

Financial Management Field Guide for Coaches

CAPABLE
PARTNERS PROGRAM
Mozambique

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Financial Management Field Guide for Building Financial Management Capacity in Small Development Organizations

The aim of this financial management field guide is to support field officers who are providing Community Based Organizations (CBOs) and small Non-Governmental Organizations (NGOs) with capacity building support in financial management. These field officers should have two main aims: the first is to help CBOs improve their financial management; the second is to provide their own organization with regular assessments of the CBOs' capacities to manage funds. These two roles should complement one another.

How to Assess the Capacity to Manage Finances

The financial management assessment tool in Annex 1 provides a means to assess financial capacity in small development organization. The tool has three columns: the first column has a reference number for each competency, the second column contains the competencies required to manage funds, and the third column is the field officer's assessment of the CBO's capacity to execute each competency.

The competencies are divided into three main headings: transparency, clarity, and accountability. There are different ways of defining these terms. In this field guide, transparency refers to the willingness to produce timely financial documents; clarity refers to how well organized the CBO maintains its financial records; accountability refers to how accurately the financial records are maintained and how well the organization adheres to sound financial policy. Some competencies could easily fall under more than one heading. If your organization feels that reorganizing the competencies is beneficial they should do so. Just keep in mind that deliberating over whether a competency falls under the transparency heading or the accountability heading is less important than helping a CBO to acquire the competency.

Once completed the assessment tool should provide a fairly comprehensive picture of a CBO's financial management capacity. It will indicate broadly in terms of transparency, clarity, and accountability where the CBO is strong and where it is weak, and it will indicate specific competencies that require attention.

The assessment tool should be used either before or at the beginning of a partnership to assess the capacity of the CBO and to help the CBO understand what is expected in terms of financial management. If the CBO has no prior experience, a financial assessment should be done after the first month of operation. This will help the donor and the CBO to 1) avoid misunderstandings early in the relationship; and 2) to quickly identify and address weaknesses. The tool should then be used periodically to track and evaluate the progress that the CBO is making toward sound financial management.

Following each assessment, a capacity building action plan to address the weak areas should be agreed between the donor and the CBO. The plan should include the competencies to address, who will address them, technical support that will be required, and a time frame. Field officers should leave one copy of the assessment and the training plan with the CBO and take another copy back to their own organization.

A difficulty that field officers are likely to have, especially those with relatively little experience, is to determine what constitutes a high, medium, or low mark for each of the capacity indicators. This field guide provides guidance, but it is not foolproof. Donors will have varying expectations and may wish to change the criteria used for the assessment categories (high, medium, low, non-existent). Also, there are often judgments that cannot be easily quantified. What is most important is that the donor organization meets regularly with its field officers as a group to review assessments and discuss why various marks were given. This will create a learning environment and will produce more reliable assessments.

Financial Management Assessment Tool Step by Step Guide

The step by step guide walks field officers through the assessment tool. It explains what is required for each competency and it contains keys for assessing each competency. It is important to read the step by step guide and practice it before trying to do the assessment on an actual field visit.

Organizations should be informed in advance of a field visit. They should be reminded that the field officer will want to examine all financial records and that these should be present when the field officer arrives.

Once the assessment is completed, remember to make a capacity building action plan with the organization. Leave a copy of the assessment and the action plan with the organization.

Step by Step Guide

1. There is a clear, documented authorization schedule. (Clarity)

Ask the CBO to see their authorization schedule. The authorization schedule should minimally contain: signatories on checks; authorization process for purchases (purchase requests and quotations); amount of cash that can be normally held in the safe; procedure in case the amount of cash held in the safe exceeds the normal amount; authorization for approving financial reports.

Assessment Key

High	The authorization schedule contains all of the major elements and they are clearly articulated.
Medium	The authorization schedule contains all of the major elements, but they are not clearly articulated or it is missing a key section.
Low	The authorization schedule is missing more than one key section or it has all of the sections, but it is not understandable.
Non-existent	There is no authorization schedule.

2. Bank accounts are in the name of the organization. (Accountability)

Bank accounts must be in the name of the organization and not in the name of individuals who happen to be a member or employee of the organization.

Assessment Key

High	All bank accounts are in the name of the organization.
Medium	

Low	
Non-existent	1 or more bank accounts are not in the name of the organization.

3. Authorized signatories on bank accounts are in accordance with the authorization schedule and with information provided to donor.

(Accountability)

Go to the bank and check the bank records to ensure that the information is correct.

Assessment Key

High	Only authorized signatories are actually registered with the bank
Medium	
Low	
Non-existent	One or more unauthorized signatories are registered with the bank.

4. Produces valid receipts on request. (Transparency)

Examine 30 receipts from cash, bank, and cash advances (10 each) since the last visit.

Valid receipts should contain a date, the name of the supplier or service provider, a description of the item or service provided, the amount, and a signature.

Assessment Key

High	All receipts are valid and available upon request
Medium	1 to 3 receipts are not valid or available upon request
Low	4 to 8 receipts are not valid or available upon request.
Non-existent	9 or more receipts are not valid and available upon request.

5. Few honor receipts are accepted.

An honor receipt is signed by the person who made the purchase rather the supplier or service provider. Honor receipts are receipts may be accepted when a receipt from a supplier or service is not possible or gets lost and is impossible to replace. Honor receipts may be allowed on rare occasions. Regular or even occasional use of honor receipts indicates that the CBO is being negligent with its cash.

You should have checked for honor receipts when you were checking receipts in competency number 2. If you forgot, ask the CBO if they accept honor receipts and if any were accepted since the last time you visited. If so, ask to see them.

Assessment Key

High	0 to 1 honor receipts are accepted. The amount of the honor receipts are less than 3,000 meticaais.
Medium	1 to 2 honor receipts submitted. It is clear that actual receipts could not be obtained. The amount of the honor receipts are less than 3,000 meticaais.
Low	3 to 4 honor receipts submitted. It is clear that actual receipts could not be obtained. The amount of the honor receipts are less than 3,000 meticaais.
Non-existent	5 or more honor receipts are accepted or honor receipts are for more than 3,000 meticaais.

6. Receipts are correctly filed according to date with the most recent receipts on top. (Clarity)

Check 30 receipts . Check the top 10, then skip a few and check the next 10, skip a few again and check the next 10.

Assessment Key

High	0 to 2 of the receipts are not filed according to date with the most recent on top.
Medium	3 to 5 of the receipts are not filed according to date with the most recent on top.
Low	5 to 6 of the receipts are not filed according to date with the most recent on top.
Non-existent	7 or more of the receipts are not filed according to date.

7. Receipts are filed according to bank, cash, and cash advance reports. (Clarity)

Field officers should ask to see all of the receipts . These should be filed in a manner that makes it easy to track their entry into the CBOs books and ledgers. If the CBO puts all of the cash receipts in a separate file, all of the bank receipts in a separate file, and all of the cash advance reports and receipts in a separate file, then it is easy to reconcile the cash book, the bank book, and the cash advance reports. Once the receipts are reconciled with their respective book/report, the CBO can then compare the entries in cash book, bank book, and cash advance reports with the entries in the income and expense ledgers.

