



September 6, 2012

Dear Friends,

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

Sincerely,
The Firelight Team

(Call for Proposals) Humanitarian Innovation Fund: Small Grant Facility open
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(Call for Proposals) Humanitarian Innovation Fund: Small Grant Facility open

The Humanitarian Innovation Fund (HIF) is a unique grant opportunity for organizations engaged in providing humanitarian assistance through the use of new technologies, products and processes.

The fund was set up as a partnership between ELRHA (Enhancing Learning and Research for Humanitarian Assistance) and ALNAP (The Active Learning Network for Accountability and Performance in Humanitarian Action); and is hosted by Save the Children UK.

It has received contributions from the UK Department of International Development (DFID), Canadian International Development Agency (CIDA) and the Swedish Ministry of Foreign Affairs for a total amount of over £1.8 Million.

There are two types of grants offered by HIF:

- Large Grant
- Small Grant

The large grant is a limited opportunity where proposals are invited only during certain time of the year. The small grant facility is permanently open for proposals and organizations can request up to £20,000 of funding support. These grants are available for a period of 6 months.

HIF strongly encourages consortia applications that bring together a range of actors and draw on a relevant diversity of knowledge, experience and expertise.

The purpose of the fund is to support organizations and individuals to identify, nurture and share innovative and scalable solutions to the challenges facing effective humanitarian assistance.

We have done some quick research on how organizations can apply and benefit from this fund. Click on the links below to know more:

- Humanitarian Innovation Fund (HIF) for Humanitarian Assistance Projects
- How to develop 'innovative' projects to apply for Humanitarian Innovation Fund (HIF)
- How to apply for the Humanitarian Innovation Fund (HIF)

There is no Deadline for Submission.

For more go to: <http://www.humanitarianinnovation.org/funding>

(Call for Nominations) Women's eNews invites individuals involved in improving lives of women – Nominate a 21 Leader 2013

Women's eNews is extending invitation to nominate individuals who work personally or professionally each day to improve the lives of women and girls throughout the world for the 'Nominate a 21 Leader 2013.'

Submissions of individuals of any race, color, religion, sex, national origin, and age who have made a positive impact on the lives of women are welcome. Selected Leaders will be honored at the annual Women's eNews 21 Leaders for the 21st Century Gala to be held on May 1, 2013.

To Nominate a 21 Leader for the 21st Century 2013:

- The nominee's name, organization or affiliation, title, e-mail address, phone numbers, fax number, and postal address
- A brief summary or bio describing how this person has made a lasting impact on behalf of women (attachments and links are welcomed)
- Your relationship to the nominee, and your contact information (name, e-mail address, phone numbers, fax number, and postal address)

IMPORTANT Dates:

21 Leaders 2013 Honorees are announced publicly on our website on January 1, 2013

The 12th Annual 21 Leaders for the 21st Century Gala will be held on Wednesday, May 1, 2013 at the Jumeirah Essex House, NYC.

Deadline for Submission: September 15, 2012

For more go to: <http://womensenews.org/nominate-a-21-leader>

(Call for Proposals) Prince Claus Fund's Call for proposals to aid disaster struck heritage or cultural goods

Country/Regions: Africa, Asia, Latin America and the Caribbean.

The Prince Claus Fund welcomes project proposals which focus on providing first aid to heritage or cultural goods that have been damaged by natural disaster or conflict in the year 2012. This call is also eligible for funding measures to protect cultural heritage that is under imminent threat of destruction.

Through its Cultural Emergency Response (CER) programme, the Prince Claus Fund provides first aid to stabilise a situation until a longer term solution can be found. CER supports quick actions to rescue cultural heritage, aims to prevent further damage and carries out basic repairs. CER implements its cultural emergency relief actions in direct cooperation with local partners in the affected communities.

Proposals received after deadline shall be processed in 2013. Given the emergency character of the work send in proposals as soon as possible.

Submitted proposals need to meet the following requirements-

- The proposed measures correspond to needs that are caused by recent disaster or conflict.
- The project proposal will be implemented by a local partner from the affected community or closely related to it. A project can only be considered if the proposed actions are in agreement with and involving the surrounding community.
- The proposal focuses on concrete emergency measures to safeguard or protect material heritage in danger of being lost.
- Information is provided on follow up measures that will sustain the proposed emergency measures.
- The budget does not exceed an amount of 35.000,- euro per proposed project.
- Support is primarily given to people and organisations in Africa, Asia, Latin America and the Caribbean.

