

# HOW TO BUILD A GOOD SMALL NGO



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In particular, check our "Resources" page at [www.networklearning.org/directory.html](http://www.networklearning.org/directory.html)

## INTRODUCTION

### **Who we are. And who you could be . . .**

This manual has been put together by a group of people who work in or with Non-Government Organisations, (NGOs). Our experiences are mainly with NGOs in Africa, the Indian sub-continent and countries previously in the USSR. The NGOs are in cities, smaller towns and the countryside. Some of them are concerned with human rights but more with improving the quality of life of various groups.

The NGO field includes many dedicated and good-hearted people. But as NGOs attempt to grow, they face common problems. For example, often they fail to learn how to manage their money well. This leads to all kinds of problems – they function less well, their reputations suffer and they cannot get funding to pursue their plans.

So, with this manual, our goals are to help you to build best practice into your NGO; to prevent, recognise and fix problems. Wherever you are in the NGO field, you will find much that is useful in this manual.

### **Applying the exercises and examples:**

Throughout the manual you will find best practice theory and appropriate **EXERCISES**. These can be done by one person sitting alone or, better, by a group discussing the text. By doing the exercises, each person applies ideas and theory to a situation (e.g. “does this project seem relevant for the problems?”). Each person learns through thinking and discussion. So please do the exercises if at all possible. Your NGO could have a small working group who meet regularly to do so.

There are also a number of **EXAMPLES** from existing projects. With each, you can check if there are any lessons for your own NGO. If there are topics where you disagree with the authors, you can argue it through to see if your disagreement is based on the reality of your situation.

### **Definition of NGOs:**

The United Nations High Commission for Refugees (UNHCR) asks for the following in an NGO, that it is non-profit; non-commercial; non-government; legally registered; and subscribing to universal humanitarian values and practices. However, legal registration may pose problems where the government is hostile. It can, for example, block external funding.

Other International agencies look for additional characteristics. Perhaps the most important are that the NGO has capacity – meaning that it knows how to make a plan and has the resources to carry it out – and that it is ready to be held accountable for its actions.

Agencies may also look for:

- an established headquarters;
- a democratically adopted constitution;
- separation of policy-makers and executive: this means that there is one group of people who decide on the policy of the NGO (e.g. a Board) and a different group of people doing the work – the employees or the Executive. The third group involved are the people who benefit from the NGO – the beneficiaries – and the

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policy-makers should represent these beneficiaries. They should also have some real control over the way the employees approach their job. (See *Chapter 8*).

- that the NGO has existed for at least two years;
- that it is not politically partisan;
- that it does not use or advocate violence;
- that it is funded mainly by individual members – although in poor countries this is often impossible.

We are not saying that each NGO should do all of the above. An NGO can take different forms. Think about what is really important:

- Many of the factors listed above are about behaving as a formal organisation. Small NGOs may do fine without much formal shape.
- Some countries make legal registration unnecessarily difficult, or attach political strings.
- It is possible to have various interpretations of many of these terms, such as “universal humanitarian values”.

So good NGOs may end up looking very different from each other.

**The definition we wish to use in this manual is that an NGO should aim to be non-profit, non-commercial and non-government. It should subscribe to universal humanitarian values and practices. It should have capacity, and be ready to be held accountable for its actions.**

But the bottom line is this:

A lot of NGOs do, on the whole, more good than bad.

A number of others are clearly lining the pockets of the boss or helping one group grind down another – doing more bad than good.

And a third group has so little capacity, so few staff with any conviction, that they are completely ineffective.

In which group, in ten years time, will you have placed your own NGO?

## CHAPTER ONE: THE BEGINNING STAGES OF AN NGO

### 1.1 First Steps

For all of you starting up an NGO, hoping to be successful, you need three things;

- the first is passion
- the second is a group of people who share this passion, and the vision to match
- the third is a good relationship with the people you want to help – the beneficiaries.

In most countries, NGOs start in two ways: one is where there is a group that has no voice but needs to find one. A few people in this group – perhaps the parents of children with disabilities – start to meet, decide to organise themselves in order to get more resources for their children and for their family. This is the classic bottom-up beginning. Another way is that a group of people with education or status decide to adopt a cause, decide that they will help, for example, older people with cancer or village groups who are planting trees.

The difference between these two groups is that, with the parents of disabled children and other bottom-up groups, the prime or original beneficiaries of the NGO are themselves and their families. This ensures that the beneficiaries are treated well. With the second group there is an “Us”, the people who are doing good, and the “Them”, the people being done good to. Whether this second group of NGOs will build well depends on whether they move the beneficiaries from outside to inside, making them part of the “Us”. This has to happen very quickly, otherwise the central relationship sets hard and can be poisonous – Do-Gooders helping Objects of Charity

There is usually a period of informality, when the group beginning the enterprise treat each other more or less as equals and everyone does everything, from sweeping the floor to deciding on policy. This is the period that you may remember later as the best time, when your passion was strongest, the feeling of working together for a common cause.

