

Finance

Facilitator: Tommy and Marc

Lines of communication

The Wall

1. The children, CWs, CBO
2. Service Centre
 - RST Co-ordinator -> SC Co-ordinator
 - Project Support -> F.C Project
 - CWS -> FC CWS
 - Project Accounting -> Book keeper & Admin
 - (Brian bravely killed the wasp that personally terrorizing Marc)*
 - Weekly meetings between the RST and the SC Cod
 - Monthly meetings between
3. The Hub – place of coordination
 - Operations team
 - Finance team
 - Project support
 - Project accounting
4. International Offices

Budgeting process

SC & RST

- 3ES
- Trainings
- Life Centre
- Community Project
- SC operations

RST

- Ops
- Training
- Workshops
- Infrastructure
- Leadership development

Hub

- General Ops
- Infrastructure

International Office

- Ops budget
- Volunteers
- Teams & Visiting

3 groupings:

1. Project funds
 - 3ES
 - a. Designated
 - b. Undesignated
 - Community projects
 - o Construction projects for the community for example
2. Project Support (builds capacity from a team point of view)
 - SC ops
 - RST ops
 - Post-Maranatha activities
 - Infrastructure
 - o Funding from 20% project funds + strategic donors (churches, etc.)
3. General
 - I.O, Hub, some RST
 - Some funds come in as “general” and they then need to be designated
 - Highest needs
 - o 10% admin fee and hospitality income

3 main areas for the budget for the year

Project support – where we have struggled more in visualising what the needs are for the whole year for each community; what resources are required for the year?

Aim to have a proposal in place by November for the following year

Priorities are generated out of our wall

Proposed activities from the SC, approved by the RST then sent to the IO for support raising/ possibilities

Operations team – difficult to coordinate various needs across Africa

Discussions surrounding increasing number of children being cared for in communities

- Projected increase date e.g. October 2016, discussions begin September 2015 to allow enough time to budget and allocate funds
- Also allows enough time for IOs to find supporters/ donors to help

Creating the current budget is simpler – the current number of children

Project support budgets more difficult – less certain

Report time VS actual time has lagged – will be changing in future

Operations team to assist in joining the information circulating around the SC/ CBOs and the Hub/IO

Flow of funds from IO to CBO

- IO

- o 1. Funds sent
- o 3. Funds received confirmation

- HUB

- o 2. Received here
- o 4. FIT (Funds In Trust) account (to be either transferred to SC, RST or spent at Hub)
- o 10. Monthly consolidated report from SC Book keepers
- o 12. 9150 report (reconciliation/ FIT report)

- RST

- 5. Quarterly forecast (approved by Hub & are funds available)
- 6. Funds transferred quarterly basis (important to received funds the month before the quarter begins)
- 7. RST or SC will send back funds confirmation
- 11. Important to keep track of funds in account in various currencies. Monthly, will create an exchange report and add to the consolidated report

- SC

- 8. Weekly will withdraw money (pre-approved). Recorded in Funds Workbook by SC Book Keepers
- 9. Sent to Project Accountants for Review

- CBO

-Currently being managed ad-hoc. Lacking capacity in people or tools to pull the information together on a regular basis. Trying to build the tools that do this for us to make it easier in the future. A rough approximation of these tools: tracking FIT, bringing it back to the Ops team. This will make it easier to see the gaps we have in our resources.

-Where we want to move to with IOs: the first step won't be "funds sent" it will be to start on 'agreeing on budget', 'track budget vs actual income' and tracking new funds available. Ops team to be the link between IO and Hub

-In the past, funds just 'arrived'. To improve, there's now a form for Proposed Funds Sent. This helps to process the funds quicker – they know what's coming into the bank account and allocate them quickly and accordingly.

-Project numbers differ between Hub and IO – good to ensure that even though numbers vary, topics and subjects are the same (product description).

-The flow helps to understand the reports being sent out by the finance team.

-CBOs don't generally have bank accounts – some do, for IGAs. Otherwise, most CBOs receive funds either in cash or cheque. Generally, once funds are given to CBO coordinator, most of it is spent in town straight away, minimising the risk of funds stolen

-Receipts kept at all three levels, scanned and sent back to Hands Canada (government requirement) on a monthly and quarterly basis. Receipts kept at SC or Hub.

-Finance Team – Nico, Prudence and Michael Chanda (outcourse)

From a finance procedural point of view, we have best practice, audit, providing structure Project Support Team then take this knowledge and implement it for each specific office in SC's

Team & visitor invoices

- Treated as an invoice to be paid, no project support required. Funds received into FIT, funds are then allocated out accordingly. Cash flowing teams currently. Looking to move to an electronic transfer in the future.
- Team projects are considered project funds and will have a report generated.

- Goal for this year is what was provided in May of this year, will be sent out 6 months ahead. Better communication to enable decisions sooner.
- 31st July
 - o 6 month report
 - o Exchange rate gain/loss
 - o Oct increases for 3ES
- Weekly meetings help to ensure no information is lost or not tracked. Setting up a regular time for meetings, and a structure around gathering the information required for that meeting
 - o Decisions from that meeting then communicated and implemented were necessary

What does this mean for IOs

- Defining and re-defining roles for bookkeeper and admin within the IO, project support, financial managers, project manager
 - o Making responsibilities connected with role, not person
 - o US team working towards a committee structure for finance to meet monthly or quarterly to discuss, report and provide feedback with financial professionals
- In the counsel of many there is wisdom: Committees
Through our process we want to label our funds, where it came from and where it's going (needs to fit the platform at the Hub)
 - o Important for local compliance as well
 - o Difficult when information comes in different shapes – needs to make sense when gathered as a whole, not just individual to each IO
- Document procedures and write policies
 - o Some offices share similar procedures, good to share same platform across all IOs
 - o Procedures may differ country to country, but policies should be very similar
- Use the same names for the same thing
- Providing information to our advocates can help encourage them
 - o Gives them a role & includes them in a project support capacity
- Standardisation and strict guidelines for processing payments, providing reports, following procedure
- Standard meeting times between IO and Hub on financial PS