CER cannot take proposals into consideration that address long term neglect or address privately owned properties.

Please note that project proposals are processed in the same order as they are received.

Deadline for Submission: 1 October, 2012

For more go to: <http://www.princeclausfund.org/en/news/copy-of-cer-call.html>

(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)**

Last week we explored financial planning/budgeting & keeping accounts. This week we will explore financial monitoring/reporting & internal control.

1. Financial Monitoring (ie reporting)

Financial reports provide a summary of your income and expenditure. They allow you (and other stakeholders) to monitor your financial position. For instance, they help you tell if you have enough money to pay salaries at the end of the month, complete a project or fund your plans for next year.

Financial reports have to be timely, accurate and relevant.

They also have to be easy to read. So it is always important to talk to users about what sort of reports they want and find easy to use. It may also be useful to provide users with training on how to read financial reports.

NGOs prepare financial reports for different people including: managers, trustees, beneficiaries, donors and the government. Using these reports,

- NGO staff and donors can monitor whether activities are going ahead as planned (and whether the NGO has enough funds for the future)
- Beneficiaries can monitor whether money is being spent on their real needs
- The government can monitor whether the NGO is acting legally
- ... and trustees have the job of checking all these other points!

As there are many different users of financial reports – internal and external stakeholders – we need different kinds of reports for different users.

- During the financial year, accounting information is summarised and

compared to the budget for internal monitoring by project managers. These reports are often called Management Accounts.

- At the end of the year, the Annual Accounts (or Financial Statements made up of a Balance Sheet and Income & Expenditure statement) report on the outcome for the year. These are mainly for external stakeholders.

- At intervals during the year, an NGO will also provide donor reports to funding agencies. These usually include both financial and written progress reports.

It is important to set up your accounting systems (especially accounting codes) to meet your various reporting needs. Reporting to donors can be complicated if you have to use their own specific formats - see the receiving funds section in Mango's Guide for advice.

For an example go here: <http://www.mango.org.uk/Guide/Reporting>

2. Internal Controls

Internal controls help NGOs handle everyday risks of mistakes, confusion or fraud. They also protect staff from any pressure to mis-use funds and from the suspicion of wrong-doing

"It is better to have procedures in place to deter theft and fraud than one to discover it."

Internal controls are designed to ensure:

- **Safeguarding of assets**
- **Prevention and detection of fraud or error**
- **Accounting records are accurate, complete and up-to-date**
- **Compliance with relevant laws and restrictions**
- **Employees are protected - from themselves and each other**

There are two important aspects of an internal control system: the control environment, and the control procedures that take place within that environment.

The **control environment** includes the management style, organisational values and culture. Do management lead by example? Is recruitment done fairly, or is there nepotism? Is priority given to induction, training and internal audit? Are procedures written down and shared?

You can have the best designed **control procedures** in the world, but in a poor control environment they simply won't be effective.

Nearly all internal control procedures fall into one of seven categories:

- **Physical verification** – cash counts, asset verification and stock counts
- **Limited access** – locks, passwords and bank signatories
- **Standard documents** – standard formats for receipts, payment vouchers, requisitions, local purchase orders, travel allowance sign sheet etc
- **Segregation of duties** – making sure not one person can carry out a transaction from beginning to end, no self review or self authorisation. We see this in action in a Procurement process.
- **Checks and balances** – Balancing the manual cashbook, double entry controls over accounting records, reviewing the bank reconciliation
- **Approval and authorization** – budget holders approval of payments, Board authorisation for asset disposal etc
- **Reconciliation** – Comparing bank statement and cashbook, agreeing a statement from a supplier to your own records

Think back to the building blocks of effective financial management at the start of this section. Internal controls is one building block, but the others also act as controls.

- **Budgeting:** Checking the budget before making payments is an important control over spending
- **Accounting:** Transparent book keeping is an important control against fraud
- **Reporting:** Reviewing financial reports is an important control to detect errors and inconsistencies

Like all organisations, NGOs also face the risk of fraud. Prevention is better than cure! But if you detect it, be sure to act! NGOs have to be flexible and make decisions at the local level. Procedures have to balance (a) keeping control with (b) encouraging flexibility. Assess your own internal controls using Mango's Health Check by going here: <http://www.mango.org.uk/Guide/HealthCheck>

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.

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