Organisational Strengthening Handbook VOLUME 1 UPDATED 06/2022

The building blocks for creating a stronger organisation
Introduction

Building a strong, sustainable organisation is a bit like building a house; first you need to build solid foundations, on which everything else is built in the order of importance. We have developed this step-by-step document to support and strengthen organisations that are interested in applying for an AmplifyChange Opportunity or Strengthening grant.

This document lays out the building blocks of best practice and explains the sequence of when you should be building these elements into your organisation and how these elements will strengthen your organisation and work.

You do not need to wait until you apply for an Opportunity or Strengthening grant to take action – many of the elements are simple to put in place. We recommend working on them as soon as you can to help your organisation. If you see areas or elements in this document that you want to develop and grow, we are keen to support this, so please include them in your project budget.

Special Conditions

If you are successful in applying for an Opportunity or Strengthening grant, then during our due diligence process we will check to see what best-practice elements you already have in place. If elements are not in place, we will make recommendations that you work on and establish them for your organisation. We call these recommendations Special Conditions which are categorised as minor, moderate, major, or severe. Severe, major and moderate Special Conditions will form part of the conditions of your grant, so the sooner they are ready the sooner the grant will start.

HOW TO GUIDES, PODCASTS AND VIDEOS

Look out for these yellow icons where further information is available on the AmplifyChange website by clicking on the links.
Initial requirements for Opportunity and Strengthening grants

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Additional requirements for Strengthening grants

Organisations wanting to develop further
Initial requirements for
Opportunity and Strengthening grants
Laying the foundations

Registering your organisation provides a legal basis for it, giving it official recognition and allowing you to interact with officials in a way that you may not otherwise be able to.

Once registered, you will also be able to set up a bank account in the organisation’s name; sign contracts on its behalf and potentially apply for government grants and other grant types.

There may also be other longer-term benefits of being registered depending on the country in which you operate. In some countries, certain activities can only be carried out by registered organisations.

CLICK ON THE ONLINE GUIDE
How to set up and formalise your organisation?

Registration

Is your organisation registered in the country in which it operates?

Opportunity grant

If you are applying for an Opportunity grant, but are not registered, AmplifyChange can still support you but we will need to understand why you are not registered.

Even if you are not registered, your organisation must be based in an eligible country. Please find a list of eligible countries here.

Strengthening grant

If you are applying for a Strengthening grant, your organisation must be registered in an eligible country. Please find a list of eligible countries here.
Initial requirements for Opportunity and Strengthening grants

Separating interests

Having a bank account means that an organisation can keep its finances separate from any other finances – for example, an individual’s bank account. It is a requirement to have two signatures on the organisation’s bank account. This is important for accounting and anti-fraud purposes.

The two required signatories on our bank account are:

Signatory 1

Signatory 2

Bank account

Does your organisation have a bank account?

Opportunity grant

If you are applying for an Opportunity grant and your organisation does not have a bank account, AmplifyChange can still support you, but you will need a sponsoring organisation that can receive funds in GBP or your local currency on your behalf. The sponsoring organisation will normally charge an overhead cost to cover the charge of administrating the grant for you.

Please note: if you apply for an Opportunity grant but do not have a bank account and your application is approved, we will conduct due diligence on both your organisation and the sponsoring organisation.

Strengthening grant

If you are applying for a Strengthening grant, you do need a bank account.

Opportunity and Strengthening grants

If your organisation does have a bank account, you will need to obtain and provide a Letter of Good Standing (LoGS) from the bank to confirm this. Ideally it should:

- be dated, on bank headed paper and be signed/stamped by a member of bank staff
- include the name of the organisation in full (not abbreviated), account details in full such as account name, account number/IBAN, Account SWIFT/BIC, account currency
- say if the account can receive GBP (if not, you can choose to receive funds in your local currency)
Due diligence

Physical address

What is due diligence?
Due diligence is where details are checked before a decision is made whether to enter into an agreement or contract with an organisation or person/s.

Does your organisation have a physical address?
A physical address helps prove that an organisation exists. It is also important for transparency. Having a physical address may also encourage others to do business with you.

An organisational address will be needed for official records when the organisation is registered.

Some small organisations may not have an office. If that is the case, the physical address could be, for example, a member of staff’s home address.

Documents such as rent invoices and utility bills will be required to confirm that the address exists.
Initial requirements for Opportunity and Strengthening grants

Due diligence

Staff

Does your organisation have the following staff?

Ideally as a minimum these should include:

**Executive Director** (also called Chief Executive Officer, Chief Operating Officer or similar)

It is important to have a person (or persons in the case of a job share) to lead the business side of the organisation, rather than the governance side, which is the Board’s responsibility. This person/s is the one who makes the day-to-day decisions in the organisation’s best interest.

**Finance Manager** (also called a Finance Director, Finance Officer or similar)

Even very small organisations have finances that need to be managed. Having someone on the staff who understands those finances and can keep track of them in a timely way is very helpful. This person should have a finance background or training.

**Project Manager** (also called a Project Officer, Project Assistant or similar)

As the organisation takes on projects, it is important to have someone who can manage those projects and ensure the organisation is delivering what has been promised, on time and to budget.

Confirming identities

Identity papers/copies of passports for key staff will be needed to confirm their identity.

Supporting those around you

All staff, including leaders, need ongoing support and training to help them develop their skills and capacity, and to help them have a healthy work-life balance.

Working overtime, lots of responsibility and stress can lead to burnout and poor mental health. This needs to be considered when thinking about the support that leaders and staff may need.
Due diligence

Governance

How are decisions in your organisation made?

Key benefits of a Board are:

- it provides direction and guidance for an organisation
- it ensures the organisation remains true to its original aims. These aims may have been set out in a document that was part of the registration process. It is a good idea to include the person or people who founded the organisation on the Board, so they help to ensure these aims are upheld
- it provides an interested, but independent voice on what the organisation is doing
- it helps to provide accountability
- well-chosen Board members can provide additional expertise on areas such as finance, legal issues, fundraising, communications etc.

Does your organisation’s governance structure include a non-Executive Board with at least a Board Chair, Treasurer and one or more other Board members?

A Board helps to ensure an organisation’s good governance, and good governance helps lead to success.

Identity papers/copies of passports for key Board members will be needed to confirm their identity. To ensure independence, there should be no overlap of non-executive functions (the Board) and executive functions (staff and management). Boards should meet regularly with standing agenda items and clear minutes taken.

Any vacancies on a Board should be filled as soon as possible. Before recruiting a new Board member, remember it is an opportunity to think about what sort of person and skills are needed to strengthen the Board further.

