

ORGANISATIONAL DEVELOPMENT

At the end of this section you will have:

- A better understanding of IkamvaYouth’s organisational structures and procedures that assist the delivery of a high quality tutoring programme
- Been introduced to a variety of templates and examples to help build your own organisational structure and processes
- Gained understanding to grow and strengthen your tutoring programme



Note

It is advised that you get your tutoring sessions operating effectively before you start seeking fundraising, developing chartered accounts or implementing an M&E process.

FINANCIAL MANAGEMENT

Financial management is an integral part of your organisation's growth and sustainability. Without detailed systems in place it is likely that you will struggle to acquire funds, lose information and not be able to quantify your spending, and threaten your (and others) organisational reputation.

But don't panic! Even if you are a finance-phobe, IkamvaYouth have developed some easy to use templates that can help guide you to establish your own systems.

A good financial system will vary from organisation to organisation depending on your specific programme and context. However, there are some fundamental aspects to a good financial system that apply across the board:

- A detailed budget prepared ahead of time
- A system of tracking expenditure against that budget
- A system for recording income and expenditure – record keeping/cashbook
- Regular monitoring and checks

It is never too early to establish good financial practices. There are two overall questions that financial management deals with:

1. When is the money coming in?
2. When are expenses going out?

These two questions form the backbone of your finance system. You need to know what is coming in and when and what your ongoing expenses are. Good financial management will align income and expenditure accurately and efficiently so you will always have money in the bank but not too much just sitting there.

Budget

Your budget must contain all the expenses you think you will need to make over the year. It is a good idea to group these line items for instance; overheads, programme delivery, HR.

Template: Branch Budget Template

Grouping the budget in this way makes it a lot easier to track spending specifically against a line item and will be easier to add codes if you want to move to a chartered accounting system.

It helps to break it down into monthly expenditure so that you can regularly monitor spending. It helps to know how much you budgeted for the month, what has been spent and where you can reallocate if necessary.

It is important not to change the budget once it is set. However you can build a re-forecast, if there are substantial changes you to anticipate to your original plan/budget and related income streams.

Tracking

Your expenses must match the line items on your budget.

If you have one budget that relates to different projects it is a good idea to split your expenses out into the different projects e.g.

| Budget line item | Expenses – Tutoring programme | Expenses – Soccer programme |
|---------------------------|-------------------------------|-----------------------------|
| Programme Delivery | | |
| Food | | |

To consolidate accounts and to compare spending you can create ongoing management accounts that directly compares; what has been spent this month, what is the accumulative total spent so far across the year, and what amount remains under that particular budgeted item. If this is done every month you are unlikely to exceed spending too much in any one area.

Cash Flow

A lot of spending is done with cash at the branches. This is the most common reason an organisation fails to get a successful audit. When an organisation deals with cash it is vulnerable to mistakes. IkamvaYouth has spent years developing a working cashbook that you may find useful if you are dealing with cash in your organisations.

You can find some tips on using the Cash Book in this short [video](#).

Template: Cash book template

To briefly walk you through the cash book: the opening balance is the amount that is in the safe at the beginning of the month. This should be checked daily to ensure accurate recording. This is the amount that you can spend in cash and all transactions will be recorded in this table. The main areas for cash expenditure tend to be volunteer reimbursement and food/catering. For all expenses it is important not only to reflect the

budgeted line items (that links back to the main budget) but also to describe in detail e.g. tutor's name.

Linked to every cash expense is a receipt, and in the case of tutor reimbursement a list of all tutors is filled in at each tutoring session with the amounts given to the tutors and they sign upon receiving this amount. It is important to break these down as individual rather than a bulk amount to ensure there is no replication and misappropriation of funds.

The receipts are numbered and filed. It is best to number the receipts over a month but to then file and start afresh with the new month. They can be filed electronically or physically.

If you are running multiple projects e.g. tutoring and sport, it is a good idea to hold separate cash books for the different projects.

It is also important to understand cash flow through your organisation and to use this to make cash projections.