Check 15 receipts in the bank book, 15 receipts in the cash book, and 15 receipts in cash advance reports.

Assessment Key

High	All receipts are correctly filed.
Medium	1 to 5 of the receipts are incorrectly filed.
Low	6 to 10 of the receipts are incorrectly filed according to one of the two systems.
Non-existent	More than 10 of the receipts are incorrectly filed.

8. Receipts that have not been entered in the books are filed and easy to find. Either they are filed with a separator between them and the entered receipts or they are put in a temporary file folder. (Clarity)

Assessment Key

High	All receipts that have not been entered are filed.
Medium	1 to 2 of the receipts are not filed.
Low	3 to 5 of the receipts are not filed.
Non-existent	More than 5 of the receipts are not filed.

9. The CBO is using the funds for agreed purposes only (no unauthorized loans or out of budget expenditures). (Accountability)

When going through the receipts you should note any out of budget expenditures, unauthorized loans, or evidence suggesting that funds are being used for purposes not agreed.

Assessment Key

High	All expenditures are for agreed purposes.
Medium	A very small amount of funds were used for an activity related to the organizations purpose, but not agreed in writing with the donor.
Low	A small amount of funds were used for an activity or activities related to the organization's purpose, but not agreed in writing with the donor. A small amount of loans are being given (perhaps disguised as cash advances).
Non-existent	A moderate amount of funds were used for purposes not agreed in writing with the donor. A small amount of loans (perhaps disguised as cash advances) are being given without donor approval for such purposes

10. Produces cash book on request. Cash receipts that are more than one week old have been entered correctly in the cash book. (Transparency)

Compare the entries in the cash book with the cash receipts. Make sure that each entry has an associated receipt and that the funds were taken from cash. Receipts that have not been entered should not be more than one week old. If possible check an entire month. If this is unrealistic check at least 30 receipts randomly.

As you are doing this, note down any honor receipts (see competency number **Error! Reference source not found.** or any out of budget expenditures, unauthorized loans, or use of funds for reasons not specified in donor agreements (see competency number **Error! Reference source not found.**

Assessment Key for Numbers 2, 3, and 5

High	There are no entries without a receipt. All of the receipts more than one week old are entered. The amount entered in the book/ledger is the same as the receipt. No receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Medium	There are no entries without a receipt. 1 to 3 of receipts that are more than one week old are not entered; or 1 to 2 entries in the book/ledger do not agree with the receipts ; or 1 to 2 of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Low	1 to 2 of the entries do not have a receipt; or 4 to 6 receipts that are more than one week old are not entered; or 3 to 4 entries in the book/ledger do not agree with the receipts ; or 3 to 4 of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Non-existent	3 or more of the entries do not have a receipt. 7 or more receipts that are more than one week old are not entered; or 5 or more entries in the book/ledger do not agree with the receipts ; or 5 or more of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.

11. Entries in cash book and bank book are made in chronological order. (Clarity)

Ask the CBO for its cash and bank books. It is important to enter receipts in cash and bank books in chronological order so that they can be more easily tracked and reconciled. Examine 15 entries in the bank book and 15 entries in the cash book to see that the entries are made in chronological order.

Assessment Key

High	0 to 2 of the receipts are not entered in chronological order.
Medium	3 to 5 of the receipts are not entered in chronological order.
Low	5 to 6 of the receipts are not filed in chronological order.
Non-existent	7 or more of the receipts are not filed in chronological order.

12. There is evidence that the organization regularly reconciles the cash book and the cash on hand (cash book should be signed) (Accountability)

A poorly managed CBO will often have problems keeping track of cash, while a well managed one will stay on top of its cash transactions. Checking to see if the organization regularly and accurately reconciles its cash book and checking if the cash on hand and the cash book reconcile is an excellent way to see how the CBO is managing its finances.

Go through the last 3 months to see if there is a reconciliation done at the end of week. The reconciliation should be signed and dated by the person in charge of disbursing the cash and someone else who has done the reconciliation.

Assessment Key

High	Signed and dated reconciliations have been done weekly for the past three months.
Medium	1 to 2 weeks did not have a signed dated reconciliation
Low	3 to 4 weeks did not have a signed dated reconciliation
Non-existent	5 or more weeks did not have a signed dated reconciliation.

13. Cash on-hand and cash book reconcile. (Accountability)

Count the cash and see if it agrees with the cash book. If it does not, ask the CBO to find the problem.

Assessment Key

High	The cash and cash book agree. If it does not agree the CBO can explain why within 15 minutes.
Medium	The cash and cash book do not agree. It takes the CBO between 45 minutes and 15 minutes to explain why.
Low	The cash and cash book do not agree. It takes the CBO 90 minutes and 45 minutes to explain why.
Non-existent	The cash and cash book do not agree. The CBO cannot explain why.

14. Produces bank book on request. All receipts that are more than one week old have been entered correctly in the bank book. (Transparency)

Compare the entries in the bank book with the receipts . Make sure that each entry has an associated receipt and that the funds were taken from the bank account. Receipts that have not been entered should not be more than one week old. If possible check an entire month. If this is unrealistic check at least 30 receipts randomly.

High	There are no entries without a receipt. All of the receipts more than one
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	week old are entered. The amount entered in the book/ledger is the same as the receipt. No receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Medium	There are no entries without a receipt. 1 to 3 of receipts that are more than one week old are not entered; or 1 to 2 entries in the book/ledger do not agree with the receipts ; or 1 to 2 of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Low	1 to 2 of the entries do not have a receipt; or 4 to 6 receipts that are more than one week old are not entered; or 3 to 4 entries in the book/ledger do not agree with the receipts ; or 3 to 4 of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Non-existent	3 or more of the entries do not have a receipt. 7 or more receipts that are more than one week old are not entered; or 5 or more entries in the book/ledger do not agree with the receipts ; or 5 or more of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.

15. Bank statements are filed with the most recent on top. (Clarity)

Ask the CBO for the bank statements. They should all be neatly filed with the latest bank statement on top followed the next oldest bank statement so on. Check the bank statements over the last year.

Assessment Key

High	All of the bank statements are filed in chronological order and all of the checks in the bank statement are filed.
Medium	All of the bank statements are filed in chronological order, but 1 to 3 checks are not filed.
Low	1 to 2 bank statements are not in chronological order or 3 to 5 checks are not filed.
Non-existent	3 or more bank statements are not in chronological order or 6 or more checks are not filed. If any bank statements are completely missing then the CBO should get a non-existent score.

16. There is evidence that the bank statements and bank book are correctly reconciled every month. (Accountability)

Go through the last 6 months to see if there is a reconciliation done at the end of each month. The reconciliation should be signed and dated by the bookkeeper and by one of the signatories of the account. Go through three of the reconciliations to see if they were correctly done. If you are not sure how to do a bank reconciliation or how to check if one was done correctly, see Annex 2.

