

## Top Tips for Who Does What in Financial Management

Everyone involved in an NGO, not just accountants, shares the responsibility for making sure that their funds are used effectively. But who should do what in practice?

### 1. The Board of Trustees

The Board is the governing body of the organisation. One of its main responsibilities is to oversee financial control and accountability in order to make sure that money is used appropriately to benefit all those it is intended to help. This includes to:

- Discuss and approve the annual budget
- Approve the organisation's financial policies, including delegated authority
- Review quarterly and annual financial reports, including budget monitoring, cashflow and the balance sheet
- Monitor progress in generating funds to ensure that the organisation has adequate resources to carry out its objectives
- Review and approve the audited financial statements
- Ensure accountability and transparency
- Periodically assess the financial risks facing the organisation.

### 2. The Chief Executive Officer (CEO)

The CEO is the most senior member of the staff team and is responsible for:

- Appointing financial staff
- Managing the budgeting process
- Ensuring income is generated as set out in the financing strategy and budget
- Reviewing donor agreements to be aware of conditions attached to grants
- Making decisions about large expenditures (within the limits set by the Board)
- Ensuring that proper financial records and accurate books of account are kept
- Ensuring that financial reports are produced on time, in the correct format and delivered to the right people
- Monitoring that programme activities are in line with the budget
- Checking financial reports and drawing the attention of staff/Board to problems
- Ensuring control of cash, stocks and equipment.

Note: The CEO may delegate some of the activities required to fulfil these obligations to senior managers, such as the Finance Manager or Programme Managers, but the **responsibility** remains with him/her.

### 3. Senior Managers

Typical financial management responsibilities of senior managers include to:

- Coordinate the budget for their departments or projects
- Monitor their project budgets against actual income and expenditure

- Manage their budgets within the limits set
- Explain the monthly financial reports for their departments or projects to their staff
- Review the overall organisational financial reports and give input to the CEO on them
- Assist the CEO with income generation, with specific reference to their projects or departments
- Further delegate some financial responsibilities to members of their team – eg responsibility for setting and controlling project budgets.

#### **4. Programme Staff**

Senior managers often delegate financial responsibilities to programme staff, including to:

- Set the project budgets ensuring all costs are included
- Control the project budget to make sure money is spent as agreed
- Work with the finance staff to make sure everything is coded correctly
- Work with logistics/admin to make sure that resources purchased are the best value for money
- Support partner organisations in planning budgets and monitoring expenditure.

#### **5. Finance Staff**

The finance team provide important technical support to the other members of the organisation. Their responsibilities include to:

- Handle the organisation's cash including issuing receipts and banking money
- Administer the payment process to ensure bills are paid on time
- Complete the books of account and reconcile them every month
- File all financial documents and make them available for the auditors
- Produce financial reports for the Board, managers and other stakeholders
- Maintain records for cash, equipment and stock control
- Ensure vehicle log books and maintenance records are kept
- Keep the asset register for computers, vehicles and office equipment.

*[Adapted from: Financial Control and Accountability Toolkit by Janet Shapiro, CIVICUS]*