Introduction to Financial Management & Systems

Capacity Strengthening Workshop for Civil Society Organizations'

Kisumu, Kenya

September 26, 2025

Introduction – Your facilitator

- Theo Molenbrugge
- Director of Finance and Administration with CORE Group
- Email: tmolenbrugge@coregroup.org

coregroup | SGSI
SMALL GRANTS FOR SCALED IMPACT

Introduction to Financial Management & Systems

- Session objectives
- Definition of Financial Management
- Key financial management responsibilities
- Financial management systems
- Quiz – True or False?

coregroup | SGSI
SMALL GRANTS FOR SCALED IMPACT

Session objectives

- Understand the definition and purpose of financial management in Civil Society Organizations (CSOs).
- Identify and describe key financial management responsibilities including budgeting, reporting, and internal controls.
- Recognize the importance of financial accountability, donor compliance, and strategic financial oversight.
- Learn about financial management systems.
- Apply core financial management concepts through interactive discussion and a True/False quiz.

coregroup | SGSI
SMALL GRANTS FOR SCALED IMPACT

Definition of Financial Management



Core Financial Management Process

- Financial management involves planning, organizing, controlling, and monitoring financial resources effectively and responsibly.

CSO Financial Accountability

- In CSOs, financial management ensures transparent, accountable use of funds that align with donor and organizational goals.

Financial Activities and Oversight

- Key activities include budgeting, reporting, cash flow monitoring, internal controls, and procurement oversight to ensure efficiency.

Strategic Financial Integration

- Integrating financial management into organizational planning helps anticipate risks, allocate resources, and demonstrate accountability.

Key financial management responsibilities



Budgeting and Planning

- Develop and monitor budgets aligned with strategic goals and donor requirements to ensure sustainability.

Financial Recordkeeping

- Maintain accurate records with appropriate accounting systems ensuring transaction documentation is complete.

Financial Reporting

- Prepare timely and accurate reports including income statements, balance sheets, and cash flow statements.

Cash Flow Management

- Manage liquidity to meet obligations and plan for financial shortfalls or surpluses effectively.

coregroup | SGSI SMALL GRANTS FOR SCALED IMPACT

Key financial management responsibilities – cont'd



Internal controls

- Prevent fraud and errors, including segregation of duties, transaction authorization, and account reconciliation.

Compliance and Accountability

- Adhering to donor, legal, and regulatory requirements, preparing for audits, and promoting transparency.

Procurement and Payments

- Must follow policy, be cost-effective, and include tracking commitments and liabilities. Finally, strategic financial oversight supports decision-making, advises leadership on financial risks and opportunities, and contributes to long-term planning. Together, these responsibilities form the foundation of sound financial management in CSOs.

coregroup | SGSI SMALL GRANTS FOR SCALED IMPACT

Financial management systems

Core Components

Financial management systems integrate processes, tools, and policies to manage financial activities effectively.

Importance for CSOs

CSOs rely on financial systems for accurate recordkeeping, budgeting, reporting, and compliance with donor requirements.

Benefits Achieved

Robust systems improve decision-making, transparency, accountability, and operational efficiency in organizations.

System Elements

Financial management systems combine manual procedures and digital tools, guided by internal policies and controls.

coregroup | SGSI SMALL GRANTS FOR SCALED IMPACT

Financial management systems – Key components

Accounting Software

Accounting software automates financial transactions and report generation for efficient management.

Financial Policies and Procedures

Policies and procedures ensure consistent, compliant financial practices including budgeting and procurement.

Budgeting and Forecasting

Budgeting and forecasting tools help plan and monitor financial performance effectively.

Internal Controls and Audits

Internal controls and audits prevent fraud, errors and ensure accountability within organizations.

Reporting and Compliance

Reporting templates and compliance systems help meet external requirements and communicate clearly.

Financial management systems – Considerations

Organizational Size and Complexity

Larger organizations require more sophisticated financial management tools suited to their complex needs.

Donor Compliance and Reporting

Systems must support donor requirements by generating accurate and compliant financial reports.

Staff Capacity and Training

Effective system use depends on staff training and their ability to operate financial tools correctly.

System Integration and Practical Factors

Integrating with HR and procurement systems increases efficiency; cost, scalability, and usability ensure sustainability.

coregroup | SGSI SMALL GRANTS FOR SCALED IMPACT

Quiz – True or False?

Use your yellow and pink cards to indicate if a statement is true (yellow) or false (pink).

1. Financial management only involves the finance team.
2. Budgeting and planning should align with strategic goals and donor requirements.
3. Financial reporting is optional for CSOs unless required by donors.
4. Procurement and payments must follow policy and be cost-effective.
5. Strategic financial oversight contributes to long-term planning and decision-making.
6. Financial management systems is only about accounting software.

Any questions?



coregroup | SGSI
SMALL GRANTS FOR SCALED IMPACT