Assessment Key

High	Reconciliations were done at the end of each month for the last six months. All three reconciliations checked were done correctly.
Medium	One reconciliation was not done or 1 reconciliation was not done correctly.
Low	2 reconciliations were not done; or 2 reconciliations were not done correctly; or 1 was not done and 1 was not done correctly
Non-existent	More than 2 reconciliations were not done or were not done correctly.

17. Produces reconciled and outstanding cash advance reports on request.
(Transparency)

Assessment Key

High	All of cash advance reports are produced on request.
Medium	1 – 2 cash advance reports are missing.
Low	3 – 5 cash advance reports are missing.
Non-existent	More than 5 cash advance reports are missing.

18. All receipts associated with cash advance reports are kept just beneath the report or if receipts are filed according to expense ledger then the receipts are clearly referenced. (Clarity)

Pick four cash advance reports randomly.

Assessment Key

High	All of the receipts are filed correctly.
Medium	1 to 3 of the receipts are not filed correctly.
Low	4 to 6 of receipts each report are not filed correctly.
Non-existent	7 or more of the receipts are not filed correctly. If any receipts are missing, the CBO should get a score of non-existent for this competency.

19. Cash Advance Reports are accurately reconciled within one month of the issuance of the cash advance. (Accountability)

Take 5 cash advance reports that were submitted since your last visit. If it is your first visit, take 5 random cash advance reports. Compare the receipts with the cash advance reports. Check to see if the receipts have been entered correctly. Check to see if the reconciliation has been done correctly.

Assessment Key

High	All reconciliations were done correctly within one month of the issuance of the advance.
Medium	1 to 2 reconciliations were not done within one month of the issuance of the advance; or 1 reconciliation was not done correctly.
Low	3 to 4 reconciliations were not done within one month of the issuance of the advance; or 2 reconciliations were not done correctly; or 2 reconciliations were not done within one month of the issuance of the advance and and 1 was not done correctly.
Non-existent	5 or more reconciliations were not done within one month of the issuance of the advance; or More than 2 reconciliations were not done correctly.

20. Cash advance reports are filed with the most recent on top. (Clarity)

Ask the CBO for the cash advance reports and receipts . They should all be neatly filed with the latest cash advance report on top followed by the receipts for that report followed by the next oldest cash advance report followed by the receipts for that report and so on. The date the cash advance report should be filed by is the date

that it is reconciled, not the date that the cash was issued. Check the last 20 cash advance reports.

Assessment Key

High	All of the cash advance reports are filed in chronologically.
Medium	1 to 2 of the cash advance reports are not filed in chronologically.
Low	3 to 4 of the cash advance reports are not filed in chronologically.
Non-existent	5 or more of the cash advance reports are not filed chronologically.

21. Cash advances appear to be reasonable (reasons are valid and the amounts correspond with the tasks to be accomplished). (Accountability)

Check 15 cash advances since the last time you checked. Check both reconciled and outstanding cash advances. The purchases made must be in agreement with the purpose specified in the cash advance and the purpose must be for an expenditure that is within the budget. Is the amount of cash given reasonable? It is always better to give someone a bit too much cash to make a purchase than too little. However, the amount of change returned should not be too excessive. For example, if the amount of cash returned is consistently close to the amount of the purchases, the CBO is not controlling its cash advances very well.

Assessment Key

High	Cash has been advanced for expenditures that are within the budget. The cash was spent on approved purchases. The amount given was excessive for only 1 to 2 cash advances.
Medium	Cash has been advanced for expenditures that are within the budget. 1 time the cash was not spent on an approved purchase; or The amount given was excessive for 3 to 4 cash advances.
Low	Cash has been advanced for expenditures that are within the budget. 2 to 3 times the cash was not spent on an approved purchase; or The amount given was excessive for 5 to 6 cash advances.
Non-existent	1 or more cash was advanced for expenditures that were not within the budget; or 4 or more times the cash was not spent on an approved purchase; or The amount given was excessive for 7 or more cash advances.

22. Purchases for large amounts of money are made with checks NOT cash or cash advances. (Accountability)

Purchases should be made with checks whenever possible because checks are easier to track than cash. Of course, it is too cumbersome to make checks for every small purchase and many small vendors will not accept checks. However, purchases that are above 1,200 meticaís should be made with checks, especially if the vendor is in the formal sector (i.e., they have a sales tax or VAT number and can issue a proper receipt).

If the cash and cash advance reports have been properly reconciled, look through them for receipts that are greater than 1,200 meticaís. If they have not been properly reconciled go through the receipts. Only look through the period since you last assessed the organization.

High	No purchases above 1,200 meticaís have been made with cash or with cash advances or those that were made with cash or cash advances were clearly justified.
Medium	1 to 3 purchases above 1,200 meticaís were made with cash or with

	cash advances that could have been made with checks.
Low	4 to 6 purchases above 1,200 meticaais were made with cash or with cash advances that could have been made with checks.
Non-existent	7 or more purchases above 1,200 meticaais were made with cash or with cash advances that could have been made with checks.

23. Balances in the income and expense ledgers are correct. (Accountability)

Check the math in the expense ledgers for the last month to see if the balances are correct.

Assessment Key

High	All balances are correct.
Medium	1 income or expense ledger balance is incorrect.
Low	2 income and expense ledger balances are incorrect
Non-existent	3 or more income and expense ledger balances are incorrect

24. Produces income and expense ledgers on request. All deposits and receipts that are more than one week old have been entered in the correct ledger. (Transparency)

Compare the entries in the income and expense ledgers with the deposits and receipts. Make sure that each entry has an associated receipt and that the entry appears in the correct ledger. Receipts that have not been entered should not be more than one week old. If possible check an entire month. If this is unrealistic check at least 30 receipts randomly.

High	There are no entries without a receipt. All of the receipts more than one week old are entered. The amount entered in the book/ledger is the same as the receipt. No receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Medium	There are no entries without a receipt. 1 to 3 of receipts that are more than one week old are not entered; or 1 to 2 entries in the book/ledger do not agree with the receipts ; or 1 to 2 of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Low	1 to 2 of the entries do not have a receipt; or 4 to 6 receipts that are more than one week old are not entered; or 3 to 4 entries in the book/ledger do not agree with the receipts ; or 3 to 4 of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.
Non-existent	3 or more of the entries do not have a receipt. 7 or more receipts that are more than one week old are not entered; or 5 or more entries in the book/ledger do not agree with the receipts ; or 5 or more of the receipts from another book/ledger are mistakenly entered in the book/ledger being examined.

25. Quotations are procured in accordance with project agreements and CBO regulations. (Accountability)

Quotations are requested for purchases that are over a certain amount to ensure that CBOs get the best quality or service for the money they spend. Check the donor agreement to see what this states. Review the CBO's authorization schedule to see

the minimum amount required for a quotation. If the two are different the CBO should be following the most stringent.

If the CBO has well reconciled bank and cash books, look up to the time you last checked. Look for amounts that would trigger the need for a quotation (i.e., an amount equal to or above the amount in the project agreement or authorization schedule). If you find any, ask to see the receipt and the associated quotation. If the CBO does not have well reconciled books, check the bank statements and then go through the CBO's cash and cash advance reports.

