

Program Management Skills (2) — Financial Management

In **chapter one**, we set the ground rules for inclusion and participation, and discussed resources and tools to use as we use the *Nonprofit Survival Guide* within our organizations.

In **chapter two**, we explored strategic planning, to answer the questions:

What do you want to do?

What is your long-term goal?

What will you do this year to advance towards that goal?


We developed a Strategic Plan using the **Strategic Plan Logic Model**

In **chapter three**, we talked about time management, various skills on the individual level, and then tried to answer the following questions as an organization using the **Organizational Timeline**:

Now that you have activities for this year, are they realistic?

How will you organize your year to fit your activities into the twelve months?

How can we use this tool to track our progress?

 In **chapter four**, we'll reference our **Strategic Plan Logic Model** and **Organizational Timeline** to take our planning for our year's activities forward, and to add another way of tracking our progress.

Now that we have a detailed plan and timeline, what financial resources do we need to carry out our activities?

How do we plan for our costs? How do we track our progress in fundraising for these costs?

Once we have funding for our budget, how do we track our spending and ensure that the money gets where it is needed to support the activities we've promised to do?

In this chapter, we will learn:

Planning our costs and mobilizing resources by:

- 1. Creating a budget**

And then tracking our costs and ensuring accountability by:

- 2. Maintaining strong financial records**

- 3. Writing financial reports**

In **chapter five**, we'll use these core documents to motivate resources for our work, primarily through fundraising.

In **chapter six**, we'll focus on motivating individuals to carry out the work, and supporting your team to meet your goals for this year, and make progress toward the goals in your Strategic Plan.

This chapter will provide a **Sample| Global Budget** for your better understanding. **How to Create a Budget – Exercise** is a group exercise that helps highlight some of the concepts of this section. You will make a budget based on a sample program, a topic that will be analyzed in the next chapter.

After you have created your budget, **How to Maintain Financial Records** provides some helpful tips on how to preserve and organize your physical and electronic documentation of income and expenses. Lastly, learn to create report summaries of your income and expenses over a specific period of time with **How to Generate Financial Reports** and **Sample| Financial Report**. A financial report serves to handle the allocation of your funding and lets your program managers and donor know if you have spent the funding according to any prior agreements or promises.

All of these financial tools can help in establishing accountability, reducing the risk of financial mismanagement, and maintaining good relationships with donors and other stakeholders.