Many organisations are made up of members and, if so, it is important to have an Annual General Meeting (AGM) each year. An AGM is an important part of the governance process. It helps to ensure transparency; it gives members a chance to vote on issues, ask questions and receive updates.
Due diligence

Financial stability

Does your organisation have accounts?

Even simple organisational accounts will help you to control and manage your organisation’s income and expenditure. AmplifyChange will ask to see your accounts when you apply for a grant.

Keeping good accounts is important for any organisation. Good accounts will help you to keep track of the financial status of the organisation and know what your income and/or expenditure is so you can meet your obligations.

Does your organisation have audited accounts?

Keeping audited accounts for ideally at least three years gives everyone, including donors and potential donors, a good picture of what financial state the organisation is in.

Opportunity and Strengthening grants

Organisations can still apply for Opportunity and Strengthening grants even if they do not have three years’ worth of audited accounts. If you do not have these, we will accept unaudited accounts, management accounts or project accounts. If you do not have those either, please send us what you have.

CLICK ON THE ONLINE GUIDE

How to improve and organise your financial accounts?
Initial requirements for Opportunity and Strengthening grants

Externally audited accounts

Independent assessment

Have your organisation’s accounts been audited by external auditors?

An external audit is an independent assessment of an organisation’s financial statements by external auditors to certify if the accounts are a true and fair representation of the organisation’s financial position. Externally audited accounts show transparency and will give donors and others confidence in the accounts. It is a requirement to have audited accounts during the life of the grant; grantees can use AmplifyChange funds to pay for the organisational audit.

Are audit observations or recommendations routinely addressed?

By addressing any observations or recommendations made by the external auditors, the organisation will be strengthening its financial procedures.

Are the external auditors appointed through a competitive tendering process?

By going through a competitive tendering process, the organisation is ensuring that it is getting the best service and the best value for money.

Are the external auditors changed every five years through a competitive tendering process?

Changing external auditors every five years will ensure that the organisation continues to get value for money and that the auditors do not become complacent.

Publishing your accounts online

Putting your audited accounts on your website is important for transparency BUT should only be done if it does not put your organisation at risk.

Once your accounts have been signed off by the external auditors, a copy of them should be immediately put on the organisation’s website in an easily accessible location, only if it does not put your organisation at risk.

Providing proof of accounts

It is a requirement to have audited accounts during the life of the grant, AmplifyChange will ask to see a copy of the audited accounts.

If any observations or recommendations have been made, AmplifyChange will ask to see a copy/copies of the letter from the external auditors to the organisation. This letter is sometimes called a management letter.
Risk management

Creating a risk register

Does your organisation have a risk register?

Identifying the various risks your organisation may face, the impact those risks would have if they happened, and taking mitigating action will mean that your organisation is better prepared to cope with those risks if they should occur.

At a minimum, the register should contain the following:

- each risk the organisation may face
- the probability of that risk occurring
- the impact on the organisation if that risk occurred
- how to mitigate against that risk occurring
- who should action those mitigating factors
- when they should action them by

Risk is ever-present

Risks can be financial, environmental, legal, humanitarian, regarding safety etc.

Disaster preparedness is part of risk management. Learning from and building on recent experiences during Covid-19 is an important element of this.

CLICK ON THE ONLINE GUIDE

How to develop a risk register and risk management policy?
**Finance manual**

**Essential requirements**

**Does your organisation have a finance manual that is in a language all Board members, staff and volunteers can understand?**

**At a minimum, your finance manual should:**

**Have an introduction**

The introduction does not need to be very long – it can just be a paragraph or a few lines. Its purpose is to help staff and others understand the link between applying good financial procedures and policies and the organisation achieving its overall objectives. The introduction should explain that the procedures and policies in the manual provide the financial framework that staff, volunteers and Board members need to follow.

**Segregate different financial duties**

By segregating different financial duties, you are reducing the possibility of fraud or mismanagement of funds.

*For example: the person who is responsible for ordering equipment should be different from the person responsible for authorising the payment for it.*

**Define different levels of authorisation for purchases of different values**

Having different levels of authorisation for purchases of different values will ensure that the organisation can operate efficiently, and expenditure is managed effectively.
Finance manual

Initial requirements for Opportunity and Strengthening grants

Essential requirements (continued)

At a minimum, your finance manual should (continued):

Have procedures for controlling the organisation’s financial assets

These should include:

- who can open and close a bank account on behalf of the organisation
- who can authorise any major changes to the organisation’s banking arrangements
- who can sign cheques and authorise payments
- the need for two signatures on a cheque, bank cash withdrawal or bank transfer
- how any bank withdrawals or deposits must be recorded
- how invoices are drawn up and how payments are made
- how bank reconciliations are made

Reducing fraud

A simple procedure that covers these elements (see bullet points to the right) will help to ensure that the organisation is operating effectively and reduces the risk of fraud or financial mismanagement.

For example: if the signature of only one person is needed to withdraw funds then that raises the risk of fraud occurring; if two people are needed to sign off withdrawals, the risk of fraud is reduced.

CLICK ON THE ONLINE GUIDE

How to improve and organise your financial accounts?
Finance manual

Routine procedures

Do all finance staff routinely use the finance manual to help with their day-to-day work?

By routinely using the manual in their work, all finance staff will become familiar with its contents and be following the correct finance processes and procedures consistently. This will ensure that their work is effective, efficient and follows best practice.

During their induction, are all staff, volunteers and Board members made aware of the manual, the key areas it covers and how/when to use it?

By making everyone aware of the manual and its contents as soon as they join the organisation, and making sure that they understand how to use the manual to do their jobs, you will be helping to ensure good financial management at every level of the organisation.

You will also be reinforcing the link between these good financial procedures and policies and the organisation achieving its objectives.

Is the manual updated each time a finance policy or procedure changes?

This will ensure that the manual is always up-to-date and fit for purpose.

Avoiding pitfalls

By routinely ensuring the finance manual is reviewed and updated, potential financial mistakes due to outdated information or misinformed staff members will be avoided.
Anti-fraud, anti-bribery and corruption

Policy requirements

Does your organisation have an anti-fraud, anti-bribery and corruption policy?

At a minimum, your policy should:

Contain a definition of what is unacceptable behaviour

By clearly defining what is unacceptable, you are setting a standard of behaviour and making sure everyone in the organisation knows what is expected of them. For example: rules regarding connections with a supplier/s including what is allowed or not allowed regarding gifts and/or hospitality.

Clear rules will leave no room for confusion, and this will help maintain high standards of behaviour.

Ensure that all Board members, staff and volunteers are made aware of the anti-fraud and anti-bribery policy in their induction/when they start at the organisation

This helps everyone to know the standard of behaviour required from them from the beginning. Everyone within the organisation should know where to find the policy so they can refer to it if necessary.