Assessment Key

High	All purchases that should trigger quotations have them and the correct number of quotations have been procured. If quotations are missing, it may be acceptable if there were not enough suppliers to obtain the minimum number of quotes.
Medium	Quotations were not obtained for 1 to 2 purchases that should have triggered quotations even though suppliers were available.
Low	Quotations were not obtained for 3 to 4 purchases that should have triggered quotations even though suppliers were available.
Non-existent	Quotations were not obtained for 5 or more purchases that should have triggered quotations even though suppliers were available.

26. Quotations are filed with the purchase order and the related receipts

Quotations should be kept in the same file as the receipts related to the purchases, and the purchase request. Quotations that relate to the same purchase should be next to each other. (Clarity)

Assessment Key

High	All of the quotations are filed correctly.
Medium	1 to 2 of the quotations are not filed correctly.
Low	3 to 4 of the quotations are not filed correctly
Non-existent	More than 5 of the quotations are not filed correctly.

27. Quotations are comparable (Accountability)

Quotations need to be comparable. This means that they need to be for roughly the same type of work or the same type of equipment. For example, if quotations are sought for motorcycles, then the quotations should be for roughly the same size motorcycle (e.g., 125 cc). If quotations are sought for an office, then they must relate to the same office. One quotation should not be for 100 m² office, while the other is for 120 m². The same drawing should be used by all of the contractors when giving their quotations.

Assessment Key

High	All quotations are for the same items with specifications that are close to each other.
Medium	1 or more quotations are for the same items with roughly the same specifications.
Low	1 or more quotations are for fairly dissimilar items (e.g., one is for a 100 cc motorcycle, while another is for a 125 cc motorcycle).
Non-existent	1 or more quotations are for items that are not similar at all (e.g., one is for a bicycle and another is for a motorcycle).

28. Purchase requests agree with actual purchases made. (Accountability)

Ask for the purchase request file. Select 5 purchase requests. Ask to see the corresponding receipt. If it is for equipment, ask to see the equipment.

Assessment Key

High	All purchase requests agree with actual purchases.
Medium	1 purchase request does not agree with the actual purchase, but it is a small difference.
Low	1 purchase request does not agree with the actual purchase and it is a big difference; or 2 purchase requests do not agree with the actual purchases.
Non-existent	3 or more of the purchase requests do not agree with actual purchases.

29. Purchase requests are signed and filed with their related receipts.

(Clarity)

Ask the CBO for the purchase requests. Here you will simply see if they are signed and filed correctly. In the accountability section you will assess if the conditions under which a purchase request is required has been honored and if the purchase requests agree with the actual purchases. Check the last 30 purchase requests.

Assessment Key

High	All of the purchase requests are signed and filed correctly.
Medium	1 to 2 of purchase requests are not signed and filed correctly.
Low	3 to 4 of purchase requests are not signed and filed correctly.
Non-existent	5 or more of the purchase requests are not filed correctly.

Note that an indicator that is not captured by this assessment key is the magnitude of the purchase. A CBO may meet the medium criteria because it has only 1 or two of its purchase requests unsigned. However, the 1 or 2 cases where it has failed might be for very significant sums, in which case this should be noted and perhaps a low or non-existent assessment would be given.

30. Trial balances have been correctly prepared each month and indicate that accounts are accurately entered. (Accountability)

Ending Cash Balance + Ending Bank Balance + Outstanding Cash Advances =
Income – Expenses

Check the trial balance up to the last full month. Add up the amounts in cash, bank, and outstanding cash advances. This should equal the total income minus the total expenses. If it does not balance, go one month back and see if it balances. If this does not balance go one more month back. Annex 5 illustrates a monthly trial balance.

Assessment Key

High	Trial balances are prepared and signed. Last three months balance.
Medium	Trial balances are prepared and signed. Last full month trial balance does not balance, but the previous two trial balances do.
Low	Trial balances are not prepared regularly or signed. At least two out of three of the last months balance.
Non-existent	More than 2 out of the last three months do not balance.

31. There is evidence demonstrating that authorization schedules are observed. (Accountability)

Review the authorization schedule. Are the signatories on checks in agreement with the authorization schedule? Is the process for purchases being followed (e.g., there are purchase requests and quotations when required)? Check the cash book. Is the CBO exceeding the amount of cash that can be normally held in the safe? If so, have they followed their rules? Is there clear authorization for approving financial reports (e.g., a signed letter or memo from the Executive Council)?

Assessment Key

High	All procedures are followed
Medium	There are 1 to 2 instances when procedures were not followed
Low	There are 3 to 4 instances when procedures were not followed
Non-existent	There are 5 or more instances when procedures were not followed.

32. Finance Advisor on the Executive Council and CBO Management are able to trace deposits and receipts and ensure that they are correctly entered in the accounts.

(Transparency)

Field officers should meet with key people in the CBO who are not directly engaged in the day to day financial management to ensure that the CBO is able to adequately supervise its financial staff.

Assessment Key

High	Financial Advisor and CBO manager demonstrate that they can reconcile accounts and understand a trial balance report.
Medium	Financial Advisor and CBO manager demonstrate that they can follow transactions in a bank and cash book, cash advance reports, and income and expense ledgers, but they cannot reconcile accounts.
Low	Financial Advisor and CBO manager demonstrate that they can follow many of the transactions in either bank, cash, cash advance, or income and expense ledgers, but they cannot follow all transactions (e.g., they might not understand how to monitor cash advances or that the accounting is a double entry system).
Non-existent	Financial Advisor and CBO Manager are unable or barely able to follow the CBO's financial transactions.

33. Financial reports are in agreement with income and expense ledger, comparisons with budgets are accurate, and the reports comply with both the organization's internal requirements and donor requirements.

(Accountability)

Compare the financial reports with the income and expense ledgers. Make sure that they are in agreement. Check the budgets to ensure that they are in accordance with the donor agreements. Then check to see that the reports accurately report the amount remaining in the budgets. Annex 6 contains a sample financial report.

Assessment Key

High	Financial report is in agreement with income and expense ledgers and with budget in donor agreement. All amounts remaining in budget are correct.
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	Report complies with both organizations' internal requirements and with donor requirements.
Medium	There are 1 to 2 mistakes in the financial report, but complies with organization's and donor's requirements.
Low	There are 2 to 3 mistakes in the financial report; or 1 to 2 pieces of information are missing (e.g., budget line item is not shown)
Non-existent	There are 4 or more mistakes in the financial report; or 3 or more pieces of information are missing.

34. Executive Council and Management understand financial reports
(Transparency)

Field officers should sit with executive council members and management and ask them to interpret their financial reports. Typical questions should be: How are you managing your budget? How much have you spent? How much do you have left? How much income have you received? How much do you expect to receive? Are there any expense ledgers (budget line items) that are likely to be significantly under or over expended? How will you manage this? Do you think that you will implement all of your activities? Do you foresee any financial difficulties?

