If your grant application does not also meet the focus, thematic areas and objectives of your donor or other donors, do not be tempted to send them funding requests; nor should you send the same donor applications for totally different projects meant for the same time duration;



nor to apply to grants you can win but for which you are not qualified or resourced to execute.

What STRATEGIES did you adopt or use, e.g. for participants and trainees? For instance, did you just select them randomly from your community, the work area, a particular location, a mix of places, or did you invite applications from far and wide? Why did you use a drama and not a workshop? Why music and not counseling? What were the main challenges you faced in carrying out this project or program, and what actions did you take to address them? What measures have you put in place to ensure sustainability of the project, and what are the main lessons learnt during the project's implementation? The strategies which work in each area, country, region are helpful to donors, and every bit of data shared helps.

What were your ACHIEVEMENTS during this period under review? State these as fully as possible, for instance, we educated twenty pregnant mothers and helped them to make use of mother-to-baby HIV transmission-prevention practices; we were able to broker a deal with our Ministry of Gender; we were able to reach a geographical area no one has gotten to yet, and so on. Where there are many more details of these achievements, you may insert it as an appendix to the report, so that your body is not bulky.

WHAT WORK REMAINED TO BE COMPLETED should give an update of how well the agreed workplan and budget has gone, and if anything remains to be done/extra work was achieved/everything was met exactly as planned. Will there be FINANCIAL OBLIGATIONS if there is a delay? Unless there was prior communication and agreement with AWDF or a donor to be responsible for such a delay, there is often no extra fund made available, and organisation must always be aware of this.

Should you complete your report ahead of the agreed time, you can still send it to your donor. It spoils nothing. In the conclusion, you may share lessons you learned, future plans, and share recommendations.

4. FINANCIAL GUIDELINES & MANAGEMENT – Mavis Gardiner, Finance Officer

Women are the best handlers of money. When women handle income and manage money in a home, more people 'eat', be it husband, father, brother, sibling, friends, children, strangers. However, little is done to empower and encourage them in the area of finance in many cultures. Business is often made the male's domain, even in women-led and women-focused organisations, and this should change.

4.1 Introduction

In many NGOs, financial management is a low priority, often characterized by poor financial, planning, and monitoring systems; and by unskilled personnel managing the



finances in their organisations. This is a very destabilizing situation because an organisation might be doing extremely good work, but without good financial records, its credibility and standing in the donor world will be very poor and next to nothing. NGOs operate in a rapidly changing and competitive world, and if they are to survive, they need to develop the necessary understanding and knowledge to make full use of available financial management tools.

4.2 What is Financial Management?

Financial management is not just about keeping accounting records. It is an important part of an organisation's activities, and must not be seen as a domain open only to finance staff. Every team member should be involved in finances and understand it, so that the finance team does not always appear to be an obstacle to operations.. To address this false notion, everyone from the CEO to the least staff must be understanding of the basics, structure and operations of finance.

Financial management entails planning, organizing, controlling and monitoring the financial resources of an organisation to achieve their objectives, and is to an NGO what maintenance is to a vehicle; without regular good maintenance, a vehicle starts malfunctioning and loses efficiency. If totally neglected, the vehicle breaks down and becomes completely immobile and even useless sometimes. In practice, financial management is about taking action to look after the financial health of an organisation, and not leaving it to chance.

4.3 Why is Financial Management important for every NGO?

Financial management helps the organisation to get **TIMELY, RELEVANT, RELIABLE, FINANCIAL AND NON-FINANCIAL SUPPORT**. Finance is very crucial to the running of projects and late funds sometimes completely disrupt projects, whilst bad financial records deny good organisations of necessary funding at the last moment and cause them to close down or fall greatly behind in their operations and achievements of objectives . Financial Management either forms the basis for calculating financial information, or is used for management control and accountability purposes. Financial management **PROVIDES MANAGERS WITH THE INFORMATION AND KNOWLEDGE** they need to support operational decisions, and to understand the financial implications of the decisions before them. It also enables managers to monitor their decisions for any potential financial implications, and for lessons to be learned, and strategies adapted.

Financial management **HELPS TO MANAGE RISKS** by enabling the organisation to identify, assess, and consider the financial consequences of events that could compromise its ability to achieve its goals and objectives and/or result in significant loss of resources. Financial management is an important component of risk management, and needs to be considered



with the full range of business risks, such operational, strategic, social, legal, political, and environmental risks. It also HELPS TO USE RESOURCES EFFICIENTLY, EFFECTIVELY, AND ECONOMICALLY, and is necessary for ensuring that an organisation has enough resources to carry out its operation, and therefore uses those resources with due regard to economy, efficiency, and effectiveness.