The importance of having a policy

Having a policy will ensure staff, volunteers and Board members know the high standard of behaviour that is expected of them. A policy will give donors confidence in the organisation that their funds will be protected and spent correctly.

If you are successful in applying for a grant, AmplifyChange will ask to see a copy of your anti-fraud, anti-bribery and corruption policy.
Anti-fraud, anti-bribery and corruption
Policy requirements (continued)

At a minimum, your policy should (continued):

Include a simple conflict of interest declaration form

Everyone should sign and return this form once a year. By doing so they reacknowledge the standard of behaviour required of them and their role in helping to prevent fraud, bribery, and corruption in the organisation. By asking staff to sign the form each year you are also reconfirming the importance that the organisation places on this policy and on enforcing it.

The form should be completed, signed, and returned to the Finance Director at the start of each financial year by each Board member, all staff, and volunteers.

Have a process for investigating any allegations of fraud, corruption, or bribery

This shows that any allegations of malpractice will be taken seriously by the management and that there is a plan of action in place. Depending on the seriousness of the allegation, this plan may involve the police.

Any concerns about malpractice should be treated confidentially. The identities of the person raising the concern and the person accused should be kept confidential throughout the investigation.
Initial requirements for Opportunity and Strengthening grants

**Whistleblowing policy**

**Policy requirements**

**Does your organisation have a whistleblowing policy?**

**At a minimum, your policy should:**

- Have a simple process that ensures all Board members, staff and volunteers are made aware of the whistleblowing policy when they first join the organisation and that they have training

If everyone knows of the policy from when they start working with the organisation, it shows that the organisation:

- believes high standards are important
- is serious about maintaining them consistently at all levels

**Include the name of who to go to if any malpractice is suspected**

Having a named person to go to if there are any concerns will give everyone confidence that their concerns will be taken seriously. In addition, there should always be a second person as a back-up just in case the first named person is ill, or they are the person about whom there is a concern. **Add their name(s) on the left for easy reference.**

**Provide assurance that any concerns will be dealt with confidentially, at all times**

This is an important part of making people feel as comfortable as possible to come forward with concerns. It will also reassure them that there will be no repercussions on them, or their career, for doing so.

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**The bigger picture**

Having a separate whistleblowing policy gives staff, volunteers and Board members confidence that there is a clear process for any concerns or issues to be raised. It also gives donors, beneficiaries, and others external to the organisation confidence in the organisation.

Whistleblowing is wider than just whistleblowing about fraud; it includes whistleblowing about safeguarding issues, misconduct and any other malpractice. As well as being accessible to everyone inside the organisation, this policy should be available to everyone outside the organisation so they can also raise concerns if they have them. If you are successful in your grant application, AmplifyChange will ask to see a copy of your policy.

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**Our named malpractice person and backup is:**

**Named** .................................................................

**Backup** .................................................................

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**Internal action to be taken by** ................................................................. **by** dd mm yyyy
Additional requirements for Strengthening grants
Safeguarding and protection policy

Does your organisation have a safeguarding and protection policy?

Safeguarding = the act of keeping every child and adult safe, which means they have the right not to be exposed to any form of harm or abuse.

Harm can be defined as all forms of:

- physical abuse
- sexual abuse
- sexual harassment and/or exploitation
- other forms of exploitation such as slave labour
- neglect
- emotional abuse

Child and adult safeguarding and protection are very important issues and ones that AmplifyChange and its donors take very seriously. A good policy will strengthen your organisation and protect its beneficiaries, staff, volunteers and Board.

Any organisation that works with children and adults must ensure that it has a child and adult safeguarding and protection policy. If you are successful in your grant application, AmplifyChange will ask to see a copy of your policy.
Safeguarding and protection policy

Policy requirements

At a minimum, your policy should include:

A review of the potential risks that the children and adults you work with may face

Identifying potential risks is the first step in reducing the chance of the children or adults you work with coming to harm.

A review of the different levels of risks at different times and situations

Different times and situations will pose different risks. Knowing what those times and situations are is important in helping to minimise the risks they may pose.

The recruitment checks that are made on Board members, staff and volunteers

Doing thorough checks before recruiting anyone will help to reduce the chances of those within the organisation posing a risk to the children or adults you work with.

How child and adult safeguarding and protection are included in your induction process

Including safeguarding and protection in the induction process will show Board members, staff and volunteers how important these issues are to your organisation. It will ensure that everyone is aware of the issue and process to follow from the beginning.

Internal action to be taken by ________________________________ by ______/____/____

CLICK ON THE ONLINE GUIDE
How to prevent safeguarding issues from happening in your organisation?
Safeguarding and protection policy
Policy requirements (continued)

At a minimum, your policy should include (continued):

A clear code of conduct for staff, Board members and volunteers to follow

A clear code of conduct will reinforce the high standard the organisation expects from everyone.

What ongoing training is needed to ensure that everyone in your organisation is kept up to date with child and adult safeguarding and protection measures

Ongoing training reinforces the importance of these issues. It also keeps staff up to date with any new measures or changes to the procedure that they need to be aware of.

How you ensure that suppliers and others who work with the organisation pose no harm to the children or adults you work with

Those external to the organisation can also pose a risk to the children and adults with whom the organisation works. Considering what risks they may pose and putting appropriate measures in place will help to minimise and reduce those risks.

Who the named person is who acts as the organisation’s focal point for child and adult safeguarding and protection

Having a named person to go to if people have any concerns will give them confidence that their concerns will be taken seriously and be followed up. In addition, there should always be a second person as a back-up just in case the first named person is ill, or they are the person about whom there is a concern. Add their name(s) on the left for easy reference.

Internal action to be taken by .................................................................................. by dd mm yyyy
Safeguarding and protection policy
Policy requirements (continued)

At a minimum, your policy should include (continued):

What people need to do if they have a concern

If everyone knows what to do if they have a concern, then it means that concerns are more likely to be raised, and quickly. Even if someone has a concern without evidence, they should feel confident that they can still raise those concerns, without repercussions, and they will be investigated.

A clear process to follow if a concern is raised

Having a clear process to follow if a concern is raised will help to ensure that concerns are followed up quickly. It will also ensure a consistent approach when following up concerns, and that everyone involved will know what is expected of them and what steps will be taken. It also shows transparency.

A safeguarding register

Every time a safeguarding issue is raised, the details of the concern/issue including the date the concern was raised, and the action taken should be entered on a register. By keeping an accurate and up to date register, you can identify at an early stage if any patterns are emerging with which you need to deal.

An annual review of the safeguarding policy and a further review of it after every incident

To keep the policy up to date and relevant, it should be reviewed at least annually. It should also always be reviewed after any safeguarding incident to see if anything can be done to strengthen the policy and minimise the chances of a future incident occurring.
Strategic planning
Future-proofing

Has your organisation developed a strategic plan?

