



August 29, 2012

Dear Friends,

We hope you enjoy this week's edition of the Newsflash!
Sincerely,

The Firelight Team

(Call for Applications) Call for applications invited for the 2012 ONE AFRICA AWARD

(Call for Proposals) UN Trust Fund 2013 Call for Proposals for Small Grants

(Call for Nominations) UNESCO/Bilbao Prize for the Promotion of a Culture of Human Rights

(Resource) The four building blocks of financial management (Part 1)

(Call for Applications) Call for applications invited for the 2012 ONE AFRICA AWARD

Call for applications and nominations are invited for the 2012 ONE Africa Award. The ONE Africa Award celebrates innovations and progress towards achievement of the Millennium Development Goals (MDGs), the world's blueprint to a better future, ranging from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education.

Throughout Africa, there is amazing progress by civil society focused on ending extreme poverty and preventable disease. These new ideas and exciting approaches are designed and implemented by Africans who understand the complexities of bringing about change and transforming lives in their communities.

2011 Winner:

Groupe de Réflexion et d'action, Femme Démocratie et Développement (GF2D) / Action Think Tank for Women in Democracy and Development, Togo

GF2D's mission is to help women exercise their right to participate in decision-making processes of Togo. GF2D conducts advocacy in order to influence legislative changes that will positively impact women and children. Its strategy for doing this involves the training of 600 paralegals that teach communities about their legal rights and provide legal services. GF2D has also trained women to be active participants in their communities and run for political office. GF2D's sensitization

work in lead up to elections in 2007 and 2010 have created the space for women, and even the general population, to be more involved in the electoral process.

2012 Award Criteria

The 2012 ONE AFRICA Award will award best practice by an African organization or individual addressing social development issues through innovative advocacy in promotion of MDG attainment.

Nominated individuals/organizations will be graded in 5 categories and will be awarded between 1-10 points in each of these categories:

1. Extent to which the individual/organization has designed and implemented an innovative advocacy program that employs new approaches to impact in a given sector(s).
2. Ability to demonstrate and communicate specific indicators of progress and impact linking work to a given sector(s) in a clear results framework;
3. Demonstration of the ability to replicate efforts of the individual/organization to take intervention to scale;
4. Demonstration of strong accountability mechanisms i.e. community leadership consultations/involvement in programs, transparency of operations.
5. Extent to which the individual/organization has employed creative partnerships to achieve its goal and ensure coordination with other development actors. These partnerships may include public and/or private sector players.

The eligible organizations must be founded by Africans and be based in Africa. Evidence of success in previous projects as well as funding support for previous project activities must also be included.

ONE will informally review the award winner's project activities and progress a year following the receipt of the award.

Deadline for Submission: 23 September 2012

For more go to: <http://www.one.org/c/international/hottopic/3788/>

(Call for Proposals) UN Trust Fund 2013 Call for Proposals for Small Grants

The United Nations (UN) Trust Fund is accepting applications for its Small Grants Programme under the Second Decade Call for Proposals for the year 2013.

The fund provides grants for projects with a budget of up to US \$10,000 covering one year's expenses.

The UN Trust Fund is inviting indigenous organizations or organizations working for indigenous peoples to apply for this grant opportunity. The Fund will give priority to projects that focus on the areas of health (physical and mental well-being) and education (such as language revitalization). The proposals will be assessed by the Bureau of the UN Permanent Forum on Indigenous Issues in May 2013 and successful applicants will receive notice thereafter.

The main aim of the Trust Fund is to support programs and projects advancing the goal of the Second International Decade to "Strengthen international cooperation for the solution of problems faced by indigenous peoples in such areas as culture, education, health, human rights, the environment, social and economic development, by means of action-oriented programs and specific projects, increased technical assistance and relevant standard-setting activities."

The Small Grants Programme for the Second International Decade of the World's Indigenous Peoples of the United Nations Trust Fund on Indigenous Issues was established in 2004 to promote, support and implement the objectives of the Decade.

Proposals have to be submitted in the given application form.

Deadline for Submission: 1 October 2012

For more go
to: <http://social.un.org/index/IndigenousPeoples/TrustFund/2013.aspx>

(Call for Nominations) UNESCO/Bilbao Prize for the Promotion of a Culture of Human Rights

The UNESCO/Bilbao Prize for the Promotion of a Culture of Human Rights rewards the efforts of institutions, organizations and individuals that have made a particularly important and effective contribution to the promotion of a culture of human rights at regional and international levels.

It carries on the UNESCO Prize for Human Rights Education, which was created in 1978 to mark the 30th anniversary of the Universal Declaration of Human Rights. For thirty years the Prize served to encourage education for and in human rights and to reward achievement in this field.

Nominations can be presented by governments of Member States, in consultation with their National Commissions, and by non-governmental organizations maintaining formal relations with UNESCO. A self-nomination cannot be considered.

The prize-winners are chosen by the Director-General of UNESCO, following the proposal of an International Jury composed of five public personalities representing the different regions of the world.

The recommendation of the International Jury is based on its appreciation of the relevant initiatives and contributions, according to the criteria laid down in Article 3 of the Statutes.

The name of the prize-winner is announced on 10 December, on the occasion of the Human Rights Day. Prize, representing an amount of not less than US\$ 20,000 and a trophy is awarded during an official ceremony.

Deadline for Submission: 10 September 2012.

For more go to: <http://www.unesco.org/new/en/social-and-human-sciences/events/prizes-and-celebrations/unesco-prizes/unescobilbao-prize/>

(Resource) The four building blocks of financial management

These are the four building blocks of financial management:

- **Financial planning (ie budgeting)**
- **Keeping accounts**
- **Financial monitoring (ie reporting)**
- **Internal control (including procurement)**

This week we will explore financial planning/budgeting and keeping accounts. Next week we will look at financial monitoring/reporting & internal control.