Financial management helps to STRENGTHEN ACCOUNTABILITY, as it is essential for an organisation to understand and demonstrate how it has used the financial resources entrusted to it, and what it has accomplished with those resources. It also PROVIDES A SUPPORTIVE CONTROL ENVIRONMENT within the organisation that fosters the achievement of financial management objectives, and fosters a climate of commitment from senior management, shared values and ethics, communication and organisational learning.

Finally, financial management helps an organisation to comply WITH AUTHORITIES AND SAFEGUARD ASSETS, since it is essential to ensure that an organisation carries out its transactions in accordance with applicable legislation, regulations and executive orders; that spending limits are observed, and that transactions are authorized. It also provides the organisation with a system of CONTROLS for assets, liabilities, revenues, and expenditures, which in turn help to PROTECT AGAINST fraud, financial negligence, violation of financial rules or principles and losses of assets or public money.

4.4 The 7 Financial Principles of Financial Management

- CONSISTENCY – financial policies and systems of an NGO must be consistent over time. Inconsistent approaches show signs of manipulation of data.
- ACCOUNTABILITY – the organisation must be able to explain how it has used its resources, and what that has achieved to all stakeholders. Accountability is also proven by how ready and handy you are with your financial statements, so that it does not have to take you three months from the request to hand in your financial records to a donor or accounting entity.
- TRANSPARENCY – The organisation must be open about its work, making information about its activities and plans available to all stakeholders.
- VIABILITY – to be viable, expenditure must be kept in balance with incoming funds both operationally and strategically.
- INTEGRITY – on a personal level, individuals within the organisation must operate with honesty and truth. Be believable and have integrity on the job.
- STEWARDSHIP – an organisation must take good care of the financial resources it is entrusted with and make sure that they are used for the intended purpose. The money is for the implementation of a project for your organisation; do not go and abuse your finance team over its inaccessibility for your personal needs. You will



end up paying the consequences if you do, and the benefits, should you do otherwise.

- ACCOUNTING STANDARDS – the system for keeping financial records and documentation must observe generally accepted accounting standards. This is necessary if you want to always receive funding and grants in the future.



GRANTEE Analysis:

- Do you not think that if all the staff members of the office keep going to the finance team for data and explanations, or to answer questions about finance as is being taught now, the finance team will end up tired, frustrated, and even threatened?
- What is Integrity about?
- What about sudden increases in your expenditure that are unavoidable?

When we say the Finance office should be open to the entire workplace, we do not mean for that kind of disruption to happen. We mean for other workers to be able to interact easily with finance, and to be able to request for updates, explanations, and documents that help in the work being done. It is not to say others can walk into the finance office and do what they want by way of taking documents or searching in archives for data without permission. It is not your space, so make your request and let them deliver it to you.

Integrity has to do with truth and credibility in doing one's job, especially where they can easily get away with wrong-doing. For instance, if an organisation makes a request for funds for three cars, and the donor sends it, but the grantee then goes to purchase one car and one house, and sends a false invoice or receipt back for three cars, there is loss of integrity on the part of the grantee. Donations are monies given on trust and credibility, and need a lot of integrity. The donor-grantee relationship becomes jeopardized, and things can go downhill from there.

Finally, if a donor is supporting much of your organisation's work, ensure that all your staff know about that donor, so that when they visit for updates and assessment, they do not feel unknown and suspicious of your operational ethics. Also, make your finances as transparent as possible, so that all staff can know what sustains the operation, salaries, logistics, and this will encourage the staff to work better.

In order to avoid the problem of sudden increases in expenditure (especially ones that absolutely must be funded), always ensure that you have a pre-project budget that is realistic, and work with it. If you do not have enough money for your project, do not start it and "ambush" donors into becoming responsible for it, especially where you do not know their financial capacity. It is unfair, and most often, you will be left on your own resources to handle the repercussions. Hence, try and get funds confirmed, with an agreement, before starting to implement any project.



4.5 Building Blocks Of Financial Management

There is no model finance system which suits all NGOs, though there are basic building blocks that can be put in place for good practices. These blocks all need to be present in your organisation if you are to have successful financial management. For instance, there is very little point in keeping detailed accounting records, if they are not checked for errors and omissions or inaccuracy; such records result in tainted and misleading information, which in turn could wrongly influence a financial management decision.

The building blocks of Financial Management are:

- Financial Planning
- Internal Controls
- Accounting Records
- Financial Monitoring

Financial planning helps you to have a budget that unites your resources with your desired growth. It is linked to the organisation's strategic and operational plans. The budget is the cornerstone of any financial management system, and plays an important role in monitoring the use of funds.

Internal controls ensure that all staff adhere to policies within the organisation for its own good. It is a system of controls, checks and balances – collectively referred to as internal controls – put in place to safeguard an organisation's assets and manage internal risk. Their purpose is to deter opportunistic theft or fraud, and to detect errors and omission in the accounting records. An effective internal control system also protects staff involved in financial tasks.