Very quickly, though the number of people gets bigger, jobs start to require specialisation. Outside organisations push you towards a proper office, a computer, towards legal registration, the creation of a board. Everyone starts to get a salary.

So now the main actors are: the workers; the beneficiaries; the board; and the individual or small group who keeps it all going. These last may be workers or the boss, may be a board member who was previously a beneficiary. But they are key – the person or people who keeps the engine running, who provides the energy and drive. If you are that person or one of those people, then as the NGO gets bigger and has different jobs within it, one of your big tasks is to make all the workers feel that they belong in the NGO and that the NGO belongs to them. You need to create a sense of ownership, among the beneficiaries and also among the workers.

Why a Board? Not every organisation makes one. A Board becomes important when the workers start to be paid, and perhaps become more concerned with earning a living than with good service. A Board should have members who truly represent the beneficiaries and who listen to the workers, but they make policy away from the people doing the daily tasks. They ideally have no personal interest except the good of the beneficiaries. In practice, checks and balances should make sure they are acting appropriately.

### EXAMPLE: THE STORY OF HOW ONE NGO IN WEST AFRICA GOT STARTED

*Jean-Robert Mbane*

This is the story of our NGO so far, though I will say that it is only recently that we claim to be an NGO. We have been working with older people for about 4 years. Everything came out of the pity we had, seeing older people suffering. We started in our main village by paying regular visits to them, discussion about their concerns, the heyday of their life; after that we brought them the food they liked which could not be found in our village. We brought them cloths against the cold; we brought them medicine and helped them to read the directions for the medicines they got.

We were encouraged in these activities by some other people who came to help by giving food (rice, oil), cloths and other useful things. We were six founder members. Then we started work with young people who were not able to complete their higher studies and who had settled in the village; then, more and more, our action spread to the neighbouring villages. It is only recently that we learned that other organisations around the world had the same interests as us and saw the necessity and the use of legalising our NGO.

Now we face the problem of having different views of what we should be doing. Some among us think we need to build community houses for older people. Others, including myself, think that we should keep older people in their own houses and assist them there.

#### **EXERCISE:**

**Is this NGO top-down or bottom-up?**

**What is its relationship with its beneficiaries?**

**What are the three most important steps it should take next?**

### 1.2 The factors that will help you build an NGO of good quality:

1. If you are clear about your goals, values and ethos; if you are clear about the field in which you are building your specialism; if you know what approach you are taking, whether advocacy or implementation, and if you find ways of making a recognisable name profile;
2. If you build a relationship with your beneficiary group which has good will and respect on both sides;
3. If you adopt a single objective, because then it is easier to achieve it;
4. If you live in a country with a strong civil society. This means that there are enough NGOs and Associations to form a mass big enough to be listened to, a mass existing between government and people. An example of a country with a strong civil society is Senegal.
5. If you build up your professional capacity and build partnerships with other groups.

**Here is a formula to follow:**

**\*\*\* CAPACITY-BUILDING + PARTNERSHIP-BUILDING = POWER \*\*\***

A good example of where you need to be professional is in your handling of money. If you do the job properly you will also show yourself to be transparent -anyone can see how you are spending the money – and accountable – if money goes missing then it will be noticed and someone will have to take the blame. *See Chapter 10.1;*



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6. If your NGO builds structures and ways of acting which are transparent, accountable and democratic. *See Chapter 8;*
7. If you develop a clear and sensible policy on gender. If no thought is given, then women will be under-represented in the group that makes decisions, and the needs of both sexes among the beneficiaries will not be thought through.

## CHAPTER TWO: IDENTIFYING YOUR VISION, PRINCIPLES, MISSION, STRATEGIES, ETC.

Every NGO will do better if the workers have agreed on its vision, strategies, principles etcetera. It may take a period of discussion, during which each individual and group has a chance to argue and brainstorm. The way in which vision, mission and strategies flow one from the other and then lead to projects is very clear in the following example:

### EXAMPLE: FINDING A VISION, A MISSION, STRATEGIES AND GOALS FOR CISS, OUR NGO

*By Mrs. Peres Odera*

Community Initiatives Support Services (CISS) is an organisation registered in the republic of Kenya as a development agency. It operates in Western Kenya. It was started by a group of professionals and practitioners in community health and development in 1979.

