

Financial Management Tool

The Financial Management Tool provides non-profit leaders with the resources they need to understand and prudently manage the financial operations of their organisations.

How confident are you in your knowledge of your organisation's financial state? How well does your organisation report its financial position to the board? How sustainable are the programs you operate?

Knowledge of the principles of financial management is necessary for every organisation's leader – in both the private and public arenas. For Australian non-profit leaders today, this knowledge is increasingly important due to the changing nature of income streams, funder demands and the sophistication of operations.

Many non-profit CEOs are skilled in people, program, organisational and stakeholder management and find that the reality of adding financial management expertise to their skill base is overwhelming. The SVA Financial Management Tool provides non-profit leaders with the information, skills and templates they need to ensure that their organisations' financial systems and processes are transparent, accurate, timely and well understood. It does not aim to train non-profit executives to be accountants.

This training is based on the well respected training already offered to non-profit organisations conducted by Matrix on Board. For the first time, it is being converted to an online tool that synthesises the key lessons of this training.

WHY

The ability and commitment of the leadership team to effectively manage finances is a key determinant to achieving program growth, sustainability and replication. Improving an organisation's performance requires an understanding of the components of income, expenses and impact.

This practical training tool will provide managers with effective financial skills to enable them to improve the financial performance of their non-profit organisations. It is being designed to be accessible to all leaders regardless of previous financial training. It will include the core principles of sound accounting practices and reports. This knowledge will improve operational efficiency and strategies for sustainability.

Offering this tool via an online channel is a new opportunity for the Australian non-profit sector. SVA wants to ensure that the training is as effectual and accessible as possible.

WHAT

The online financial training tool will consist of a number of elements. It will offer an online lecture series supported by interactive lessons, an online case study analysis, facilitated online tutorials and peer chat rooms. At the completion of the course, we will offer a short online examination to validate the learnings. Students then have an opportunity for a face-to-face forum for support in applying their new financial management skills to their specific organisations.

A presenter will take you through engaging examples online of everyday financial challenges. He or she will introduce you to basic finance principles, advise you about what to look for in financial statements and provide some key tools that can save you time and money.

You will learn to:

- Be aware of the accrual accounting principles and their impacts on revenue and expenditure reporting
- Have a better appreciation of the way your non-profit organisation is performing at any point in time by understanding the construction and relationships of the key financial reports
- Make more confident, prudent and visionary planning decisions with your knowledge of
 - Interpreting financial reports, including provisions and other legal obligations
 - Understanding the role of the auditor
 - Identifying Board and manager accountabilities

WHO

We are developing the training tool to primarily support the leaders of non-profit organisations: Chief Executives (or their equivalents) and potentially their executive team (depending on the size and stage of the organisation).

We are designing the training to inform the leaders who are responsible for making strategic and global program decisions. These decisions inherently include financial or capital budgeting decisions. The training assumes that students have a low level of understanding of financial management. Students need to be prepared to step back to first principles in order to build a sound knowledge of financial processes and structures.

WHEN

This training will be particularly helpful for leaders that are aware of their need to develop financial management skills. This may be triggered by:

- Leading the annual budget and planning processes or the periodic reviews
- Introducing a rigorous evaluation program
- A 'big dream' that necessitates a new level of discipline for the whole organisation
- Awareness that depending solely on a finance team is insufficient and personal up-skilling is required to lead more confidently

Realistically, financial management is a 'necessary discipline', not one that non-profit leaders often embrace from personal interest. Refreshing your knowledge and consolidating concepts in an engaging and efficient medium such as this online tool will be helpful and may one day be key to your organisation's sustainability.

NEXT STEPS

SVA offers additional practical and tailored support to help organisations implement these approaches and tackle specific issues. For more information contact the SVA Consulting on 02 8004 6727 or email svaconsulting@socialventures.com.au.