Accounting Records explains the need for every organisation to keep an accurate record of financial transactions that take place, to show how funds have been used. They also provide valuable information about how the organisation is being managed, and whether it is achieving its objectives.

Financial Monitoring states that, provided the organisation has a set budget, and has kept and reconciled its accounting records in a clear and timely manner, it is then a very simple matter to produce financial reports which allow managers to assess the progress of the organisation. This is done by comparing the actual income and expenditure to the budget.

4.6 Internal Controls

There are five elements of Internal Control, and they can be abbreviated as C.R.I.M.E.:

- Control Activities
- Control Environment



- Risk Assessment
- Information and Communication
- Monitoring

The controls attempt to ensure that complete and accurate accounting records are kept, assets of the organisation are safeguarded, errors and fraud are prevented and are capable of being detected, statutory and relevant regulatory requirements are adhered to, and that staff adhere to organisational policies and procedures.

CONTROL ACTIVITIES are the specific processes and procedures management uses to achieve its objectives. The most important of these involve:

- Segregation of duties, so that everyone knows exactly what they do, who they step in for in case of absence, etc.
- Proper authorization of transactions and activities – always follow the laid-down procedures for finance: mandates, permissions, forms, signatures, updates, notices, archiving
- Adequate documents and records
- Physical control over assets and records, and
- Independent checks on performance of the control activities

CONTROL ENVIRONMENT – the management style and expectations of upper-level managers, particularly their control policies, determine the control environment. An effective control environment helps ensure that established policies and procedures are followed. It also includes independent oversight, provided by a board of directors, management's integrity, ethical values, and philosophy; as well as a defined organisational structure with competent and trustworthy employees; and finally, the assignment of authority and responsibility. If any staff can do anything at all they feel like, and they are answerable to nobody or questionable by nobody, then the environment itself is doubtful and unsafe. There have to be setups in place to make the environment exactly what it is meant to be.

RISK ASSESSMENT refers to the identification of all risks which may affect the achievement of corporate objectives, and putting measures in place to ensure that those risks are managed, reduced or eliminated. The risks may be assessed in terms of probability and consequences, and it is only when this is done that the afore-mentioned measures can be implemented. The organisation must ask itself, in case of any risks, can we move on (after)? If not, what policies and systems can or must be put in place? Insurance, alarms, safeguards, etc.

INFORMATION AND COMMUNICATION involves gathering the correct information and communicating it to the right people. They must be able to make sense of the information sent them, and find it useful. This may be done through internal control manuals, notice,



training, and seminars. Furthermore, if measures are implemented, then those who are going to work with them must be informed in a timely manner, so that they can function efficiently.

MONITORING involves checking internal controls regularly to ensure that they are working effectively and achieving what they were set up for. It also includes identifying any weaknesses in the controls, and making improvements to them. If controls are not monitored, they may either not be complied with, or may become irretrievably out of date.

4.7 Common weaknesses in Internal Control

Every organisation faces or experiences a number of weaknesses in their internal controls system, and is not a phenomenon that must shame any participant. Organisations can often solve them by regularly appraising themselves and addressing those weaknesses. Some of these are:

- Opening bank accounts without relevant (organisational) approval
- Exceeding cash advance limit
- Regular (weekly/monthly) cash accounts not being done
- Assets identification not being done
- Back-up systems not maintained in an off-site location (all eggs in one basket situation)
- Use of wrong exchange rates for financial processing, budgeting, communication
- Vehicle logbook not properly completed
- Misuse of fuel for private purposes
- Bank reconciliation statements not being reviewed
- Imprest not accounted for in time
- Invoices not attached to payment vouchers
- Purchasing procedures not being followed
- Withholding taxes not deducted on supplier payments
- Fixed assets register not being maintained
- Petty cash limits not being set

When opening a BANK ACCOUNT, a bank must always check for the registration documents of the organisation, and open it with the signatures of the registered top management, or else that account is illegal. Hence, no member of staff of an organisation has the right to open a bank account for the entity without the permission of management. It is a bad and punishable practice.

For little expenses, an organisation should keep a PETTY CASH BOOK, and use the cash for sudden little miscellaneous expenses, for instance, an amount of \$1000 or less depending on the size and total budget of the organisation should be kept handy in the office at all



times. There must be a limit because in case of a robbery or disaster, you want to keep your losses to a minimum, and you also want to avoid abusing your budget.

ASSETS must be tagged and inventoried. When a staff is taking or using any item, it must be inventoried and signed against, so that it can be monitored. If this is not done, any staff can pick a laptop, go on leave or holiday with it, and never return it; or decide to resign and legally cannot be forced to declare any office items, because he/she was never asked to sign for them as proof.

BACK-UP DATA must be maintained in a safe place, preferably off site, so that in case of disaster, a healthy amount of data is actually safe. This makes the organisation's work sustainable, and gives some peace of mind.