1. OUR VISION: CISS operations are based on the organisation's vision, which is **"a healthy and just society"**. To reach such a society, there are many things that could be done. Within CISS, we narrowed it down so as to identify...
2. OUR MISSION: **"to build and strengthen sustainable individual family, institutional and community initiatives for health and development through partnership at all levels"**. To do this we had to find...
3. STRATEGIES. These are broad-based and limited in number. CISS formulated two such strategies, one of which is **"organisational development and management"**.
4. GOALS had to be found within each strategy. One of the goals, closest to the strategy given above, is **"to promote sustainable organisational and resource development"**.
5. PROJECTS then have to be planned and carried out to attain these goals. One such project has been **The Organisation Capacity Building Project**: which **reviewed the vision, mission and goals of the organisation with the board members, associates and staff of CISS and mapped out the responsibilities of each group, within a time-frame of 3 months** The strategy used for the review was training and experience-sharing. (Clearly, other projects would use other strategies).

#### **About the words used here...**

Please note that different organisations use words a little differently. For example when some NGOs talk about the long-term, most encompassing point to aim at, they call it their "goal", not their "vision". In addition, words like "goals" are used at different points in this whole planning process. But this is not so important. What is vital is that every project has its place in a logical plan that the NGO workers know and have agreed to.

#### **Choosing good strategies and goals**

It is very important that your NGO chooses good strategies. Another way of stating a strategy would be to say, "The main thrust of our work will be..." so strategies are practical, and you will only be able to manage a few. Here are two examples:

- 1) "One strategy is to ensure that after five years, in this very poor community, each family will have one member who can earn money".
- 2) "As an environmental NGO, one of our strategies is to protect the existing trees and soil by building sustainable cooking fuel techniques into the community (e.g. by tree-planting, solar cookers, improved stoves, etc.)".

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We all know small NGOs with great commitment, who work hard but whose projects and activities are not part of any sensible strategy and are, in the end, a waste of time.

### EXAMPLE

An NGO in Asia was trying to help families on the edge of survival. Most of their energy went into providing a school. The children came out of the school able to read, but not equipped to earn an income. The families stayed poor. If the NGO had adopted the strategy "To ensure that one member of each family can earn a living" they might have made better progress.

### How to decide on good strategies, goals etc.

This manual talks on a number of occasions about ways to deal with serious issues. We suggest the use of SWOT exercises, (Strengths Weaknesses, Opportunities and Threats), when an organisation sets aside a few days, finds a good workshop leader and works alternatively all together and in smaller groups. Good strategies have to be based on a good understanding of all the actors, potentials, limitations, needs, problems, leadership structure, etc. The SWOT process is described in more detail at the beginning of Chapter 12. If the SWOT approach is use for identifying strategies, you might want to invite one or two outsiders with good analytical skills and a view of the role of an NGO. Senior people from another, successful NGO might be the right choice.

After brainstorming a number of possibilities, you need to narrow down and prioritise the few that are most important – and also identify the core problem which underlies everything else, perhaps landlessness, displacement, poverty.

Then comes the brainstorm on strategies – what would each achieve? Would they really meet the problem? Which strategies would build on the strengths of the NGO? If people want to concentrate on income generation, do you have people with experience, with an understanding of markets, profit margins, how money works? If the expertise of the NGO is running crèches and none of you can do simple sums, then to concentrate on income generation would be to build on your weaknesses, not your strengths.

### How your vision is built on principles

Part of this process of identifying goals, strategies etc. is recognising the principles held within the NGO, which most people subscribe to but do not normally discuss very much. Maybe your workers believe that all people deserve respect and a living wage, or that if you are born well off, you have to give something back. At the level of the NGO there may be a strong principle that its workings should always be transparent. Sometimes this principle is adopted as a strategy, and systematic action is taken to ensure it. Sometimes the principle is put on one side – "We will tackle transparency next year, after we have made progress with other strategies" – but it does not go away. Principles do not go away. Strategies, however, can be replaced when they have served their purpose.

Another principle might be friendliness towards the environment.

Another, we would hope, is the principle of inclusivity – that all the people with a say in an NGO, whether bosses, cleaners or those who get help, should feel included and have a way to make their opinion heard. No one should be silenced because of their ethnic group, because they are disabled, too old, too poor or because they are women. Many NGOs have started to translate this principle into something real by looking at gender.

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### Including women and men: working out a gender policy

What is gender? We are born, most of us, as one of the two sexes. But boy babies and girl babies get treated differently from the moment their umbilical cord is cut. We are taught how to be girls/women, boys/men. So gender roles are the social and economic roles that our culture gives us. They apply to both main genders, but women tend to be behind men in their situation (often poorer, less well-fed) and in their ability to get to resources. In most countries, for example, they find it much more difficult to get credit even though they have a better record of repayment.

#### EXAMPLE: THE EFFECT OF HAVING A GENDER POLICY

In 1998, there was a pause in the fighting in Sierra Leone. The planting season was only six weeks away and the big international agencies had to get seeds and tools to everybody, fast – to settled villages and to the displaced people in and around the villages. They worked through national NGOs who in turn worked through Village Heads. Those NGOs with no gender policy allowed the Village Heads to control who benefited, which meant that the 13% of displaced families headed by women got nothing. The NGOs with a gender policy knew how important it was to reach these families and made sure they were helped.