Developing a strategic plan will help the organisation to plan for the future and develop and grow by setting new objectives over a period of time. Organisations that are just starting out may feel that they can only plan for a relatively short time ahead, for example, 6-12 months. But to grow and develop further, organisations should typically be trying to plan for three or possibly five years ahead. Your strategic plan must always link to your budget.

Does your strategic-planning process include succession planning?

Succession planning is part of planning for the organisation’s future. It is important for several reasons. For example, it:

- helps to identify future leaders
- helps ensure a smooth transition of responsibilities when positions change, or key staff leave
- helps to identify skills and experience gaps that can then be filled
- can reduce recruitment costs (if the plan is to develop the position of a current employee).

As part of your strategic planning you should also review who is on your Board and how it can be strengthened.

Are there people identified to develop the strategic plan?

By identifying people in the organisation who will develop the strategic plan it is much more likely that the plan will be created.

Internal action to be taken by ____________________________ by ____________________________

A little more on succession planning

Succession planning is planning for who takes the place of leaders or other key staff should they leave the organisation. The plan could be to recruit new members of staff before positions become vacant, so they are ready to take over in time. Or, to develop members of staff already in the organisation so they can take over.

Change can sometimes happen quickly and unexpectedly, and by having a succession plan in place, the organisation will be in a much better position to cope with that change.

Succession plans should also include people being trained up or recruited for key positions at all different levels in the organisation. That also means that knowledge and insight is shared throughout an organisation rather than sitting with just one person or a small group of people at the top.

CLICK ON THE ONLINE GUIDE
How to create a fundraising strategic plan for your organisation
Internal systems

Best practices

Developing strong organisational systems

Strong organisational systems support staff and enable them to work as effectively as possible. These systems should ensure staff safety and security.

Systems that enable remote working will also ensure continuity of work during times of crises.

Accountancy software

Using accountancy software will increase the accuracy and efficiency of the finance department and help to ensure good financial management and control.
Selecting potential partners

Strengthening your offerings

Does your organisation have a procedure for identifying suitable potential partners to work with on donor-funded projects?

This process may take a little time and effort and should involve at least a couple of face-to-face meetings, but it will be worth it. It will help ensure that your organisation chooses the right partner/s to work with, which will save time in the long run and help to avoid any problems or misunderstandings arising in the future during the course of the project.

In addition to giving you assurance about your partners it will give donors assurance, too.

Potential partners should be chosen by going through a due-diligence process to ensure that they:

- are financially sound (look at their recent and past accounts)
- are a good fit with your organisation
- have the same high standards and deliver work of the same quality to your organisation
- share the same ethos
- have a good reputation.

Internal action to be taken by ____________________________ by dd mm yyyy
Memorandums of understanding (MOUs)

Signing memorandums of understanding (MOUs) with partners

MOUs should be signed with partners as soon as the donor has confirmed the funding agreement or grant in writing. This ensures there is an agreed understanding in place and that all partners, roles and responsibilities are defined, so work can begin as soon as possible.

Disbursement of funds

Disbursements of funds should always be linked to a partner’s performance and reaching agreed milestones. How and when funds will be disbursed should have been previously discussed with each partner during the competitive-assessment process, so that everyone knows what to expect.

Developing detailed delivery and reporting plans with partners

Delivery and reporting plans should be drawn up as soon as the MOU is signed. They are important to ensure deadlines and milestones are met.

Outline delivery plans should have been discussed and agreed during the assessment process. Once the MOU has been signed, those plans need to be developed with more detail.
Organisations wanting to develop further

The best-practice elements in Block 3 are not requirements for either an Opportunity or a Strengthening grant; we are providing these for organisations that want to develop further.
Fundraising

A fundraising plan

Does your organisation have a fundraising plan?

Best practice shows the most successful fundraising usually starts with developing a fundraising plan. A plan will enable you to reflect on what you want to achieve, and how you can maximise on opportunities rather than just be reactive. It can be a simple plan, especially when you start fundraising, but any plan you develop must:

- align with your organisational strategy/plan
- be realistic

At a minimum, your plan should:

- create a shared fundraising vision for the organisation
- map potential donors or funding sources, and understand their priorities
- prioritise and focus your fundraising efforts
- help you think about any risks associated with your fundraising activities
- explore alternative sources of fundraising - see left hand box
- improve your chances of being sustainable

When developing your plan think about:

- where is the organisation now? Take a look at an organisational capacity assessment tool to help you plot where your organisation currently is in terms of its fundraising
- where would the organisation like to be in 1, 3 or 5 years time?
- what steps are needed to achieve this?

Why is fundraising important?

Fundraising is important for the organisation’s sustainability and it is important to have a diverse funding base so as not to rely on just one donor. When first fundraising, it is best to start small and be realistic.

What are the different types of fundraising?

Grants (there are generally three types):

- unrestricted - where the money can be used for any organisational purpose
- restricted - where the money must be used for a specific activity/purpose as agreed with the donor
- core - where the money can be used for general running costs such as staff salaries, or upgrading technology etc.

Alternative sources

- community donations; charging membership fees, and income generation activities - for example providing workshops or consultancy services etc.

Internal action to be taken by by dd mm yyyy
Pre-empt donor requests

Another reason to have a fundraising plan is that donors often ask to see it. Having a plan indicates to a donor that an organisation is thinking about sustainability.

Fundraising
A fundraising plan (continued)

Also think about:

How is your organisation seen externally by others?
- can this be improved?
- is this how you want to be seen - are you projecting the right image and information?

Who else may be competing for the funds?
- what can you learn from their successes (or failures)?
- what is your advantage over them that you can highlight to potential donors?

Partnerships

Working in partnership with others is an important element of fundraising, and donors like organisations that work together to achieve common goals.
- can you work in partnership with other organisations to increase your fundability?
- if you have worked in partnership before, reflect on past experiences both good and bad and learn from them

Monitoring funding rounds

Identify which mailing lists advertise open and/or other calls for funding applications and join them. Also use social media as a way to monitor new calls for funding applications.
Organisations wanting to develop further

Fundraising
A fundraising plan (continued)

Identify your strengths and weaknesses in resource mobilisation

- do you have capacity within the team for someone with good writing skills to focus (at least part time) on resource mobilisation?
- do they need any capacity building to develop their writing and resource development skills, for example, do you have the money to send them on a resource development course?
- alternatively, do you have the money to bring in a resource mobilisation consultant for a period to help you write grant applications whilst you strengthen the internal capacity of staff?

Networking

Networking is vital for your fundraising efforts. You need to be connected to the right people, in the right space.