IMPREST is the money given for a project, which must be accounted for immediately after the activity. It is vital for every organisation to have an imprest policy in place, for e.g. one week after completion of a project, the officer(s) must report on and account for the money given.

4.8 Resources For Financial Management

Certain resources must be in place to ensure that proper books of accounts and accounting records are kept. These include Personnel and Infrastructure.

- Personnel: the organisation should recruit trained and qualified staff and continuously train accounting staff. If financial personnel are not aware and updated on what is going on in the accounting field, your organisation will emerge one day to find its peers all the way ahead.
- Infrastructure: there must be accounting records, documentation of internal control procedures, computer software and hardware, and financial planning and monitoring. Invest in these systems and software, as they really help to make work smoother for your accountants and finance personnel.

Some books of accounts are:

- Receipts and payment books
- Source documents (vouchers, invoices, etc)
- Bank reconciliation statements
- General ledger
- Fixed assets register
- Budgets and work plan
- Charts of accounts

RECEIPTS AND PAYMENTS books record the monies received and those given out. Source documents inform your books with copies of vouchers, petty cash vouchers, invoices, etc.



Bank reconciliation statements are generated from the bank(s) concerning funds received from and into the organisation's accounts. The bank's reconciliation statements and the organisation's personal financial records must tally when placed side by side. Sometimes, due to errors, bank overcharges, and others things you are not appraised of, your account balance is not the same as what you have calculated. You must regularly request statements from your bank, especially in cases where you are writing cheques you do not want bounced. Keep yourself updated on your bank and internal finance lifelines always. Your fixed assets register lists all your assets, where they are, unique ID numbers, name, how much it cost at purchase, when it was purchased, and so on. Charts of accounts give the detailed inventory of expenses – item, quantity, amount, date etc. Having these details in columns helps you to monitor your expenses over time, by aligning the columns and analyzing changes in figures, and this helps advise and adjust your own spending, track what funds are going into, gives a unified picture of your spending, and so on. If you have several donors, work it accordingly in united folders and columns.



GRANTEE Analysis:

- You keep talking about running these financial processes on computer, but in reality there are several places without these. What, how, and where do I do all these things you are asking us to do under financial management?
- Concerning fixed assets register, if AWDF is on site visit, do you expect to see the AWDF logo on assets your money has been used to purchase?
- What about if an asset was donated?
- If, after receiving funds, you decide to use a little bit of it to top up the organisation's own funds and make necessary purchases for the (funded) project in question, is it acceptable by the donor?

In the case where an organisation or an individual does not have a computer, you only need to use the same coding shown, title each book clearly, and archive/file them well. It will take a little more time and effort, but it will not be any less useful.

If any donor has given you funds for assets to be purchased, then it is indeed very important to ensure that those items bear the logo and name of the donor, not just as appreciation, but as a matter of policy. Even when you print your annual report and organisations have given you support through the year, you acknowledge them on the documents. It is the same with donor-sponsored assets. If an asset was donated, state it as such, by whom, state that the amount is unknown, but the market value can be checked and noted in another column.

Using part of the fund given to you for something different without permission, is diversion of funds. Either share the need for such as action with those involved in the



decision-making, the donor, and in fact, in pre-budget discussions and strategisations (budget for miscellaneous). Always abide by your financial agreements once signed.

4.9 Tips For Financial Management

It is always important to let anyone paying into your account to use your FULL NAME, not an abbreviation or initials, as the funds could end up in somebody else's account, and it might not be any fault of theirs. In such cases, and indeed, many others where it is also not your fault, getting money back into your account is difficult.

Get a policy on your cash book, and ensure that as an organisation, you know how much you want to keep at any particular time. Money for the cash book must be in an allocated and official safe place, and in the charge of just a few designated people, under lock and key, and the persons always aware of its current state.

Banks may change their partners overseas, especially in the case of foreign accounts or transactions, so confirming transfers, ensure your bank's partners and overseas partnerships are the same, and where there are updates, note them and inform your donor.

5. FINANCIAL MANAGEMENT II

5.1 Budgeting

A budget describes an amount of money that an organisation plans to raise and spend for a set purpose, over a given period of time. Budgeting, therefore, is a plan of activities expressed in monetary terms. Budgets are very important because you cannot spend money without raising it.

5.2 Budgeting Techniques

INCREMENTAL – based on old or previous budgets, but with a percentage increase on the former budget/actual figures. It has the advantage of being fairly simple and quick to implement, and it is most useful for organisations where activity and resource levels change minimally from year to year. A frequent criticism of this approach is that it does not encourage fresh thinking, and may perpetuate existing inefficiencies; and also make it difficult to justify the figures to donors, since the original calculations may be long forgotten.