Assessment Key

High	Executive Council and CBO management can read a financial report, explain how the finances relate to the activities, and assess how well they are managing their budget.
Medium	Executive Council and CBO management can understand how the funds have been spent and how the finances relate to the activities, but they cannot assess how well they are managing their budget.
Low	Executive Council and CBO management understand how some of the funds have been spent, cannot relate the finances to the activities, and cannot assess how well they are managing their budget.
Non-existent	Executive Council and CBO management cannot understand the financial report.

35. Produces reports in accordance with CBO's formatting and scheduling requirements as per CBO's constitution. (Transparency)

Donors need to be as concerned with the CBO's compliance with its own rules and regulations as with the CBO's compliance with the donor's rules and regulations to ensure that the CBO is transparent with and accountable to its constituency. Field officers should therefore be familiar with the CBO's financial obligations to its own constituents.

Assessment Key

High	Reports are regularly submitted on time and in accordance with the CBO's requirements.
Medium	Reports are generally submitted within one month of the expected deadline. All of the expected information is contained in the report, but it is difficult to read.
Low	Reports are generally submitted 8 to 12 weeks after the deadline and/or critical information is missing.

Non-existent	Reports are submitted more than 12 weeks after the expected deadline and/or critical information is missing.
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36. Produces reports in accordance with donors’ formatting and scheduling requirements. (Transparency)

Field officers should be able to assess this before their visit. If the CBO is not achieving a high score, the field officer should assess what specific problems the CBO is having and discuss these with the CBO management. It is important that the CBOs understand how important this is to donors and therefore to the CBO’s viability.

Assessment Key

High	Reports are regularly submitted on time and in accordance with the donor’s requirements.
Medium	Reports are generally submitted within one month of the expected deadline. All of the expected information is contained in the report, but it is difficult to read.
Low	Reports are generally submitted 8 to 12 weeks after the deadline and/or critical information is missing.
Non-existent	Reports are submitted more than 12 weeks after the expected deadline and/or critical information is missing.

Where to Start Capacity Building?

Once the assessment is done, the weak areas should be clear. If it is a new organization with many weaknesses, the question arises: where should to begin and who should be trained? Include executive council members, the manager, the bookkeeper, and any other capable people who are devoted to the organization. The more people that understand the finances, the more they can rely upon each other to get it right. This also increases transparency within the organization. Below is a suggested sequence for capacity building CBOs in financial management.

Understand Donor Agreements (Step 1)

The place to start is with whatever donor agreement the organization has in place. Make sure that the organization’s key people understand the donor agreements that they have signed. The basic points should take anywhere from an hour to an entire day, if the donor agreement is complicated. This is not the moment to teach about how to report or how to budget. Just make sure that they understand the main points.

Filing System (Step 2)

The following filing system should be created and maintained for easy access and verification of documents. On each visit, look at the filing system and make sure that it is being properly maintained. For many people, this will be their first experience with creating and managing a filing system. Over the course of your visits, you may have to continually emphasize the importance of keeping all documents neatly filed in their proper place.

6 Binders (in different colors)

- 1) Receipts for Cash
- 2) Receipts for Checks
- 3) Receipts for cash advances and cash advance reports, and outstanding cash advance reports (separated with dividers)
- 4) Bank Strata, Bank Reconciliation
- 5) Trial balance and Financial Report
- 6) Income/Expense Ledgers, budget

2 Ledger books

- 1) Bank book
- 2) Cash book

4 Registers

- 1) Check register
- 2) Asset register
- 3) Equipment tracking register
- 4) Cash monitoring register

Keeping enough Forms

In addition, a well stocked supply of the main forms used in the accounting system should be kept on hand at all times. The original should be kept in a plastic cover, with the word 'original' written across it in a yellow highlighter pen. This keeps it from being lost in with the copies when copies are made.

Have the following forms well stocked: Keep them clean and neat in separate A4 envelopes, with one copy of the form glued to the A4 envelope so it is easy to identify the contents.

- Cash Advance
- Purchase request
- Three quotes
- Expense Ledger
- Income Ledger
- Cash transfer receipt
- Internal receipt

Introduce the authorization schedule (Step 3).

Competency 2

This means reviewing the donor agreement and strengthening the organization's internal processes. The authorization schedule should include:

- a) Who are the signatories on the bank checks.
- b) The purchasing process:
 - i) Who can make a purchase request.
 - ii) Who can authorize a purchase. If a purchase is for a very large amount, is another level of authority needed (e.g., executive council)?
 - iii) How the purchase can be made – cash or check.
 - iv) Who can make the purchase.
 - v) Who can take a cash advance and up to what amount can be taken.
 - vi) Who checks the receipts.
 - vii) Who checks that goods have been received.
 - viii) What constitutes an asset (e.g., anything over 1,200 meticaís).
 - ix) How are assets tracked and maintained
 - (1) Assets should be given a code.

- (2) An assets registry should be kept.
- (3) An assets log should be kept if assets leave the organization's premises.
- (4) A procedure for how assets can be disposed of.
- x) When do quotations need to be obtained.

This session should take one to two days. The entire executive council must take part in this session because they are the ones to approve the authorization schedule and therefore need to understand what it is.

Bank Accounts and signatories (step 4)

If an organization is legally registered, it must have a bank account in the name of the organization. An organization that is legally registered must not have its bank account in the name of a person. It must also have two mandatory signatories on the account, so that no one person can access the money in the bank account alone. It is good to have three signatories on the bank account, so if one of the signatories is sick or away, the CBO can still access its money.

If an organization is not yet legally registered, it might have a provisional account in the name of some of its members. Make sure that there are two mandatory signatories on the bank account so that no single person can access the money in the bank account alone.

1	Bank accounts are in the name of the organization.	Accountability
2	There is a clear documented authorization schedule.	Clarity
3	Authorized signatories on bank accounts are in accordance with the authorization schedule.	Accountability

Receipts (Step 5)

Receipts are the foundation of an accounting system. If receipts are missing, or faked, then the organization's honesty will be questioned and funding may be terminated. Make sure the CBO is very careful to always get a receipt for each purchase-payment. Make sure they file them in the correct receipt file. Finally, the CBO should only spend its money on things that are in the budget and that directly support project activities.

If a CBO does not produce valid receipts, review with them what makes a receipt valid, and what to do if a vendor does not have a receipt or if the vendor does not pay VAT. This information can be found in part six of the training manual, in the session "Role Play: Receiving, Spending and Documenting"

4	Produces valid Receipts on request.	Transparency
5	Few Honor Receipts are accepted	Transparency
6	Receipts are correctly filed according to date with the most recent Receipts on top.	Clarity
7	Receipts are filed according to bank, cash and cash advance reports	Clarity
8	Receipts that have not been entered in the books are filed and easy to find. Either they are filed with a separator between them and the entered Receipts or they are put in a temporary file folder.	Clarity
9	The CBO is using the funds for agreed purposes only (no unauthorized loans, out of budget expenditures, or over-budget expenditures without written authorization).	Accountability

Cash book (Step 6)

Once the CBO has been able to demonstrate that it consistently keeps receipts for all purchases/payments on file, you can begin to help them with the cash book. But remember, without receipts, the cash book cannot be maintained. Both the cash book and the bank book should be taught at the same time, as they are related to each other. Once cash has left the bank, it must be recorded in the bank book as a transfer to cash, and recorded in the cash book as a transfer from the bank. If the CBO has difficulty with maintaining the cash book and the bank book, review part 5 of the training, 'Bank Book and Cash Book'.