Here are the reasons why we say that an NGO should work out its own gender policy:

The *first reason* is that it will help you provide better services to beneficiaries (look at the example above). For a long time, certain groups have been getting less attention in development projects than others. Women have been sold short; so have different ethnic minorities, people with physical disabilities, the elderly. Meanwhile the groups with the highest profile and loudest voice get the most attention. A crude example is the crowd waiting for the bread handouts, a mass of young men elbowing the women to the back. But the women – leaving empty-handed as the bread runs out – look after, on average, five other people. If the distributors knew this, and acted on their knowledge, they would provide a more effective service.

So to some extent a gender policy is about knowing the people you are helping and the groups within the group. It is similar to doing a Vulnerable Group Analysis. It is a planning tool.

The *second reason* is that it is an issue of Capacity Building. Developing a gender policy will force you to look at how your own organisation has developed and whether your staff is representative of the groups you are helping. NGOs that are dominated by a higher class, or by one sex, NGOs where everyone is young and able-bodied, will probably not provide a sympathetic service for anyone different, especially not the other sex, the elderly, the most despised minorities.

#### EXERCISE:

**If tomorrow your NGO started a project for prostitutes, would everyone treat them as well as they would treat an old friend they went to school with, who is now in trouble? If not, why not? Where does kind-heartedness start and end?**

On a more practical level, most NGOs need women staff for certain tasks, like talking in confidence to female beneficiaries or providing Family Planning. But if they are only employed to do jobs decided on by male bosses alone, then the NGO is under-using their abilities and treating them with disrespect – and it probably disrespects its beneficiaries as well.

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NGOs which want to change can organise staff training, demand a proven record of gender skills for certain posts etc.

A *third reason* is that many donors and bigger NGOs take the issue very seriously. They have a gender policy and will expect you to have one too. This is not true for all – UNHCR has a gender policy, Medecins sans Frontieres does not. Find out from your donors and partner NGOs where they stand and then look at their work.

A *fourth reason* is that gender is a matter of principle. If people get what they need then the service is fairer, more ethical. And we cannot know what they need unless we understand their situation. Analysing it from the perspective of gender is one way to understand, and a helpful way.

### **EXAMPLE: HOW DEVELOPING GENDER AWARENESS IMPROVED SERVICES FOR THE ELDERLY IN AFRICA:**

By Amleset Tewodros, HelpAge International

HelpAge International works through local NGOs with older women and men, and to do a good job it needs gender awareness – an understanding of the situation of both women and men and how they are affected by social and psychological factors. With good understanding, the rights of both women and men can be equally supported.

On average, women in the developing world outlive men by 3-5 years, and by 2025, the numbers of women aged over 60 will have increased by 150 per cent. Longer lives mean that, compared with men, women have more chance of being widowed, of living without a partner. Older widows have few opportunities to marry again and often face loneliness, isolation and dependence on their children – these in societies where status is linked to having a husband. In HAI's experience, many older women continue to work into very old age. In addition to producing food or earning income themselves, they often take on domestic responsibilities to enable other family members to earn money. Care for the 'old old' still falls largely on female family members, often themselves ageing and in failing health; so does supporting the sick and disabled in both the immediate and the extended family

At the Africa Regional Development Centre of HelpAge International, we felt that we needed to do more to make our programmes gender-sensitive. So a consultancy firm was involved to guide our work. They started looking at the current programmes implemented by the organisation and whether they could be more gender-responsive. Various tools useful for mainstreaming gender were developed, for example tools for advocacy, for indicators and for programme monitoring. Then, a three-day's workshop was carried out, to share these tools and increase the capacity of the staff to use them.

The workshop was an eye-opener for the staff. They saw the need to change beliefs and practices that marginalize women and the need to be more systematic and alert about ensuring that older women and men benefit more fairly from programmes.

## CHAPTER THREE: IDENTIFYING THE REAL PROBLEMS AND NEEDS

The first steps of the Project cycle involve identifying the real problems and needs. You may already have a lot of information, and may already have a good idea of what you want to do. However perhaps this information is less complete than you realise. An exercise in actively gathering information may bring in an extra dimension.

### 3.1 Step 1: Plan what information you need and how to gather it – perhaps through a Needs Assessment or a PRA

A Needs Assessment is often seen as a separate activity, when a team from the NGO and other disciplines goes and spends a week with the beneficiaries. But if the beneficiaries are nearby, living in shanty-towns or in a refugee camp, you might want to build information collection into routine NGO activities, with perhaps a pair of workers spending an afternoon a week visiting a few families or individuals and gathering information in an organised way. Then, your NGO will be basing future decisions on good foundations.