ZERO-BASED – an alternative approach where the budget starts with a clean sheet (a zero base). Zero-base budgeting ignores previous experiences and starts with next year targets and activities; it requires a manager to justify all the resource requirements, and the process may suit organisations going through a period of rapid change and those like NGOs, whose income is activity-based. Zero-based budgets are said to be more accurate, since



they are based on the detail of planned activities. However, the approach does impose a much greater workload on managers than incremental budgeting.

5.3 The Budgeting Process

The process of preparing a meaningful and useful budget is best undertaken as an organised and structured group exercise that analyses the following:

- What are the objectives of the project?
- What activities will be involved in achieving these objectives? (for e.g. is it to reach 20 sex workers and train them in dress-making so they have alternative option for income)
- What resources will be needed to perform these activities?
- What will these resources cost?
- Where will the funds come from? (Have I written a proposal for grant? Is it sponsored or self-funded?)
- Is the result realistic?
- Has the plan and budget been approved by the Board?

5.4 Good practice in Budgeting

CLARITY: since many people will be using the budget for various purposes, they must be able to understand and adapt it if necessary, without any additional explanation beyond what has been written. Apart from this, people will always want to have a look at your budget sometime, out of curiosity or the right to know. Transparency and logical flow and clarity of finances will give people a good impression of you, and make your work easier.

TIMETABLE: it is a good idea to prepare the budgeting timetable and commence the process early. Have a timeline for your budget and needs. This could be up to six months before the start of the financial year, depending on the size of the organisation, and what approach has been adopted. Do not wait till the last minute before sending your proposals and budgets; donors and sponsors have yearly budgets that if you miss inclusion in, will cause you to wait a full year before the next opportunity arrives. Always know timelines, and have them yourself.

BUDGET HEADINGS: when setting a budget for the first time, or when reviewing a budget, it is important to pay attention to the Chart of Accounts. Furthermore, you know what your project needs, and under what areas they fall, or ought to. Have your budget headings clearly in line with these, and it will make appreciating your budget easier.

ESTIMATING COSTS: it is important to be able to justify calculations when estimating costs. Do not sit on your office and think for the market, or make percentage increases according to inflation. Even if you use the incremental method of budgeting, do not be tempted to simply take last year's budget and add a percentage amount on top for inflation. While last



year's budget could be very helpful as a starting point, it could also be very misleading and contain historical inaccuracies. Make it a point to always go into the market, online, to dealers, shops and service providers to get prices and estimates for everything in your budget.

The result of following through on these practices will result in a good budget; good budgets are truthful and accurate, and in alignment with mission statement and strategic goals of an organisation. Good budgets are dynamic, collaborative, creative and are based on good historical financial information and research. Adhere to budgets, and when you do set a budget that you yourself has confirmed as good and workable, do not simply overturn it halfway down the line just because you do not like it anymore. If a major occurrence demanded a change in that budget, that is often acceptable, but if it is something petty/minor/personal, do not touch that budget. Good budgeting is not easy, but once worked out and followed, will lead to success. Ensure that you keep your budget realistic, so that you do not have sudden unbudgeted expenses cropping up. That means you must include all possibilities and work within the budget. If you cannot do this, you will have challenges with your project and your organisational operations on a constant basis.

5.5 TYPES OF BUDGETS

There are three main types of budgets:

- The Income and Expenditure
- The Capital
- The Cashflow

INCOME & EXPENDITURE BUDGET: sets out the anticipated running costs (also referred to as current costs) of the organisation and shows where funds will come from to cover the costs. The annual income and expenditure budget is often broken down into shorter periods – quarterly, half yearly or even monthly – to assist with monitoring progress.

CAPITAL BUDGET: lists the expenditure you intend to make for the coming years on capital projects and one-off items or equipments that will form part of your organisation's fixed assets. Since these usually involve major expenditure and non-recurrent costs, it is better to list and monitor them separately, some examples including Vehicles, Office furniture, Computer equipment, Building construction, Major renovation works. Should the budget be a project budget with only one or two capital items, then there is no need for a separate (capital) budget.

CASHFLOW BUDGET: based on the income & expenditure and capital budgets of the organisation, it is used by managers to monitor the availability of cash. Whereas the income and expenditure budget shows whether the organisation is covering its costs over the whole year, the cashflow forecast shows whether it has sufficient cash in the bank to meet



all of its payments needs as they arise. The forecast attempts to predict the flow of cash in and out of the organisation throughout the year by breaking down the association budget into smaller time periods, usually one month. This then helps to identify likely cash shortages and allows action to be taken such as:

- requesting donor grants early;
- delaying payment of certain invoices;
- delaying some activities; or
- negotiating a temporary overdraft facility

The cashflow forecast is also useful where the organisation maintains substantial cash reserves which need to be invested wisely to maximise investment income.