10	Produces cash book on request. All Receipts that are more than one week old have been entered correctly.	Transparency
11	Entries in cash book are made in chronological order.	Clarity
12	There is evidence that the organization regularly reconciles the cash book and the cash on hand (cash book should be signed)	Accountability
13	Cash on-hand and cash book reconcile	Accountability

Bank Book (Step 7)

14	Produces bank book on request. All Receipts that are more than one week old have been entered correctly.	Transparency
11	Entries in bank book are made in chronological order.	Clarity
15	Bank statements are filed with the most recent on top	Clarity
16	Bank statements and bank book are correctly reconciled every month	Accountability

Cash Advances (Step 8)

It is very important that the cash advance report is filled out every time someone takes money to make a purchase. Many problems can be avoided by following this simple procedure. When people sign for money they take, it protects them and it protects the CBO. Make sure the CBO understands and practices using the cash advance form. The related receipts should be filed with the cash advance reports, so that they are easy to reconcile. Remember, to keep two separate files for cash advance reports – one for outstanding cash advance reports and one for reconciled cash advance reports. When a cash advance is given it a report will be placed in the outstanding cash advance reports file. Once a cash advance report is reconciled move it to the reconciled cash advance report file. This will make it easy to know which cash advances are still outstanding. The cash advances should be numbered sequentially. It could help to copy 100 cash advances, and number them before they are used, (keeping them in order) so that the treasurer does not have to look for the last cash advance to find the last number used. If a CBO has difficulty with reconciling the cash advances, review the cash advance session in part 6 of the training.

17	Produces reconciled and outstanding cash advance reports on request.	Transparency
18	All Receipts associated with cash advance reports are kept just beneath the report or if Receipts are filed according to expense ledger then the Receipts are clearly referenced.	Clarity
19	Cash Advance Reports are accurately reconciled within one month of the issuance of the cash advance.	Accountability
20	Cash advance reports are filed with the most recent on top	Clarity
21	Cash advances appear to be reasonable (reasons are valid and the amounts correspond with the tasks to be accomplished).	Accountability

22	Purchases for large amounts of money are made with checks NOT cash or cash advances.	Accountability
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Detailed Expense Ledger (Step 9)

The detailed expense ledger is the only way a CBO can know how much it has spent, and how much it has left, in a budget line. If the detailed expense ledgers are not updated every time a purchase is made, the CBO runs the risk of over spending a budget line. If a CBO has difficulty with the detailed expense ledger, review the 'detailed expense ledger' session in part 3 of the training.

23	Balances in the expense ledgers are correct.	Accountability
24	Produces expense ledgers on request. All Receipts that are more than one week old have been entered correctly.	Transparency

Quotations and Purchases Requests (Step 10)

Quotations are important for some donors, like the CNCS, which requires three quotes for each and every purchase. Other donors require quotations for large purchases only. If the CBO is receiving funds from the CNCS, then quotes are more of a priority and they must comply strictly with this rule. Quotations and purchase requests should be filed with their related receipts, for easy verification. They will be filed either with the receipts for checks, the receipts for cash purchases, or with the receipts for cash advances, depending on how the purchase was made. If all other aspects of the financial system are in order, do not stop spend too long on quotes and purchase requests, but proceed to the Controls and Reporting, and simultaneously work on helping the CBO make sure they have the quotes and purchase requests they need to comply with their donor.

25	Quotations are procured in accordance with project agreements and the CBO's regulations.	Accountability
26	Quotations are filed with the purchase order and the related receipts	Clarity
27	Quotations are comparable.	Accountability
28	Purchase requests agree with actual purchases made.	Accountability
29	Purchase requests are signed and filed with their related receipts.	Clarity

Controls and Reporting (Step 11)

The monthly trial balance compares the bank, cash, and cash advance ledgers with the income and expense ledgers. It is an important control that helps to reduce mistakes.

Only when the accounting system is functioning, and reconciliations are made regularly, does it make sense to focus on the reports. A report based on inaccurate information has no value to anyone. Reporting can be difficult for CBOs. You can expect to spend considerable time with them helping them to accurately report on their project funds.

30	Monthly trial balances have been correctly prepared and indicate that accounts are accurately entered.	Accountability
31	There is evidence demonstrating that authorization schedules are observed	Accountability
32	Finance Advisor on the Executive Council and CBO Management are able to trace Receipts and ensure that they are correctly entered in the accounts.	Transparency
33	Financial reports are in agreement with income and expense ledgers and comply with both the organization's internal requirements and donor requirements.	Accountability

34	Executive Council and Management understand financial reports	Transparency
35	Produces reports in accordance with CBO's formatting and scheduling requirements as per CBO's constitution.	Transparency
36	Produces reports in accordance donors' formatting and scheduling requirements.	Transparency

Planning Your Site Visits

A good field officer always comes with a plan and reports the results. Remember that your goal in building financial management capacity is to teach specific competencies. If you use the assessment tool, then you and the CBO should be able to map out a plan with specific objectives and an estimated timeframe. The first plan should be for a 3 month to 6 month period. There is an example of the three month planning form in annex 2.

The objectives can be taken directly from the assessment tool.

There are a few simple rules to keep in mind when you are making site visits to build capacity.

- 1) Remind the CBO that you are coming at least one week in advance. Remind them of:
 - a) the purpose of your visit
 - b) who you expect to be present.
 - c) any materials that they will need to have prepared.
- 2) If possible, remind them again two days before you go. Find out if everyone you expect to be there, will be. If key people will be missing, you might consider rescheduling.
- 3) Review the CBO's work plan and make a site visit plan before you go. A site visit plan and report form is contained in Annex 4. A site visit plan should contain:
 - a) Objectives
 - b) Activities
 - c) Material Required
 - d) Persons Responsible
- 4) Your Site Visit
 - a) Leave people hungry to know more. Limit the amount of material at any site visit. Why? We all have a saturation point. We can only learn so much at one time. Trying to cram too much material is not only useless it undermines people's confidence to learn. It is almost always better to give people a little to little than too much. If you leave them hungry to learn more, you're doing a good job. If you're exhausting them, they won't look forward to your next visit.
 - b) Keep the training close to home.
 - i) The closer to home the training, the more that will be transmitted. People learn best in the place where they will use the knowledge. As much as possible, work with people in their own environment.
 - ii) Use practical examples from the CBOs' own work.
 - c) Be well organized.
 - i) Understand what you are going to teach.
 - ii) Bring all the materials that you will need.
 - d) Use this simple training method
 - i) Demonstrate
 - ii) Do it with them
 - iii) Observe them doing it

For Example, if the CBO is having difficulty doing a cash reconciliation, first show them how to reconcile, by taking a few receipts and reconciling them to the cash book, then ask them to reconcile a few receipts with you, and walk them through it, then once they understand, observe them reconciling several receipts.