- be strategic and identify who you want in your network. Think broadly, for example, as well as connecting with relevant donors, think about other NGOs, embassies, corporates, government officials, traditional leaders, universities/colleges, technical and professional organisations etc.
- research and map them
- seek opportunities to meet with potential donors, partners and organisations
- increase your network in different ways, for example, by attending or hosting events, increasing your social media profile, going to meetings, asking for introductions, emailing people, joining WhatsApp groups and newsletters etc.
- set networking targets and monitor and evaluate progress

Internal action to be taken by ____________________________ by dd mm yyyy
Organisations wanting to develop further

**Fundraising**

**Grant fundraising**

Does your organisation have a priority list?

- of the donors you have identified, develop a priority list of who to approach
- look at their websites for when calls for funding applications are announced, and make a note of any significant dates for follow up
- also look for opportunities to collaborate/partner with other organisations, like joint efforts

Have you reviewed any past funding applications?

- if you have them, review previous funding applications that were both rejected and successful; what lessons can you learn from them? For example, did you fail to meet the donor’s basic criteria? Did you receive any specific feedback from the donor?

When writing your funding applications, have you completed the below tasks?

- carefully read the donor guidance and develop a check list for the donor’s criteria; if you don’t meet all the criteria then it is not worth the effort or time to submit
- even if you meet the criteria, ask yourself: is the time and effort of doing this proposal worth the outcome? Sometimes the answer is ‘No’
- make sure your application is targeted specifically for each donor
- do not leave things until the last minute; give yourself plenty of time to draft the application and for it to be checked by team members
- take time to design your project. There are many project-planning tools available, for example, SWOT analysis, problem tree, Gantt charts, logical framework, risk mapping, that can help clearly identify the issue you are seeking to address and help you map out how you get there

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**Researching donors**

Even if you are just starting out or at a more advanced stage of fundraising, researching potential donors (and understanding the ones you have) is essential.

When looking for new donors look locally, nationally and internationally, and look for those whose priorities match your organisation’s aims. Be as thorough as possible in your research as the more you understand about potential donors, the better the chances of you writing an application which meets their needs and aims.

**CLICK ON THE ONLINE GUIDE**

*How to strengthen and broaden your donor base*

**CLICK ON THE PODCAST**

*Money, Money, Money – Part 1: how to ensure your funding applications have the best chance of success*

**CLICK ON THE PODCAST**

*Money, Money, Money – Part 2: finding new sources of funding*
The details really matter

At AmplifyChange we receive many more applications than we can fund so we need to find ways of reducing the numbers. Organisations that do not meet the eligibility criteria is the first way we can do this. We would of course want to be able to fund everyone but like all donors we have limited resources.

- if you are submitting with other organisations leave plenty of time to discuss the detail, co-writing and budgeting always take longer
- re-read the guidance to make sure you submit what is required on time and avoid making mistakes. For example, the donor may want you to use a particular font and type size, they may also include certain conditions, for example, only a certain % of the budget can be used to cover management costs etc.
- discuss the proposal within the team and develop SMART (Specific, Measurable, Actionable, Realistic and Timely) goals for the proposed activities/programme
- describe the impact the grant will have and use data to support your claims
- write clearly and in plain language
- be honest, if there are weaknesses in the organisation that you want to address in the project through organisational strengthening, then be open and clear that you are aware of them and want to take action/use funds (if permitted) to address them
- have a realistic budget which includes a % to recover management costs
- include details about governance and management of activities
- once you have written a draft, ask a colleague who has not worked on it to review it, as they may think of things that you have forgotten or pick up on spelling errors etc.
- also get the draft budget reviewed by another person
- make sure everything is double checked for spelling, grammar, calculations and dates etc.

Always ask for feedback

- if your proposal is a success, congratulations!
- if it is not, do not despair, thank the donor and ask for feedback on your proposal so you can learn for the next time. They may provide this, or they may not, but it is always worth asking

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**Internal action to be taken by**

**by** dd mm yyyy
Fundraising

Alternative sources of funding
Understanding different fundraising sources

With SRHR donor funding reducing, and the demand rising, it is important for all organisations to consider alternative funding options, rather than just relying on grants from donors. Funding from more than one source will help your organisation’s sustainability, increase its flexibility to change and help you plan.

There are lots of alternative ways to raise funds and your organisation just needs to find the ones which suit it best.

In 2019, AmplifyChange looked at the most popular sources of alternative funding used by grantees. The research found that there were six sources: some relatively simple and easy to set up, others more complex. However, all will help raise awareness of your organisation, develop your network and build links with the community.

Not every method covered here will suit every organisation, so you need to consider your organisation’s unique context and situation and decide which works for you. As a general guide, an organisation that is just starting out might look at charging membership fees or asking for community donations, before offering workshops or consultancy services, as it may not have the expertise or experience to offer the latter. Alternatively, a more established organisation may have this expertise/experience. Becoming a Social Enterprise could work well from the beginning of an organisation’s existence or once an organisation is established. The same is true for crowdfunding.

Best practice is to select one new method to start and see how that goes before considering adding others.
Organisations wanting to develop further

**Fundraising**

**Alternative sources of funding**

**Charging membership fees**

Charging membership fees (sometimes also called membership dues) brings an immediate and unrestricted source of income into your organisation.

If your organisation is just starting out or at the early stages of its development, then becoming a membership organisation can help bring people together. If your organisation is more developed, becoming a membership organisation can strengthen the network you have already built and help you to access other support.

**Some of the additional benefits of using this method**

- members gain a sense of ownership of the organisation and the activities undertaken
- it mobilises a committed community of supporters – this is perhaps particularly useful for issues like SRHR which need long-term support to achieve change
- it creates a safe space in an organisation – you approve who can become a member
- it can attract and motivate members by giving them access to members-only events, discussion groups etc.

**At a minimum, the things to consider are:**

- fees need to be recorded, renewed and managed so there can be a lot of administration involved. How will you manage that?
- having fees may discourage some people from joining an organisation, or if fees are introduced once an organisation is established it may cause some supporters to leave. You need to consider how you would manage these situations. One way to help overcome this is to consider having different member levels/fees according to people’s resources and offer flexibility
- the fees need to be transparent, and by charging a fee you are accountable to your members. You must be open and transparent about what the fees will be spent on and keep good records
Fundraising

Alternative sources of funding
Charging membership fees (continued)

At a minimum, the things to consider are (continued):

- what do members get for their fees? Can these expectations be met?
- how long will membership last? Consider ‘commitment forms’ where members commit to contributing for 6 months for example to help you plan. Members’ financial situations can change so flexibility is important
- if you do have flexible fees according to members’ financial situations:
  - think about how you will plan your budget and activities to accommodate this?
  - will you give special thanks to members who pay a larger membership fee? How will you make members who pay less or cannot pay at all feel equally valued?
- how will you get rid of members if you need to? Think about having a ‘Code of conduct’
- how much power will members have? For example, will they be able to help guide and shape the organisation and its strategy?