*THE PROCESS OF A NEEDS ASSESSMENT IS LAID OUT IN ANNEX ONE.*

### 3.2 Step 2: Get information from experts outside your NGO and from the beneficiaries – and make sure that what they say is taken seriously

No NGO has complete expertise. Needs Assessments can be done in partnership with other experts. These may be people working in Government offices or private enterprises. If you are concerned with poverty, you might want to involve an expert on micro-enterprises from a bank; if you are interested in health and sickness, you can talk to the local health workers. Building partnerships with such people is worth doing.

Most groups of beneficiaries can play an active part in the process of finding out what the problems are. Children over seven, people with psychiatric problems, even people with special education needs (the people previously called 'mentally handicapped') may still be able to communicate – if you say to them in a careful and respectful way, “what are your problems?”; “what kind of place do you want to live in and why?” they will have a point of view worth hearing.

#### **EXAMPLE: THE RECONSTRUCTION PROJECT IN LUARLILA (1)**

I belong to a national NGO in a Central African country. I was working overseas with an International NGO when the country went into a period of civil war, with killing, burning of villages etc. When peace was restored I returned and, with five colleagues, started the NGO with the main purpose of reconstructing houses, since there were many displaced people and returnees with no proper housing. The International NGO for whom I had been working was ready to fund a reconstruction project if the plan was good quality.

Our first step was a Participatory Rural Appraisal. We needed to find out what should be done first in the situation that existed. We formed two teams, each having four local experts – an economist, a rural development specialist, a nutritionist/primary health care expert and a sociologist. The teams were given a one-week training in Participatory Rural Appraisal. Each team was then assigned a District for which, after the PRA, they would have to draft a reintegration and development plan – two Districts in all.

## CHAPTER FOUR: PLANNING

The next steps of the Project Cycle involve deciding what the project should do and then planning. To ensure that you get to where you want to go to, pick goals, objectives and indicators that together reflect the vision of your NGO.

### 4.1 Step 3: Decide what the project should do and start planning; identify goals, objectives and activities

#### EXAMPLE: THE RECONSTRUCTION PROJECT IN LUARLILA (2)

The vision of the NGO working in Luarlila is to improve the quality of life of the people through building and infrastructure projects. In Luarlila the Goal (the long distance vision) was to enable the community to resume normal life through rebuilding the houses and infrastructure. Coming down to a more specific scale, there were three main objectives:

- 1 To have rainproof housing for all by the start of the rainy season;
- 2 To have basic infrastructure restored to an acceptable standard
- 3 To involve the community in planning, implementation and monitoring, so that they would see the project as their own.

We felt that the Goal and objectives of the project fitted well with our vision.

#### Indicators

Some project managers, when they are clear on their goal and objectives, break down some of the objectives and activities into small representative targets or indicators. If the activities selected as indicators are carried out well, then probably other things are proceeding well also. Each indicator has to be measurable, achievable, and relevant.

### 4.2 Step 4: Involve the beneficiaries in the planning process

When you start to plan what to do, you must know what is Best Practice in your field. So check Chapter 7. In Luarlila, building in Best Practice was part of the planning:

#### EXAMPLE: THE RECONSTRUCTION PROJECT IN LUARLILA (3)

Our next step was to involve the Community as Active Partners. In one of the Districts there was an active District Development Committee ready to work with us. We wanted to give this committee support, help it learn by doing, and so become more capable. However in the other District the Committee was heavily controlled by the chief and his family. It was clear that they would try to control who benefited from new housing and the sales from any water supply.

This problem of an undemocratic committee, was addressed in the following way: Both Development Committees were told that, if they wanted the project in their district, they would need to form a Reconstruction Sub-Committee that could make decisions. The numbers, gender and ethnic background of the members were defined in advance, and the sub-committee members were warned that they were not allowed to benefit themselves from the project. Ways of settling disagreements were also worked out in advance.

### 4.3 Step 5: Build Good Practice and Transparency into the plan

When you start to plan what to do, it makes sense to be clear about Best Practice in your field. If in doubt, check Chapter 7. In Luarlila, building in Best Practice was part of the planning:

#### EXAMPLE: THE RECONSTRUCTION PROJECT IN LUARLILA (4)

After the Participatory Rural Appraisal, there was a lot of planning and preparation needed before the implementation could start. Two Community Development Plans were made from the PRAs, and were validated by the two populations. The PRAs had found that in both Districts the needs were for housing, followed by basic infrastructure like water supply, basic health facilities and some primary schools. We were surprised at how strongly the two populations wanted schools for their children.