GRANTEE Analysis:

- If one of the requirements of your grant application is to hire a financial management expert at some point in time in the project to take charge over your finance for the donor's purposes, do you insert a market standard fee into your budget, or do you state a fair fee and psyche yourself to find someone who can accept that payment?
- Must every single possible expenditure go into one's budget with realistic prices, and cover every possible eventuality, and can it really be done?
- If an organisation needs a finance expert to manage their accounts, and cannot afford one, what tips can be given to help find help within budget?

If one of your donor's requests is that you fit in the cost for a financial expert who will render the service for just a fixed duration of the project and you are unsure of who will win the job and therefore how much it will cost, the best way to handle this challenge will be to get as many realistic quotes as possible from financial experts who can do the job envisaged. Once these quotes have been received, consider all possible inflations and increases that may apply when the time arrives for the expert to be hired, and then use everything to set a realistic cost for your budget.

Concerning the possibility of achieving an all-encompassing and total budget as possible, it is only a good financial team that can make this possible. Hence, every organisation must invest in building and sustaining an efficient finance department.

The best tips will be to approach the Board and urge them to pay for this expert, or to begin to train staff with minimal experience and/or interest in finance so that in a few years, they will be able to deliver that expertise internally. The last option is to include the cost of a finance expert in the grant application budgets sent to the donor; which will be accepted so long as it is in line with the goal of the project and the donor's responsibilities for ensuring



a successful project. The donor is not responsible for your organisation's entire operations and payroll needs, and will not always accept to fund salaries or expert services. It is always best to grow and cultivate one's own finance expert and team.

Finally, remember to be united as an organisation when putting together your financial budget or statement for the donor. If all departments are supposed to send valid budgets for forwarding, and one department gets theirs wrong, it will hold the entire organisation back until that fault is rectified, and grants may be cancelled or lost. It is important to have good financial management and well-planned budgets that are as total as possible.

5.6 Financial Reporting

Financial reporting is a mandatory requirement for all organisation, and it is a necessary tool for monitoring organisational results. For instance, when AWDF has agreed with you on durations within which to receive reports, adhere to and honour it. Do not delay so much that the report becomes redundant. This will affect future funding relationship with your organisation.

Financial reports provide a summary of an organisation's income and expenditure, and allows the organisation and its stakeholders to monitor the financial position, for e.g. whether the organisation has enough money to complete a project or fund plans for the next year. There are several stakeholders who need financial reports from an organisation, and hence, reports should always be timely and relevant for its recipients and users. Financial reporting can be done monthly, quarterly or annually, depending on management and donor requirements. Examples of financial reports are:

- Monthly management accounts
- Monthly variance analysis reports for projects
- Donor reports (done according to donor's template)
- Annual financial statements
- Cash movement schedule (daily, weekly, monthly, quarterly)
- Petty cash movement schedules
- Bank reconciliation statements

DONOR REPORTS: Donors will usually release funds to an organisation only when they are certain about its financial health. This is why donor reports are critical to every NGO. In most cases the report will include the project budget compared with the actual project expenses and accompanied by a narrative report. Where there are several donors it is important to set up accounting systems so that the information required by the donor agency can be easily retrieved. This prevents tedious information gathering exercise every time a report is required. The use of the FINANCIAL GRID and CHART OF ACCOUNTS is particularly useful.



The FINANCIAL GRID is set up as follows:

- Set up a table using an excel spread sheet
- Get the consolidated master budget
- Enter the various incomes and match the agreed donor budgets against the organisation's budget
- Where there are unrestricted incomes, create a separate column for it.
- After all the incomes have been entered, subtract the sub total figures from the total budget figures
- A positive Figure indicates underfunding, whilst a negative figure indicates over funding

This grid is meant to make reporting easy, and to avoid double financing for projects (different donors funding the same project).

5.7 Guidelines for Financial Reports to Donors

At AWDF, most of the funding requirements of grants given out are based on what our regulatory entities send to us, and it is therefore important that we adhere to them, and our grantees too. The guidelines are as follows:

- Budgets items should be presented as stated in project grant agreement
- There should be a specific format for the report. If the format is prescribed, there should be compliance. If the format is not prescribed then the report should be linked with the expected outcome as stated in the proposal to the donor.
- Period of the report per agreement should be stated
- It is crucial that deadlines are adhered to
- There should be consistency with donor requirements
- Funds received, expenditures and equipment purchased should all be clearly disclosed
- Variances in report should be clearly explained

Interactive Session 11: A Budget-creation exercise for participants and setting up of financial grids.

- Grantee 1: our agreed budget with donor was for \$5000, but we ended up spending \$6000. The extra \$1000 was not the donor's money. I reported on that extra under variances, because it is relevant to the project data, relevant to honest accounting (keeps the figures straight) and helpful to future planning and budgetary estimates.
- Grantee 2: Always use the donor's templates or format where one has been given. If you do not have a computer to fill in and email back, get someone to help you do it.