1. Financial planning/ budgeting: "Failing to plan is planning to fail."

Every NGO and every project needs to have a budget. A budget describes the money that an organization plans to raise and spend for a set purpose over a given period of time.

The budget plays an important role in every stage of NGO work: planning new work, raising funds, implementing activities, monitoring work and evaluation.

The programme cycle and the financial cycle go hand in hand. Writing a budget involves answering a number of questions, that can only be answered by programme staff and finance staff working together: They start with plans and goals, not numbers:

- What objectives are we trying to achieve?
- What activities will be involved in achieving these objectives?

- What resources will we need to carry out these activities?
- What will these resources cost?
- Where will the funds come from? What will the source be?
- Is the result realistic?

This might look like hard work, but we actually work through these questions every day, when we handle our own personal money. You can see a short illustrated example here: Rudi goes to the cinema: <http://www.mango.org.uk/Guide/budegtingexample>

A good format to start with is a detailed budget worksheet that can later be summarised or re-coded to match donor formats as needed. After the budget has been prepared it needs to be approved by the Board and / or donors.

See an example budget worksheet here: <http://www.mango.org.uk/Guide/budgetworksheetexample>

IMPLEMENTING THE BUDGET (DO)

- The person with the responsibility for implementing a budget is called a 'Budget Holder', and is usually a Programme or Project Manager, not a finance person.
- They use the budget to guide the implementation, checking BEFORE spending that items are budgeted for, and allocating expenditure to appropriate budget lines.
- Budget holders should focus on delivering the project objectives within the total budget rather than on spending all the cash outlined in the budget.
- Over or under spending within reasonable limits is not a problem as long as there are good explanations (but check your grant conditions, as some can be more restrictive than others).

MONITORING THE BUDGET (REVIEW)

Once the budget has been agreed and the activity implemented, the process is completed by comparing the plan (budget) with the eventual outcome ('actual'), to see if there is anything we have learnt or could do differently next time. This is covered another section of the Guide.

See the section of the Guide on financial reporting here: <http://www.mango.org.uk/Guide/Reporting>

WHAT MAKES A GOOD BUDGET

Budgets should be clear, so that other people can pick them up and understand them easily. Always add notes to explain any estimates or assumptions you make. You should use the same list of accounts codes in your budget that you use to keep your accounts.

See Top Tips 3 for more advice on making effective budgets here: <http://www.mango.org.uk/Guide/TT3Budgeting>

As well as a budget, NGOs normally need a cash flow forecast. This predicts when money will arrive in your bank account and when it will leave. It is very important to make sure that you always have enough cash available. For instance, even if a donor has agreed to make you a grant, you cannot pay salaries until the cash actually arrives.

2. Accounting

Imagine a large brown paper envelope labelled 'March 2010' stuffed full of receipts for all (or most) of the payments made that month. This is quite a common sight in NGOs that have not yet discovered the joys of keeping proper accounting records.

This section of the Guide will help you know why it is important to keep proper records and help you get started in how to do it.

There are also some more advanced pages aimed at accountants and auditors about Accounting Standards and Policies for NGOs.

WHY KEEP PROPER ACCOUNTING RECORDS?

Information:

- Keeping proper accounting records enables you to prepare reports that give managers important information about how the NGO is doing financially. You can then make informed decisions so that you can deliver a project within budget, avoid cash flow problems, and make future plans.

Accountability & Transparency:

- If you clearly record all your receipts and payments, and file supporting evidence for every transaction, it means that other people can also have a look at what has happened. For example, other people within the NGO, donors, auditors and beneficiaries. If there is nothing to hide, make it plain to see!

Legal Requirement:

- It is a legal requirement in every country in the world for registered entities to keep accounting records. If you are not registered as an NGO or a company, it is likely to be a requirement of your Head Office or donors.

HOW SHOULD WE KEEP PROPER ACCOUNTING RECORDS?

Accounting systems are based on two sets of records:

- **'Books of account'** where you write down details of all your financial transactions, including: the amount spent/received, the date it happened, a reference number, and a description of the transaction.

The simplest of all the 'books of account' is called a cashbook. One of the first steps in a new system is to start a cashbook and keep it up to date - by adding the details of every new transaction that happens.

- **A supporting document for every transaction:** For example a receipt, invoice or signed authorisation form. This is evidence that the details recorded in the books of account are correct.

You should keep all the supporting documents in a neat file, writing a reference number on each one. The reference numbers help to match the filed documents to entries in the cashbook.

Book-keeping is the job of keeping all these 'books of account' up to date. You can keep records manually in physical books, or on computer using Excel spreadsheets or Accounting software packages. For an introduction to bookkeeping go here: <http://www.mango.org.uk/Guide/introtobookkeeping>

For more go to: <http://www.mango.org.uk/Guide/GettingTheBasicsRight>

As part of the Firelight Foundation's Capacity Building Program, Firelight provides "Newsflashes" to share relevant resources and information with our active grantee-partners via weekly emails and via post on a monthly basis. We hope that by facilitating access to information for grassroots, community-focused organizations, programming for children and families, as well as organizational development, is enhanced. Past editions of the Firelight Newsflash can be found on our website: <http://www.firelightfoundation.org/newsflash.php>.

We welcome your comments, feedback and ideas for upcoming Newsflashes at newsletter@firelightfoundation.org.

For more information contact:

Firelight Foundation
740 Front Street, Suite 380
Santa Cruz, CA 95060 USA
www.firelightfoundation.org
+1 831-429- 8750