We had ensured that Best Practice was built into the plans: This was done by following certain principles:

- We used technologies that are used locally so that people knew how to construct their own houses and keep them repaired.
- We tried to be sensible about local resources, to avoid a negative environmental impact. We used a house design that did not involve too much local wood; we did not want to see all the surrounding trees cut down. We were also very careful about latrine siting etc.
- We found local people for the critical stages of beneficiary identification and mobilisation, and hired technical expertise from outside.

#### EXAMPLE: TRANSPARENCY IN THE RECONSTRUCTION PROJECT IN LUARLILA (5)

Our next step was to try to build Transparency in the following ways before work started: both sub-committees met with the NGO to agree on who was to receive extra benefit from the project, either in the form of help with the labour of house reconstruction or by a reduction in their payments. The two selection criteria, vulnerability and poverty, were agreed on and defined. For example, women-headed households were classified as vulnerable. These criteria were written down and displayed in the two communities.

### 4.4 Step 6: Develop a monitoring system in which, where possible, the beneficiaries can play a role

#### EXAMPLE: THE RECONSTRUCTION PROJECT IN LUARLILA (6)

We then planned the monitoring. This was done in a meeting between our NGO and the two Reconstruction Sub-committees. A number of areas were discussed including

- How will we know if we are reaching the vulnerable groups?
- What will the community want to see as a sign of progress?
- What can the sub-committees do to keep the project activities going when the money stops and the professionals leave?

Out of this discussion we agreed on a number of indicators, some of which were suggested by committee members. They included:

- A month after implementation starts, a group will visit each district to check that all the vulnerable and poor families are truly included;



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- Six months after the school is open a majority of the children will be attending regularly.

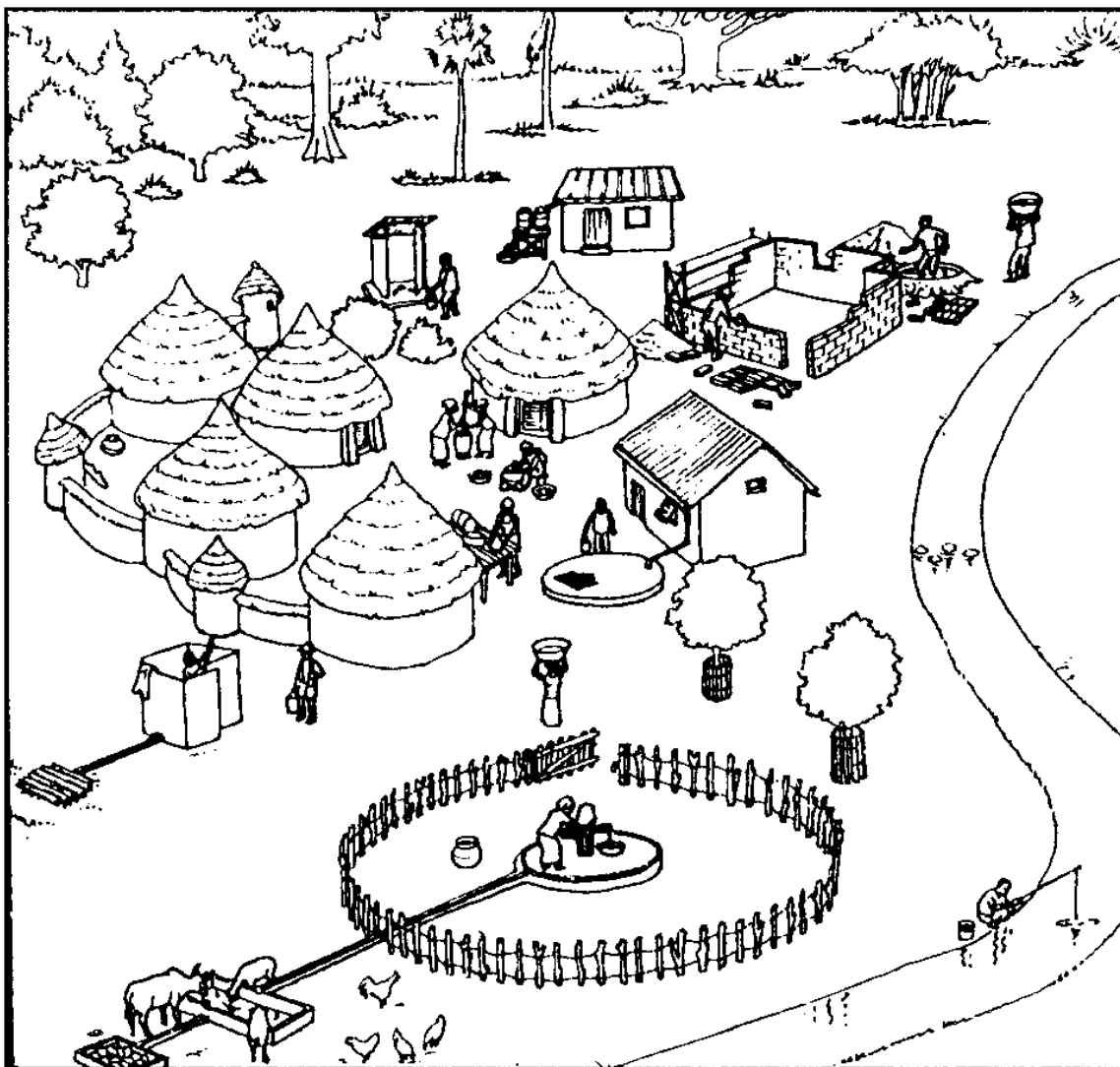
The Reconstruction Sub-committee had accepted responsibility for collecting essential information, and forms were drawn up to help them. It was agreed that some supervision of the monitoring would be done by our NGO

