
4 September 2014

Dear Friends,

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

Sincerely,

The Firelight Team

*(Resource) Financial Management: Handbook series for community-based organisations
(Open for Applications) The Global Fund for Women Calls Women Groups for
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(Resource) Financial Management: Handbook series for community-based organizations

by Morne Maritz, 2005

1. Introduction

Finding and keeping money is one of the most difficult tasks for any community-based organisation (CBO). Not only must CBOs be concerned with where they are going to get money, they must also be concerned with how that money is used once they get it. The management of the CBO must make sure that there is always strict control of the finances, otherwise the organisation runs the risk of not being able to do what it had planned or, even worse, of getting into financial trouble. This knowledge of and control over the finances of the organisation is called financial management.

The most important reason for financial management in any organisation is to ensure that the organisation knows how much money it needs, how to get the money it needs and then how to use that money to achieve its goals in an ethical, responsible and sustainable way. It is impossible for an organisation to survive without proper financial management.

An important element to remember is that unless the CBOs use their money in an open and accountable way, there is a good chance that they will not receive money from donors. Donors want to know that their money is being well spent and that will happen only if there is strong financial management in the organisation being funded. Strong financial management structures make it much easier for an

organisation to report back to its donors and this gives the donors confidence in the management of the organisation. Donors will, obviously, rather give money to organisations that they trust than to those they don't.

Financial management is a job and a responsibility that involves the past, the present and the future. Firstly, proper financial management means that you have to keep a record of all the money that your organisation has already received or spent (the past). Secondly, you must control and manage the money that is still in the organisation (present) and finally, financial management helps you to make decisions about the future of the organisation. Proper financial management helps the management of the organisation to plan for the future, because it tells the management how much money it has, how much money it needs and what its plans for the future will cost.

To look after the past, present and future finances of your organisation means that financial management involves three different, but connected, jobs. They are:

- Financial planning (future);
- Financial control (present); and
- Financial monitoring (past).

To make these three jobs more understandable, this notebook starts with the broad concepts and then takes a look at each of the different jobs in more detail. It is, however, important to remember that the main goal of this notebook is to give a general idea of what financial management is and why it is important to a business or organisation. If possible, however, it is always advisable for an organisation to employ a qualified bookkeeper, either part-time or full-time, who already has a good understanding of the principles and responsibilities of financial management.

2. What is financial management?

Financial management is based on two very important principles:

Financial responsibility: You should always try to manage your finances in a responsible and sustainable way. All organisations need money to survive and achieve their goals. The only way they can ensure this is to manage their money in such a way that they don't put the organisation in unnecessary danger. If an organisation plans to exist in the future, it must make sure that it receives enough money and then spends it wisely.

Financial accountability: The organisation must be able to account for where its money comes from and the way the money is spent. Accountability not only helps you to keep track of what has been done with the money, it also allows you to explain your activities to your stakeholders. This is particularly important for CBOs and other organisations that need donor funds, because in most cases donors have strict rules and requirements for accountability. They will only fund organisations that can account for the money that

they have received. Through proper financial management, you identify what you want to do, what you can do, how much money you have, how much money you need, how your money has been spent and where you can get more money.

This process involves three activities:

- Planning: Helps you to identify what the organisation's future goals are, how much money you will need to achieve these goals and how or where you will find enough money to achieve these goals and keep the organisation going in the future.
- Controlling: Involves several different steps:
 1. Determining Policy: The organisation must decide what rules and procedures must be followed to ensure that its money is spent properly and safely;
 2. Determining delegated powers: The organisation must decide who will be allowed to spend money, how much they will be allowed to spend and when will they be allowed to spend it. It is important also to decide who can make financial commitments on behalf of the organizations;
 3. Determining responsibility: The goal here is to decide who is responsible for the organisation's money. It is important that a specific person – or people – takes responsibility for the organisation's money. Not everyone can be in charge of the finances.
- Monitoring: This activity involves:
 1. Recording financial information – bookkeeping;
 2. Preparing financial statements;
 3. Analysing financial statements; and
 4. Financial reporting.

To view the entire document, visit: <http://bit.ly/1czD7ch>

(Open for Applications) The Global Fund for Women Calls Women Groups for Partnership in Empowering Women

The Global Fund for Women annually awards around 500 grants. Women-led groups outside the United States are offered grant in between \$5000 and \$30000 per year for operation and project expenses. The Fund is accepting applications from 15 September 2014 to get funding for projects beginning from mid 2015.