- e) Homework is good. Leave the CBO with homework related to the site visit. It should be something that will help do their work and achieve a training objective. For example, if the training was on cash book reconciliation, give them a cash book and ask them to reconcile a few months. Then tell them that you expect their own cash book to be reconciled when you return.
- f) Timing is important. People forget quickly. Make sure that what you teach is something that they will use within days of your departure. If it is not, then make sure the homework you give them will refresh their memories.
- g) Don't leave without agreeing on what is next. If at all possible, don't leave without deciding on the objective of the next site visit. This should be done with the CBO.

Assessing Your Results

Every six months you can reassess the organization with the assessment tool to see how the CBO is progressing. After each assessment you may have to change the competencies and adjust the timeframe. Not everyone learns at the same rate.

Annex 1: Financial Management Assessment Tool

No.	Competency	Assessment (High, Medium, Low, Non- existent)	Observations
1.	Bank accounts are in the name of the organization.		
2.	There is a clear, documented authorization schedule.		
3.	Authorized signatories on bank accounts are in accordance with the authorization schedule and with information provided to donor.		
4.	Produces valid receipts on request		
5.	Few Honor Receipts are accepted		
6.	Receipts are correctly filed according to date with the most recent receipts on top.		
7.	Receipts are filed according to bank, cash, and cash advance reports.		

No.	Competency	Assessment (High, Medium, Low, Non- existent)	Observations
8.	Receipts that have not been entered in the books are filed and easy to find. Either they are filed with a separator between them and the entered receipts or they are put in a temporary file folder.		
9.	The CBO is using the funds for agreed purposes only (no unauthorized loans or out of budget expenditures).		
10.	Produces cash book on request. Cash receipts that are more than one week old have been entered correctly in the cash book.		
11.	Entries in cash book and bank book are made in chronological order.		
12.	There is evidence that the organization regularly reconciles the cash book and the cash on hand (cash book should be signed)		
13.	Cash on-hand and cash book reconcile.		
14.	Produces bank book on request. All receipts that are more than one week old have been entered correctly in the bank book.		
15.	Bank statements are filed with the most recent on top.		
16.	There is evidence that the bank statements and bank book are correctly reconciled every month.		
17.	Produces reconciled and outstanding cash advance reports on request.		
18.	All receipts associated with cash advance reports are kept just beneath the report or if receipts are filed according to expense ledger then the receipts are clearly referenced.		
19.	Cash Advance Reports are accurately reconciled within one month of the issuance of the cash advance.		
20.	Cash advance reports are filed with the most recent on top.		

No.	Competency	Assessment (High, Medium, Low, Non- existent)	Observations
21.	Cash advances appear to be reasonable (reasons are valid and the amounts correspond with the tasks to be accomplished).		
22.	Purchases for large amounts of money are made with checks NOT cash or cash advances.		
23.	Balances in the expense ledgers are correct.		
24.	Produces expense ledgers on request. All receipts that are more than one week old have been entered in the correct expense ledger.		
25.	Quotations are procured in accordance with project agreements and CBO regulations.		
26.	Quotations are filed with the purchase order and the related receipts		
27.	Quotations are comparable		
28.	Purchase requests agree with actual purchases made.		
29.	Purchase requests are signed and filed with their related receipts.		
30.	Trial balances have been correctly prepared each month and indicate that accounts are accurately entered.		
31.	There is evidence demonstrating that authorization schedules are observed.		
32.	Finance Advisor on the Executive Council and CBO Management are able to trace receipts and ensure that they are correctly entered in the accounts.		
33.	Financial reports are in agreement with income and expense ledger, comparisons with budgets are accurate, and the reports comply with both the organization's internal requirements and donor requirements.		
34.	Executive Council and Management understand financial reports		

No.	Competency	Assessment (High, Medium, Low, Non- existent)	Observations
35.	Produces reports in accordance with CBO's formatting and scheduling requirements as per CBO's constitution.		
36.	Produces reports in accordance donors' formatting and scheduling requirements.		

Notes on Assessment

Annex 2: Quarterly Capacity Building Plan of _____ in Financial Management. _____ 200___. Jointly prepared with organization _____.

Date and time of visit	Competencies addressed	Current level	Expected level	Target group
Signature of CBO representative: Signature of capacity builder:				

Annex 3: Assessment Report for CBO progress in Financial Management

Name of Organization providing Technical Assistance:	Province/city:
Name of Capacity Builder:	Accreditation level (circle one): <input type="checkbox"/> Basic level <input type="checkbox"/> Intermediate level <input type="checkbox"/> Coach
Name of CBO:	Formal trainings CBO has attended: <input type="checkbox"/> Basic level <input type="checkbox"/> Intermediate level
Date of Report:	

Keep this report for you records. Whenever a report is written, make send copies to your donors, AED, and to the CBO. If you need more space to answer any of the following questions, please use the back of this form, and note which question you are answering.

- 1) In what topics/procedures has this CBO had the most success?

- 2) Are there any topics/procedures that the CBO has continuing difficulty with, despite your continued efforts to help them in this area? What are they?

- 3) Are there any topics you would like further training on? What are they?

- 4) Are there any questions or problems the CBO has encountered that you were not able to answer?

- 5) Do you have any suggestions to help us improve this capacity building program? (lessons learned)

Instructions for filling out assessment form for CBO progress in financial management, below

- In the “Taught” column, check off the topics **YOU** specifically worked on with the CBO, during this three month period.

In the “Assessment Level” column, enter the baseline assessment level, then enter the current assessment level. Assessment levels are defined clearly and specifically in the Field Guide. You must use the field guide when determining an assessment level. Only enter an assessment level if you worked on that competency or if you reassessed that competency in a general assessment. If you did not work with the CBO on certain competencies and you did not reassess the CBO’s competencies, then leave the assessment level blank for the reporting period.

Assessment Form for CBO progress in Financial Management

Ref	Competency	Month 0 (Baseline)	Month ____		Month ____		Month ____	
		Assessment Level	Taught	Assessment Level	Taught	Assessment Level	Taught	Assessment Level
1	Bank accounts are in the Name of the Organization							
2	There is a clear documented authorization schedule							
3	Authorization signatories on bank accounts are in accordance with the authorization schedule and with information provided to donor							
4	Produces valid receipts upon request							
5	Few Honor Receipts are accepted							
6	Receipts are correctly filed according to date with the most recent receipts on top.							
7	Receipts are filed according to bank, cash, and cash advance reports.							
8	Receipts that have not been entered in the books are filed and easy to find. Either they are filed with a separator between them and the entered receipts or they are put in a temporary file folder.							
9	The CBO is using the funds for agreed purposes only (no unauthorized loans or out of budget expenditures).							
10	Produces cash book on request. Cash receipts that are more than one week old have been entered correctly in the cash book.							
11	Entries in cash book and bank book are made in chronological order.							
12	There is evidence that the organization regularly reconciles the cash book and the cash on hand (cash book should be signed)							
13	Cash on-hand and cash book reconcile.							
14	Produces bank book on request. All receipts that are more than one week old have been entered correctly in the bank book.							
15	Bank statements are filed with the most recent on top.							
16	There is evidence that the bank statements and bank book are correctly reconciled every month.							
17	Produces reconciled and outstanding cash advance reports on request.							