Next steps

- speak to your ‘management’ team (if you have one) to get their views
- if they think it is a good idea, then speak to your supporters and explain why you are thinking of doing this and how it will help the organisation
- if the majority support the idea, then go ahead. If they do not, then bringing in membership fees may be very difficult and could cause bad feelings
Organisations wanting to develop further

Internal action to be taken by dd mm yyyy

Alternative sources of funding
Community donations

Donations from your local community can be in many different forms. For example, they can be money; in-kind donations, skills-based, or even giving connections by putting you in touch with their networks, and your network/supporter base expands as a result.

An additional benefit of using this method

If you are collecting money, you have the flexibility of collecting it for general funds or for a specific activity or purpose.

At a minimum, the things to consider are:

- community donations can be resource intensive. For example, sometimes organising and running fundraising events can take up more resources (both money and time) than the funds they raise
- this sort of fundraising often relies heavily on volunteers. Who will recruit and manage them?
- it requires capacity to build networks in communities. Is it possible to use any existing community solidarity networks? Perhaps link different issues (and organisations) together to help achieve your goals, for example, make the link between clean water and good health and partner with an organisation that focusses on water
- is raising money via community donations more successful in response to an emergency need or as a long-term sustainable form of fundraising?
- will the people who donate expect anything in return? This could be a simple written ‘Thank You’ or it could take some other form, if so, what might that be?
- as with any funds you raise, community donations need to be recorded and you need to be transparent and accountable
Organisations wanting to develop further

Fundraising

Alternative sources of funding

Community donations (continued)

Next steps

- once you’ve decided on how you are going to raise funds, develop a plan to make this happen
- give yourself plenty of time to prepare and discuss with others all the different elements involved. For example, do you need a permit? If collecting money, how will you keep that money safe? How many volunteers will you need? Develop a check list to make sure you have thought of everything
- once you have raised your community donation, review how it went. Was it successful? Was it worth the effort? What feedback did you get from the community? Would you do it again and if so, what would you do differently next time?
Organisations wanting to develop further

Alternative sources of funding

Becoming a social enterprise

A social enterprise is an organisation which generates money by selling goods or services and then uses that money for a social purpose. Laws about social enterprises vary from country to country so check what they are in your context before embarking on this route.

Some additional benefits of using this method

Being a social enterprise can:

- be very empowering
- help your organisation build relationships with the local community or strengthen the links that already exist. For example, often the staff and volunteers involved in the social enterprise are from the local community
- help your organisation address needs in the community. For example, poverty is the root cause of many SRHR issues and in becoming a social enterprise you can help develop local people’s business and entrepreneurial skills, giving them an opportunity to move out of poverty

At a minimum, the things to consider are:

- what are the services/products you intend to sell?
- how do those services or products compare to what is already available locally?
- does your business idea fit with the identity and aims of your organisation? How does it align with the needs of the communities you work with?
- who would be your customers? Is there enough on-going demand for what you could offer?
- what are the different aspects involved in running a business?
- are there people in the organisation who have the skills necessary to run a successful business or do you need to bring those skills in?
- do you need to register as a business?

Internal action to be taken by ____________________________ by dd mm yyyy

CLICK ON THE ONLINE GUIDE How to raise funds through a social enterprise
Fundraising

Alternative sources of funding
Becoming a social enterprise (continued)

- do you need specialist support or experience, for example, agricultural knowledge, accountancy skills etc.
- how much would you charge for your product or service? Is that price competitive and will people pay it? Do some research to find out what people would pay
- costs - how much will it cost you to create the product or service? Think of all the different costs involved such as: do you need to buy raw materials? Do you need to pay for staff training before you start? Will you have to pay extra taxes?
- profit margin – once you have considered all of the costs involved and what price you intend to sell the product/service for, what profit will you make (this is your profit margin)? Is that profit margin enough for the effort?

As with any new business, remember that growth can be slow and organic so you may lose money at first. It may take some time to cover your costs before you begin to make a profit.

Next steps

- talk to your board, supporters and members – get their views and input
- talk to other organisations who have become social enterprises, what have their experiences been? What lessons can you learn?
- create a business plan
- develop a realistic budget. Remember, to make a profit you will need to bring in more money than it costs you to make your product/provide a service
- how will you create awareness of your social enterprise? Will you advertise/use social media/have events? Also, if people already know you as a service provider, then your organisation will need to develop its profile/identity and rebrand itself amongst its key audiences
Fundraising

Alternative sources of funding

Crowdfunding

Crowdfunding is raising money, usually small amounts, from a large number of individuals and organisations (the ‘crowd’) to fund a project or venture. Typically, this is done via a website or app and is usually for a limited period of time such as 60 or 120 days. The short timescale adds a sense of urgency to raising the funds.

An additional benefit of this method

Crowdfunding can help you build a community of support nationally or globally, as well as locally.

At a minimum, the things to consider are:

- some countries restrict which types of organisations can legally use crowdfunding platforms. Find out what the law in your country allows
- is there a safe, secure and reputable crowdfunding platform via which people can donate?
- are there any costs/fees involved in promoting your project/organisation on that platform? Some crowdfunding platforms charge fees, including very high fees if projects do not achieve their goals. How will you cover those fees especially if you don’t raise as much as expected?
- do you know other organisations who use this method of fundraising? If so, what were their experiences and what can you learn?
- how much administration is involved? Sometimes there can be less paperwork involved in this way of fundraising so it can be ideal for a small organisation
- it takes time and effort to build a crowdfunding campaign and you need to be active on social media– are you already active or do you need to build up your activity and audience first?
- what are the timescales involved? A crowdfunding campaign typically happens over a relatively short period, so does your organisation want to be limited to just a short period of fundraising? Or, if the organisation wants something more long term, consider setting up an ongoing GoFundMe page, which you update regularly with different aims and needs

Internal action to be taken by ............................... by dd mm yyyy
Fundraising

Alternative sources of funding
Crowdfunding (continued)

- what is your fundraising goal? Are you going to fundraise generally or for a specific event/activity etc.? What money target are you looking to achieve?
- crowdfunding can be an informal method of raising funds and the individual amounts can be very small. However, as with all fundraising it is important that any income raised is recorded and the organisation is accountable and transparent in its use of that income
- crowdfunding, because it uses the internet, may help you attract the attention of other, larger funders

Next steps

- find a crowdfunding platform that suits your needs. Some platforms focus on different areas of interest so find one that suits your organisation’s interests and ethos
- develop a campaign message, plan and look at what events are taking place during the year so you can ensure the campaign launches at the best time. For example, you could tie it in with a National or International Day such as Menstrual Hygiene Day etc. Start your campaign at least a month beforehand to create and build up awareness and interest
- build up momentum for the campaign and once launched post regular updates and send messages of appreciation to donors following a donation
- also post follow ups to tell your donors how the money was used to reach more people etc.
Organisations wanting to develop further

**Internal action to be taken by** 

By **dd mm yyyy**

**Alternative sources of funding**

**Workshops, seminars and performances**

If you have the relevant skills and experience within your organisation, you might want to think about raising funds through providing workshops, seminars or doing performances. Spreading awareness of SRHR through engaging methods that can also be fun.