The Global Fund for Women focuses on issues that make vital difference for women and girls supporting groups and organizations of women and girls. These groups or

organizations use three approaches to meet the purpose:

- **Technology** – to advocate, connect, and increase awareness of key issues to support global women’s right movements. Critical issues – security, advocacy and mapping.
- **Education** – to build knowledge, skills, and self-confidence including advocating for change through increasing public awareness and influencing attitudes in support of women’s and girls’ human rights.
- **Leadership** – to provide young women with important leadership opportunities and encouraging their leadership in protest, advocacy, representation and mobilization to change the attitudes and system.

Priority Areas for Funding:

- **Zero Violence** – projects ensuring the participation and empowerment of women, and advocate for peacebuilding while challenging laws, policies, cultures and behavior that perpetuates discrimination, violence and abuse are funded. The fund aims to end gender based violence.
- **Economic & Political Empowerment** – projects advocating the economic and legal reform and women’s equal participation in local and national elections and economics are supported. The fund supports democracy movements and efforts to secure land, labor and property rights. The goal of this support is to ensure that all women are economically secure and independent and are supported by policies ensuring women’s and girls’ equal rights to resources and livelihoods.
- **Sexual and Reproductive Health & Rights** – campaigns, service delivery, advocacy and education are supported to influence attitudes and achieve policy change that secures women’s and girls’ full access to sexual and reproductive health and rights. The primary objective of this support is to ensure that all women and girls are free to make their own reproductive and sexual choices. Sexual and reproductive health services and information are readily available.

The Global Fund for Women supports women-led groups around the globe except for those based in the United States, yet there are some priority countries where the Fund has been supporting and targets to support.

Priority regions/countries:

- **Sub-Saharan Africa** – Great Lakes (Burundi, Central African Republic, Democratic Republic of Congo, Rwanda), Mano River Region (Liberia, Sierra Leone), Tanzania, Northern Uganda, Nigeria, The Sahel Region (Burkina Faso, Mali, Niger), Select grantees and networks in Kenya

Deadline for Applications: 15 December 2014

To apply, visit: <http://bit.ly/1bN2UB9>

(Call for Letters of Inquiry) The CEPF Large & Small Grants to Implement Projects in Eastern Afromontane

The Critical Ecosystem Partnership Fund (CEPF) Eastern Afromontane Regional Implementation Team invites civil society organizations to submit Letters of Inquiry (LOIs) to implement projects with large grants (more than USD20,000) and small grants (USD20,000 or less) in Ethiopia, Rwanda, DRC, Tanzania and Zambia.

Applications from organizations that propose to build capacity of local civil society and community groups are particularly encouraged.

Strategic Directions

Strategic Direction 1: Mainstream biodiversity into wider development policies, plans and projects to deliver the co-benefits of biodiversity conservation, improved local livelihoods and economic development in priority corridors.

Strategic Direction 2: To improve the protection and management of the network of KBAs (Key Biodiversity Areas/high conservation value areas) throughout the hotspot.

Key Biodiversity Sites

- Ethiopia – Sheka Forest (Metu-Gore-Tepi), Awi Zone, Little Abai, River, Mount Guna, Wadela, Lake Tana, Aliyu Amba-Dulecha, Ankober-Debre Sina Escarpment, and Guassa Plateau/Guassa Grassland Reserve
- Rwanda – Lake Kivu
- DRC – Lake Kivu
- Tanzania – Kitulo Plateau, Livingstone Mountains Forests, Mbeya Range, Mount Rungwe, Njombe Forests
- Zambia – Mafinga Hills

Eligibility Criteria

- Applicants can be non-governmental organizations, community groups, private enterprises, universities and other civil society from .
- Projects must be located within the sites in Ethiopia, Rwanda, DRC, Tanzania and Zambia identified above and in the Ecosystem Profile.
- Organizations must have their own bank account and be authorized under relevant national laws to receive charitable contributions.
- Government-owned enterprises or institutions are eligible only if they can demonstrate that the enterprise or institution has a legal personality independent of any government agency or actor; has the authority to apply for and receive private funds; and may not assert a claim of sovereign immunity.

- Applicants must submit a Letter of Inquiry (LOI) in English or in French using the form on the website. The completed form must be submitted electronically via email by the deadline.

Note the Deadlines:

- Large Grants – 15 September 2014
- Small Grants – 29 September 2014

For more info, visit: <http://bit.ly/1u1EoAF>

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/resources/newsflash>

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

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