Ref	Competency	Month 0 (Baseline)	Month _____		Month _____		Month _____	
		Assessment Level	Taught	Assessment Level	Taught	Assessment Level	Taught	Assessment Level
18	All receipts associated with cash advance reports are kept just beneath the report or if receipts are filed according to expense ledger then the receipts are clearly referenced.							
19	Cash Advance Reports are accurately reconciled within one month of the issuance of the cash advance.							
20	Cash advance reports are filed with the most recent on top.							
21	Cash advances appear to be reasonable (reasons are valid and the amounts correspond with the tasks to be accomplished).							
22	Purchases for large amounts of money are made with checks NOT cash or cash advances.							
23	Balances in the expense ledgers are correct.							
24	Produces expense ledgers on request. All receipts that are more than one week old have been entered in the correct expense ledger.							
25	Quotations are procured in accordance with project agreements and CBO regulations.							
26	Quotations are filed with the purchase order and the related receipts							
27	Quotations are comparable							
28	Purchase requests agree with actual purchases made.							
29	Purchase requests are signed and filed with their related receipts.							
30	Trial balances have been correctly prepared each month and indicate that accounts are accurately entered.							
31	There is evidence demonstrating that authorization schedules are observed.							
32	Finance Advisor on the Executive Council and CBO Management are able to trace receipts and ensure that they are correctly entered in the accounts.							
33	Financial reports are in agreement with income and expense ledger, comparisons with budgets are accurate, and the reports comply with both the organization's internal requirements and donor requirements.							
34	Executive Council and Management understand financial reports							
35	Produces reports in accordance with CBO's formatting and scheduling requirements as per CBO's constitution.							

Ref	Competency	Month 0 (Baseline)	Month ____		Month ____		Month ____	
		Assessment Level	Taught	Assessment Level	Taught	Assessment Level	Taught	Assessment Level
36	Produces reports in accordance donors' formatting and scheduling requirements.							

Annex 4: Site Visit Report

(2 pages) Make 2 copies, one for capacity builder, one for CBO.

Date of Visit: _____ **CBO:** _____ **Name of Capacity
Builder:** _____

Attendance

Present (Names)	Number of Men	Number of Women
Absent (note key people)		

Objectives

What competencies did you address with the CBO that were addressed previously?

What new competencies did you address?

CBO progress from last visit

What was the CBO supposed to do since the last visit?

Competency:	
Task:	
Evidence it was accomplished:	
Problems Encountered:	
Baseline Assessment:	Current Assessment:

Competency:	
Task:	
Evidence it was accomplished:	
Problems encountered:	
Baseline assessment:	Current assessment:

Competency:	
Task:	
Evidence it was accomplished:	

Problems encountered:	
Baseline assessment:	Current assessment:

<i>Data of Visit:</i>	<i>CBO:</i>
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How well were the competencies addressed in this site visit understood?

Competency:	Was it understood?

Recommended Follow-up

What will the CBO work on (competency and task) before the next visit? And what are our expectations?

Competency:
Task:
Expected change:

Competency:
Task:
Expected change:

Competency:
Task:
Expected change:

What questions did they have that I was not able to answer and need to prepare for the next visit?

What else will I do need to prepare for the next visit?

Annex 5: Basic Competency Test for Potential Accounts

1) Solve the following:

$$2.389 + 10494 =$$

$$500975 - 48938 =$$

$$89 - 124 =$$

2) What numbers in the right column are not in the left column, what numbers in the left column are not in the right column, and what numbers are in both columns?

34	5
780	892
9875	25
16	34
5	162
126	43
52	780
16	126
25	987
51	17

Números da coluna da direita que não estão na coluna da esquerda	Números da coluna da esquerda que não estão na coluna da direita	Números que estão em ambas as colunas

3) Miguel’s mother tells him to give his sister 550 Mt for shopping. Miguel takes 550 Mt from his sister instead of giving it to her. His mother finds out and yells at him to do what she said because she needs food from the grocery. How much money should Miguel give his sister?

4) An organization has a safe. Below is a list of deposits (Money that goes into the safe) and expenses (Money that comes out of the safe). If the money is going into the safe, then register it in the “IN” column and calculate the new balance. The balance shows how much money is in safe when it is counted.

Description	In	Out	Balance
Opening Balance			0
A donor grants 5,000 Mt to an organization			
An organization buys paper for 500 Mt			
An organization buys pens for 435 Mt			
5 members pay 25 Mt EACH for their member dues			
An organization pays a carpenter 675 Mt			

5) Put the following numbers in ascending order (least to greatest):

24, 16, 92, 54168, 34, 987, 1024, 5, 0,12

6) Put the following dates in the correct sequence from the most recent to the oldest.

2-Oct-07, 24-Jul-07, 2-Jan-06, 16-Sept-08, 19-Dec-08, 31-March-06, 17-Nov-08

Annex 6: Answers for Basic Competency Test

1) Solve the following:

$$2.389 + 10494 = 12.883$$

$$500975 - 48938 = 452.037$$

$$89 - 124 = -35$$

2) What numbers in the right column are not in the left column, what numbers in the left column are not in the right column, and what numbers are in both columns?

Números da coluna da direita que não estão na coluna da esquerda	Números da coluna da esquerda que não estão na coluna da direita	Números que estão em ambas as colunas
892	9875	34
162	16	780
43	52	5
987	51	126
17		25

3) Miguel's mother tells him to give his sister 550 Mt for shopping. Miguel takes 550 Mt from his sister instead of giving it to her. His mother finds out and yells at him to do what she said because she needs food from the grocery. How much money should Miguel give his sister?

1,100 Meticalis

4) An organization has a safe. Below is a list of deposits (Money that goes into the safe) and expenses (Money that comes out of the safe). If the money is going into the safe, then register it in the "IN" column and calculate the new balance. The balance shows how much money is in safe when it is counted.

Description	In	Out	Balance
Opening Balance			0
A donor grants 5,000 Mt to an organization	5.000		5.000
An organization buys paper for 500 Mt		500	4.500
An organization buys pens for 435 Mt		435	4.065
5 members pay 25 Mt EACH for their member dues	125		4.190
An organization pays a carpenter 675 Mt			3.515

5) Put the following numbers in ascending order (least to greatest):

0, 5, 12, 16, 24, 34, 92, 987, 1024, 54168

6) Put the following dates in the correct sequence from the most recent to the oldest.

19-Dec-08
 17-Nov-08
 16-Sept-08
 2-Oct-07
 24-Jul-07
 31-March-06
 2-Jan-06