5.8 Auditing

An external audit is a statutory requirement. Its purpose is to give an independent opinion on the financial statements prepared by an organisation. External audits enhance the credibility of the organisation, and certain donors will not give grants to organisations without an external audit report. Auditors will often provide a Management Letter. This is separate to the audit report and is addressed to management. The letter highlights weaknesses identified in the internal control systems and makes recommendations for improvement. Managers have an opportunity to respond to the findings outlined in the management letter and determine the actions they will take. As an organisation applying for funding or sending interim/final reports, you can attach your audit reports to the documents sent, to affirm your credibility to the donor and your stakeholders.

Types of Auditor's Opinion:

UNQUALIFIED: clean audit report. The accounts give a true and fair view.

QUALIFIED: SUBJECT TO: the accounts are okay, apart from specific issues that need to be addressed, e.g. an incorrect accounting policy or specific unsupported expenditure.

QUALIFIED: DISAGREEMENT: there are so many errors that the accounts do not give a true and fair view.

QUALIFIED: DISCLAIMER: this is a very bad audit report. The auditors are unable to give an opinion because the records are poor and incomplete.

6. BASIC KNOWLEDGE IN DESIGNING EFFECTIVE FILING SYSTEMS

6.1. Filing Practices

In order to have easy record-keeping and documentation, an organisation's information must be properly filed for easy location and identification.

Interactive Session 12: Share your Personal or Organisational frustrations in Filing

- Grantee 1: rats, cockroaches, lizards and other pests eating important documents and riddling holes in everything because they were stored in accessible places.
- Grantee 2: misplaced an important organisational letter and paid the price for not filing it immediately, when I was unable to locate it for the purpose for which it was sent, and only found it much later. It affected the organisation a lot.
- Grantee 3: on AWDF's last site visit, staff did not return files to their proper places after assessment, and we had to spend several months rectifying the mess in misfiled documents and misplaced files.
- Grantee 4: our problem is not in proper filing. It is in the folders themselves being misplaced after filing, with all persistent efforts to store them in an appropriate permanent location failed.



- Grantee 5: we do not have any filing at all. Our documents are everywhere without order. On AWDF's last visit, it was chaotic, and we promised to do better. We are now working on it.

Planning goes into filing, as we shall see below.

6.2. FILING

Filing is the actual placing of documents in folders in a pre-determined plan. It is the process of classifying and arranging records in a systematic and orderly way so that they will not only be safe from pests and burglars, but also facilitate a quick retrieval. It has to do with putting together all related documents in one place so that the history of a particular subject can be easily accessible. This is useful especially for staff who might forget where they have put documents in the first place, since proper filing ensures that we are able to lay our hands on the information we need, at the right moment, and at the time of need, so it can be used for further analysis and report writing. Effective filing has to do with storing the information in folders by category, and in a sequence that makes sense to you.

6.3. Purposes of Filing

Filing provides a safe place for records, when not in use, and makes them available when they are needed. Effective filing of records is necessary for any successful endeavour, and though it might feel mundane, filing always has to be done.

6.4. Filing System

WHAT DO WE FILE?:

- Documents sent to us by other people and organisations
- Records of all our organisational activities
- Letters, memos, reports, financial records, policy documents, and so on.

WHEN DO WE FILE?:

It depends entirely on the individual or organisation. Some people and offices have a policy where they file once a week on Fridays, or at close of work every day, and in the same manner, you can set your own filing policy.

HOW DO WE FILE? Key questions that can assist in devising an effective filing system include:

- What kind of records do we generate?
- Who uses the records?
- How often are they used?
- How are the records referred to?
- What is the size of each record?



- Where should they be filed?

WHERE CAN WE FILE?:

Records can be filed in a computer, cabinet, shelf, even boxes and sturdy containers. Wherever they are filed, the records have to be readily accessible. As small-sized organisations, most participants and grantees present need simple but effective filing systems that facilitate the work they do and reports they need to send.

A filing system is the central record-keeping system for an organisation. A good filing system makes records safe and easy to retrieve; documents that are properly filed will not tear or wear easily, nor get lost or dirty. An effective system of keeping records will save time, effort, and promotional operational efficiency, since lost or misplaced documents can cause a lot of problems and delays in the office, depending on the importance of the loss. Importantly, a good filing system helps us to be organised, systematic, efficient and transparent, and enables all people who should be able to access information to do so easily. It is always a pleasure when someone looks for something and is able to find it without difficulty.

6.5. Tips for Filing

- Have a plan for filing (alphabetical/numerical/topic ordered/colour coded)
- Prioritise filing.
- Properly label ALL files.
- Follow a consistent method for naming your files and folders.
- Check the caption of the document and folder as a precaution against misfiling.
- Avoid overfilling folders.
- Separate files as per the activities/information generated, such as “per project”, “per donor” etc.
- Store related documents together, whatever their type, for example letters, store reports, presentation notes of a particular activity, etc.
- Make filing the responsibility of a specific person.
- Have that officer take responsibility for filing.
- Ensure that everybody in the organisation understand the essence of filing.
- Ensure that staff develop good file management habits.