**For workshops and seminars, at a minimum the things to consider are:**

- Is there an audience for these types of services?
- What will you charge and how much can your audiences afford?
- What skills and experience do you have in the organisation? For example, application writing, public speaking, how to engage communities? etc.
- Look for gaps in the market, for example, are there lots of organisations/people providing workshops on application writing but no one providing them on organisational governance? Can you fill that gap?
- In terms of gaps, there is a growing market for creating and ensuring safe workspaces. AmplifyChange grantees with Strengthening, Network and Partnership grants have reflected on safeguarding issues and developed organisational safeguarding policies. You have the tools and the know-how to train others in anti-harassment and positive work relationships so safeguarding may be something to consider.
- Are there challenges that are actually opportunities? For example, the media often do not cover SRHR issues or when they do, they cover them badly. Approach media outlets to offer training on how to communicate well on SRHR matters. Parliamentarians and others may also be interested in similar training.
- How will you balance providing workshops or seminars alongside your SRHR activities?
- Always tailor each workshop/seminar to your audience and what they need. If they are happy with what you provide, then they are more likely to recommend you to others.
- Whatever issue you decide upon, think about how best to get your message across. Is it via a one-hour or one-day workshop or longer?

**Click on the online guide**

How to raise funds by providing consulting and other income generating services.
Organisations wanting to develop further

Fundraising

Alternative sources of funding
Workshops, seminars and performances (continued)

Next steps for running a workshop or seminar

- develop an outline of the workshop/seminar you will offer and approach potential customers

For performances, at a minimum the things to consider are:

- is there an audience for these types of services?
- what will you charge and how much can your audiences afford?
- what type of performance will you do? It could be a short play with an SRHR theme or performing a local dance with an SRHR message at the end or something else
- does your organisation have people with the skills to put on performances? Do you have people who are happy to perform? Remember, some team members may be comfortable doing this and others may not
- think about your message – each performance needs to have a clear message about SRHR. If you are putting on a play, who will write the script?
- how will you balance this work alongside other work you have to do?
- what costs may be involved, for example, do you need costumes or to hire a venue?
- where will you hold the performance? Will it be outside, for example in the local square, or inside a venue? Will you stay in one town or go from town to town to perform?

Next steps for running a performance

- if performing outside, do you need a permit?
- what SRHR message is most needed in your local community?
- which community audience may be most responsive to a performance?
- do you need to involve community leaders?
Fundraising

Alternative sources of funding
Consultancy services

Over time your organisation will develop a particular set of skills, knowledge and expertise. Sharing these with others by providing consultancy services can be a profitable means of raising other funds. Every area is different of course, but many NGOs are short staffed so there may be a market for consultancy services and support in your area.

An additional benefit of this method

- providing consultancy services makes the most of the existing skillset of your organisation and shows the value and importance of your skills
- consultancy can be a form of networking which may lead to other opportunities for your organisation
- by delivering consultancy services your staff can further develop their own skills and gain in confidence

At a minimum, the things to consider are:

- balancing your consultancy fundraising efforts with your SRHR advocacy and programmes. Or, is there a way these activities can support and strengthen each other?
- do you have the experience, and the business and networking skills, to successfully provide and promote consultancy sessions?
- are there any areas of particular need or gaps in the market that your organisation could fill? For example, is anyone supporting organisations in Monitoring, Evaluation and Learning? Or in fund management? Or developing advocacy campaigns etc.?
- who is your target audience? What is your message? How can you best get your message across? Map out the relationships and processes to achieve your goals
Fundraising

Alternative sources of funding
Consultancy services (continued)

Next steps

- have there been people who have approached your organisation for professional advice? If so, offer them a consultancy meeting
- advertise your services online/radio/social media etc. and tell your network
- develop an organisational track record and build on it. What do you want to be known for?
- if a client is happy with your service, ask them to refer you to others. Also ask them to write you a recommendation, perhaps on social media or on your website (if you have one), or on any marketing materials you have developed to promote the consultancy service
- at the end of a first session suggest follow up points and schedule a second session to review what action has been taken
- start small and build up
For both emergencies and opportunities

Having reserves means that the organisation can take advantage of unexpected opportunities.

A reserves policy also shows donors and others that the organisation has a planned approach to unexpected events and risks.

The amount held in reserve will vary by organisation and the situation in which they operate.

For example, a small organisation that operates in a stable environment with a relatively small number of commitments would need less in reserves than a large, complex organisation that operates in a difficult or volatile environment and has lots of commitments.

Reserves policy

Does your organisation have a reserves policy?

Holding money ‘in reserve’ ensures an organisation’s core activities can continue if an emergency occurs. This emergency could be anything from a grant not being renewed or a humanitarian emergency to something like a planned activity costing more than expected, or unexpected losses that need to be managed.

At a minimum, your policy should include:

Why the organisation has a reserves policy

Thinking about why you need a reserves policy will help you to plan for the future and think about the risks and opportunities you might face.

The level of reserves the organisation thinks it needs

Holding the right amount of money in reserve will allow the organisation to have confidence going forward. Holding too little will leave it potentially exposed; holding too much will limit what the organisation can achieve as it will not have the money it needs on a day-to-day basis.

How frequently the reserves policy will be monitored and reviewed

Monitoring and reviewing the policy on a regular basis will help ensure that the amount held in reserve continues to be the right amount or needs to be adjusted as situations change.
Budget control policy

Annual business plan

Does your organisation have an annual business plan that is costed and budgeted for?

The annual plan needs to be properly costed and budgeted – if it is not then the objectives in the plan will not be met in full. The annual plan needs to directly link in with the overall strategic plan for the organisation. Each annual plan should take the organisation a step closer to achieving its strategic plan.

Is there a process for determining who will be involved in gathering the information for the plan and how the information will be gathered?

If you make a named person/people responsible for gathering the information and define the type of information needed and the sources to use, the plan is much more likely to be developed and be on time.

Is there a set date each year by when the draft business plan and budget will be discussed with the Board and signed off?