### 4.5 Step 7: Get the financing

#### EXAMPLE: THE RECONSTRUCTION PROJECT IN LUARLILA (7)

Because we were working after a war in which our reserves had disappeared, we were dependent on one donor, the International NGO. This is never good and in fact it took longer than necessary to approve the financing. This was mainly because the woman responsible for Central Africa got pregnant with complications. So the start of work was delayed for four months and one of the best NGO workers got bored, found a better-paid job and left.

*For more information read Chapter 10.2 on Fundraising and Chapter 9.3 on Making Budgets.*



*House designs using local technology and not too many local trees*

## CHAPTER FIVE: IMPLEMENTATION

### 5.1 Step 8: And now – after all the planning – implement, or do it

Implementation can be relatively easy if you have done the planning well – and if you are lucky. Some things are bound to go wrong. The most common problems are: delayed financing; delayed supplies; sickness among the workers; and bad weather. Planning should try to take all these possible pitfalls into account. And when problems happen, you have to be inventive in finding solutions.

#### **EXAMPLE: THE RECONSTRUCTION PROJECT IN LUARLILA (8)**

Our next step was Implementation as finally the work began. Our project had two major types of activities:

The first group of works were houses which to a large extent the beneficiaries could rebuild themselves or with some help from a skilled builder. The responsibility for construction lay almost entirely with the owner of the house; he/she made the bricks, collected the sand, did all the unskilled labour etc.; our NGO was only responsible for delivering building materials like cement and roofing and collecting a subsidised amount from each household

The second group of works were those that needed a contractor, and these were the facilities for each community – a water supply plus reconstruction of the health post and the primary school. A contractor did the work.

During implementation, a number of problems arose. Small amounts of cement were needed during an early stage of construction, and our NGO had been assigned an amount from a shipment. However, this quota got diverted to a Government project. It took time to find alternative sources. Meanwhile, construction had to stop. One sub-committee became very de-motivated. A rumour went round that our NGO had embezzled the funds. Frequent visits were necessary to keep up morale until work could start again.

A further problem was the optimism of the community. Each family had either to pay a small amount to the project, or instead, help one of the vulnerable families with their house building. People volunteered to do this but many failed to put in the hours. Three-quarters of the way through the project, there was an emergency meeting with the defaulters. They were given a deadline for when the promised work had to be completed – or their own house would have no roofing.

Because of these delays, the final work on the houses went on into the rainy season; extra constructors had to be found and paid so that all the roofs were put on in time. The project ran three months over the time planned and used up all the contingency budget line.

#### **EXERCISE:**

**What were the three biggest implementation problems faced by the project manager?**

**How did she solve them?**

**Would you have solved them in the same way, given your own culture?**

## CHAPTER SIX: MONITORING AND EVALUATION

### 6.1 Step 9: Monitor

You have seen how monitoring begins as part of the planning stage. One way to ensure that it is effective is to involve the people you are working with and who will benefit from the project, as happened in the reconstruction project in Luarlila. They can help you monitor the progress, based on the indicators that you have identified together with the target groups. This is called participatory monitoring. Just as in Participatory Rural Appraisal, people who cannot read or write can nevertheless count and tally, so they can monitor and keep records.

#### **The definition of monitoring:**

To monitor means constantly to check how things are going, comparing actual progress to what was planned. In other words, how well are you faring on your journey?

#### **Different reasons for monitoring:**

For each NGO, for each project, you, the managers, have to decide why you want to monitor; then you have to work out the minimum amount of recording that will give the information to meet your needs; then, how to collect it; and finally, how you will use the information collected. Monitoring is one of the most important management tools. Because of its importance, it may rightly take up to 5% of the budget. However, if the information gathered does not reach the managers or if managers do not use it, time, money and effort will have been wasted.

### 6.2 Step 10: Evaluate

Evaluation, like monitoring, looks at whether objectives have been achieved. But it tries to stand back and look at the longer-term objectives – Are you on the right road? Is your project going to change the problem? Being more specific, here are some ideas (criteria) that are used by bigger organisations when they evaluate. You do not need to use all of these criteria. But you may want to refine how you think and plan within your NGO. And/or you may want to talk to a bigger organisation in the international language.

