



## The Financial Management Quiz

Your organisation has been in existence for some years. Pick the statement that most describes your system for managing finances:

1. 

**a.** We have a Treasurer who makes sure that bank reconciliation is done each month: they also do a cash flow projection and monthly income and expenditure accounts with an explanation of variances against budget and we discuss the implications of all of these.

**b.** We have a Treasurer and a Finance Officer who report back at Board meetings. They provide us with monthly income and expenditure accounts and a cash flow projection. They tell us everything we need to know about our financial situation: that's their job.

**c.** As far as I know, someone comes in to do our books every month. If they have any concerns about the finances, they leave a note for us.
2. 

**a.** When we develop a budget for a project, we always work out exactly how much of our overheads each project will use and include it.

**b.** For each of our budgets, we ensure that we include a 12% management fee to cover our overheads.

**c.** We identify our overheads across the organisation and include a summary of them in the budget.
3. 

**a.** We have a list of financial controls. Everyone knows how they work in practice and who is responsible for what, and we review them every two years.

**b.** We have got a list of financial controls somewhere; however they don't apply to me as I'm a project manager and not senior management.

**c.** We're a very small organisation in which everyone knows who does the financial tasks, so financial controls are not really relevant to us.
4. 

**a.** We know what the annual reporting requirements are for our type of organisation, and we always identify deadlines for submission and for ensuring all the information is brought together in advance.

**b.** We always get our annual accounts and report submitted, although not always on time (we have been known to pay a fee for late submission).

**c.** We're a charity but because we are so small, we don't need to keep proper financial records – however we do keep all our receipts.
5. 

**a.** We have a reserves policy which was developed using the Charity Commission's guidance on this.

**b.** We have reserves based on the premise that we have enough to pay our rent and three months' salary for each paid staff member

**c.** We don't have any reserves – we have enough trouble keeping the organisation afloat financially.

**See page two to reveal your financial management status...**



**Mostly a's:** You really seem to have your finances under control! With good policies, procedures and controls in place everyone knows the part they play. By carrying out Full Cost Recovery you are ensuring you get funding that actually covers your costs. However, have you thought about succession planning? Not all funders will give enough to cover your Full Cost Recovery calculations so how will you manage your finances to take this into account? What happens when your current treasurer leaves? To continue to build on your financial strengths why not read our [resources](#), attend our [Financial Management module](#). If you prefer more hands-on support contact [development@communitysouthwark.org](mailto:development@communitysouthwark.org) to arrange a financial health check and tailored action plan.



**Mostly b's:** You clearly know that good financial management is key to organisational success but you may not have the capacity or resources to really get to grips with it. Don't forget to check out the [Charity Commission](#) website for [guidance on your annual returns](#) For more tips check the [Managing Your Finances resources](#) and why not send your trustees and staff/volunteers along to 'Finance Made Easy', an introductory session in the essentials of good financial management. You can also book a 1:1 with our community accountant to discuss systems and processes as well as our development Team for all your financial questions. Contact [development@communitysouthwark.org](mailto:development@communitysouthwark.org) to book.



**Mostly C's:** Good financial management takes time and effort from the beginning and everyone needs some help here and there. It can be particularly difficult if your treasurer is the only person managing the finances but it is important to understand what you need in place and have a plan to ensure it's implemented. This will save time and money further down the line. If you need some support working out where to start, getting policies and procedures together or even getting a budget together, we can help; contact [development@communitysouthwark.org](mailto:development@communitysouthwark.org) to book a 1:1 appointment with a specialist advisor. You may also want to attend our introductory course 'Finance Made Easy' and read over our plain English [resources](#)

## Support

If you would like any support with financial management or any other issues facing your organisation, please contact the Development Team at Community Southwark: [development@communitysouthwark.org](mailto:development@communitysouthwark.org) or 020 7358 7020.