Setting a deadline for the plan to be submitted to the Board for discussion and sign off will help ensure that the plan is developed.
Budget control policy

Forecasting

Are there set dates (either each month or each quarter) throughout the year when a named person in the finance team will report on the approved budget?

Setting regular dates for reporting will help to keep the plan on track and to manage any variance. Naming a set person to do the reporting will help ensure that it happens. At a minimum, reporting should be quarterly but if possible, it should be done monthly as this will give the organisation better insight into its finances and improve control.

Is there an agreed level for how much variance against the budget will be allowed each month/quarter?

Including how much variance is allowable each month/quarter will help the organisation keep control of its finances.

Does your organisation have cash-flow predictions/forecasts for the coming three years?

Having a three-year forecast for cash flow is an important part of financial control and will help the organisation in several ways:

- It will give senior staff and the Board advance warning of any cash shortages
- It will help ensure that the organisation can pay staff and suppliers
- It will help identify if there are any problems with payments due to be made to the organisation
- It will provide evidence to donors and any lenders that the organisation is managing its finances responsibly
Controls on income policy
Invoicing and debt recovery

Does your organisation have a standard template for invoices?

Having a standard template for invoices, which includes all the correct details of the organisation, will save you time and money by reducing the amount of information that needs to be added to the invoice each time it is sent out. Every time an invoice is sent out you need to keep a copy so there is a record.

The policy should also specify where the copies of the invoices are all kept so that they can be found quickly and easily.

Is there a named person/people who creates the invoices and sends them out once they have been checked and approved?

Having a named person to create and send out invoices ensures that someone within the organisation has an overview of the invoices that need to be drawn up and those that are awaiting payment. Add their name on the left for easy reference.

Is there a named person/people who double checks and approves the invoices before they are sent out?

Having someone to double check and approve invoices before they are sent out will reduce the chance of errors in invoices. It will also mean that a second person is keeping an eye on how smooth and efficient the workflow is. Add their name on the left for easy reference.

Internal action to be taken by ___________________________ by dd mm yyyy
Controls on income policy

Fundraising

Is there a person/people who is responsible for identifying grant opportunities and drafting grant applications?

By identifying a specific person/people, the organisation is more likely to come across opportunities that would be of interest. Add their name on the left for easy reference.

Is there an agreed level of cost recovery built into each funding/grant application?

Having an agreed level of cost recovery – for example the percentage of overhead costs – built into each proposal will improve efficiency as the level only needs to be discussed and agreed once rather than on each occasion. It will also make it easier to plan for the future.

Is there an identified person/people who reviews and approves grant applications before they are sent to potential funders?

Having one or more person to review the application will improve the strength of the proposal and reduce the chances of errors. Add their name on the left for easy reference.

Is there a procedure for reviewing and learning from successful and unsuccessful applications?

By reviewing successful and unsuccessful applications learnings can made. Learnings from these reviews can then be applied to new applications to help to:

- improve the grant application process
- improve the chances of a grant being successful
- reinforce a learning culture in the organisation

Internal action to be taken by 

by dd mm yyyy
Controls on income policy

Legacies and endowments

Does your organisation have a procedure for monitoring legacies and endowments?

Some CSOs/NGOs receive legacies/endowments. If your organisation does, it should have a procedure for who should monitor any legacies/endowments and how those types of funds are recorded and managed.
Controls on expenditure policy

Goods and services

Does your organisation have a procedure for identifying and approving suppliers?

Having a procedure for how suppliers are identified and approved will help ensure that the organisation is getting value for money and that it receives goods or services of a high quality.

Is there a written record made of every purchase?

Keeping thorough written purchase records will help ensure good financial control and help the auditors when they come to do the audit.

Are those records kept centrally?

Keeping centralised records with everything easily accessible will help ensure good financial control.

Is there a named person who ensures that the goods received match the purchase requests and are of the quality expected?

Having a named person to match purchase requests with goods received will help ensure someone has an overview of all purchases made – this will aid financial control and reduce duplication. Add their name on the left for easy reference.
Controls on expenditure policy

Petty cash

Does your organisation have a petty cash procedure?

At a minimum, that should include:

The maximum amount of petty cash that can be held at any one time

By having a maximum amount of petty cash to be kept, the organisation will have the petty cash it needs but won’t keep any unnecessary cash.

Where the petty cash is held

The petty cash should be kept securely under lock and key.

Who is authorised to access the petty cash

There should be a limited number of people who can access it – this will help to ensure good financial control.

How any withdrawals from the petty cash are to be recorded

Any withdrawals should be recorded in a book kept specifically for that purpose so they can easily be tracked.

Ensuring small expenditures are tracked

Having a petty cash procedure that includes these different elements will help good financial control.
Controls on expenditure policy

Expenses policy

Does your organisation have an expenses policy?

At a minimum, that should include:

What is an allowable expense

Everyone in the organisation should know what they can and cannot claim for; the timescale for making a claim and receiving reimbursement. This will help ensure there are no surprises and that claims are made and paid promptly.

What supporting information must be provided to support a claim

The timescale for submitting a claim

The timescale for reimbursement/payment of a claim

How any reimbursement /payments will be made

Keeping control

By having an expenses policy, the organisation will be helping to ensure it has good financial control.

The policy should be applied consistently throughout the organisation so that everyone is treated the same.
Controls on expenditure policy

Credit cards

Does your organisation issue credit cards to staff?

If so, at a minimum, there should be a procedure that includes:

- Who can be allocated a card
- The maximum limit of expenditure on a card
- How those cards may or may not be used

Records

If the organisation issues credit cards to staff or Board members, it is important for financial control that details regarding their use should be added to the control of financial assets policy.
Organisations wanting to
develop further

Controls on physical assets

Does your organisation have a detailed asset register that lists and identifies ALL fixed assets belonging to the organisation?

At a minimum, the register should include:

The date each asset was bought

How much each asset was bought for

A description of each asset

Where each asset is kept

A procedure for checking the asset register each year

Named person/people who can authorise asset replacement and disposal

Reviewing assets

Each physical asset that an organisation owns has a value and, as part of good financial control, it is important to know what that value is, and the total value of all physical assets owned.

A review of assets should take place at least once a year for most assets (and more frequently for high-value assets) to ensure that all the assets the organisation owns are accounted for.

This review is also important to authorise replacement or disposal of assets and to make sure that all assets are being used properly and effectively.

Physical assets include fixed assets and stock/inventory. Fixed assets are things that cost a lot of money and will last longer than 12 months. They are things like buildings, vehicles, desks, computers, phones etc.
Insurance

Does your organisation have buildings, fire, and other risk insurance?

The organisation should have adequate insurance covering risks such as fire, water damage, theft etc. You may also want to consider public and employer liability insurance.