Most importantly, remember that for any system to be useful and effective, it must also be convenient for you.

6.6. Reviewing your Filing System

- You must review your filing system if:
- You have difficulty in finding information you need
- You find yourself maintaining duplicate files of the same information
- You are using your filing cabinet for non-records storage



- Your file folders are too full for easy access
- Your filing drawers or shelves are too full for easy access
- You are not finding the information you require in the first place you look in

You owe it yourself to file effectively, however mundane and boring it might seem. A well-organised, accessible filing system is a thing of pride and an achievement, and helps boost your reputation and knowledge of affairs in your organisation.



APPENDIX.

NATIONAL CAPACITY BUILDING TRAINING FOR SMALL AND MEDIUM SIZE GRANTEES IN AFRICA 17TH – 19TH JULY 2012 THE PALM SPRING RESORT, MONROVIA

WORKSHOP AGENDA

Workshop Convenor: Nafi Chinery, Capacity Building Specialist, AWDF

DAY ONE

8.30 – 9.00am	Registration
9.00 – 9.05am	Welcome Remarks and Introductions – African Women Development Fund (AWDF, Joana Foster)
9.05 – 9.10am	Workshop Rationale, Objectives and Expectations Nafi Chinery – AWDF, Capacity Building Specialist

SESSION ONE:

9.20 – 3.00pm	PROGRAMME DOCUMENTATION: Basic Knowledge Beatrice Boakye- Yiadom, Grants Manager
---------------	---

10.45 – 11.00am	BREAK
-----------------	-------

1.00 – 2.00pm	LUNCH
---------------	-------

SESSION TWO :

2.00 – 3.00pm	PROGRAMME DOCUMENTATION: Basic Knowledge (continues)
---------------	--

3.00 – 3.10pm	HEALTH BREAK
---------------	--------------

SESSION THREE:

3.10 - 4.30pm	REPORT WRITING - BASIC TIPS Nafi Chinery
---------------	---

4.30pm	END OF DAY ONE
--------	----------------

DAY TWO

9.00 – 9.30am	Recap of Day One
---------------	------------------

SESSION ONE:

9.30am – 1.00pm	BASIC TIPS IN REPORT WRITING (Continues)
-----------------	--

10.45 – 11.00am	HEALTH BREAK
-----------------	--------------

1.00 – 2.00pm	LUNCH
---------------	-------

SESSION TWO:

2.00 – 4.30pm	BASIC KNOWLEDGE IN FINANCIAL MANAGEMENT Mavis Gardiner
---------------	---

10.45 – 11.00am	HEALTH BREAK
-----------------	--------------

4.30pm	END OF DAY TWO
--------	----------------

DAY THREE

9.00 – 9.30am Recap of Day One

SESSION ONE:

9.30am – 1.00pm FINANCIAL MANAGEMENT (Continues)

Mavis Gardiner

10.45 – 11.00am HEALTH BREAK

1.00 – 2.00pm LUNCH

SESSION TWO:

2.00 – 3.00pm BASIC FILING: SETTING UP SYSTEMS & STRUCTURES

Beatrice & Nafi

3.30 – 4.00pm CLOSING REMARKS & END OF WORKSHOP

Beatrice Boakye-Yiadom, Grants Manager

PARTICIPANT LIST

NAME OF ORGANISATION	THEMATIC AREA
Zorzor District Women Care Inc. (ZODWOCA)	Women's Human Rights
Ellen Johnson Sirleaf Market Women's Fund	Economic Empowerment
New Liberian Women Organisation/Skills Training Centre	Peace Building
Community Empowerment Program (CEP)	Peace Building, Economic Empowerment
Women Solidarity and Development (WSD), Inc	Economic Empowerment
Community Humanitarian Advocacy Organization Inc. (COHADO)	Women's Human Rights
Angie Brooks International Centre	Political Participation
Foundation for Women, Liberia	Economic Empowerment & Livelihoods
Ecumenical Women Association of Liberia, Inc. (EWAL, Inc)	
Society for Women and AIDS in Africa- Liberia (SWAA-Liberia)	HIV&AIDS
Women's Rights & Democracy Centre (WORD Centre)	Health & Reproductive Rights
Women's NGOs Secretariat of Liberia (WONGOSOL)	Women's Human Rights, Economic Empowerment
Liberian Women Initiative	Political Participation
Evergreen Community Assistance Program/Credit Union	
National Women's Commission of Liberia (NAWOCOL)	
Women and Children Development Association of Liberia (WOCDAL)	
Liberian Concern Women Development Association	
Islamic Guidance Organization – women's department	
Liberia needy women and children organization	
United Women for empowerment	
Media Women Center for Dev't and Democracy	