#### **Three criteria used in Evaluation:**

**Relevance:** This is perhaps the most important. Question whether the objectives of the project really matched the problems and needs – whether the 'why' of the project was a good one. It is easy to start activities that do not help the problem. For example, one health project found a lot of protein-calorie malnutrition (PCM) among the children under five and spent a great deal of energy persuading the villagers to start growing lettuces (not a priority food for children with PCM). Once the plants were cropped they were mainly sold in the local markets and the cash disappeared into the household budget. So there was no match between problem and activity.

**Cost-effectiveness:** Effectiveness asks whether the project has been successful in achieving its objectives, and adding the word "cost" asks whether it has done so for a reasonable amount of money, time and effort. If a project, following its plan, immunised 500 children, that seems effective; but if the project made one hundred field visits and spent three months doing only immunisation, then it was not very cost-effective.

**Sustainability:** Are there lasting benefits after the intervention (such as increased self-sufficiency)? Sustainability looks at what happens after the project comes to an end and whether the beneficiaries go on receiving benefits for an extended period of time after the assistance has been withdrawn.

### **EXAMPLE: LUARLILA CONTINUED**

A further step for the project was an Evaluation, done three months after the end of the project by the funding International NGO. They wanted to learn lessons for the future. From our point of view (the local NGO) the biggest weakness of the evaluation was that we had not insisted on contributing to its Terms of Reference. We thought that the strong points of the project were the community involvement and the help given to the vulnerable. The Terms of Reference were more concerned with money, especially cost-effectiveness (value for money) which had not been a strong point in the project because of all the delays and over-spending. For our own evaluation, we re-visited the villages a year later and found that the sub-committees were collecting money for water and ensuring repairs to the houses and water systems. This to us seems very positive.

#### **EXERCISE:**

**Do you think this project scores well for relevance and sustainability?  
Could you give reasons?**

### **6.3 Step 11: Feed lessons back into the next round of planning**

The last step is to feed back the lessons you have learnt into the next round of planning.

### **EXAMPLE: LUARLILA CONTINUED**

After our own evaluation, our NGO held a workshop to review "lessons to be learnt from Luarlila". We had invited two outsiders from other NGOs and one from an international donor. After two presentations, we split into groups and brainstormed. Several people had been asked to take the role of "Devil's Advocate". As a result we were more critical than we might have been of our beneficiary involvement and of our dealings with the funder. At the end of the day we had a number of "Lessons Learnt" written up on a poster in our main office, where they could be kept in mind.

## CHAPTER SEVEN: WHAT BEST PRACTICE MEANS

### 7.1 Best Practice for you?

In each field of development, people have been working and gaining experience for centuries. Aspects of Best Practice depend on the situation; in the example given below of working with the physically disabled, the setting is South Africa. The economic situation is varied but more developed than in other countries, so standards are higher. Elsewhere, the only Practice possible may be helping the disabled just to keep alive. But whatever the economic level, helping the beneficiaries build self-respect and gain some power is both important and possible.

If your NGO looks seriously at what is considered Best Practice in its field, and after hard arguing decide that it is not right for your circumstances, then that is fair enough. But if you just ignore the whole body of experience and do what you want to do, you are looking after your own egos, not the well being of your beneficiaries.

### 7.2 Is building an orphanage Good Practice or Bad?

Traditionally in Africa, orphans were accommodated by the extended family. But in Europe people built orphanages. The characteristics of orphanages for the last two hundred years have been: • insufficient numbers of staff to meet the physical and psychological needs of the children; • a failure to teach the children how to relate to adults of both sexes, and in doing so learn how to be a woman or a man; • a failure to teach them how to build relationships of their own; • lack of planning of the children's' work futures. In Europe, girl babies are put into orphanages, grow up without relationships with boys and men, come out at sixteen, get pregnant . . . and put their girl baby back into the orphanage.

People seem to love building orphanages. The idea makes a nice mental picture – the saintly founders, surrounded by the loving children who are only alive because of them, all in a building that is a concrete proof of their benevolence. But this picture is about the egos of the builders, not what is best for children.

Today, AIDS has brought a large number of orphans. How should they be cared for? The money that can build an orphanage can also be spent on fostering the babies with their grannies and paying an allowance. If there are no grannies, aunts or big sisters, they can be fostered with non-related families. If land tenure is closed to outsiders, then older orphans will do better in towns, where they can be found a Master or Mistress and apprenticed to a trade, and ideally fostered with the Mistress's or Master's family.

### 7.3 Working out Best Principles and Practice

#### **EXAMPLE: WORKING OUT BEST PRINCIPLES AND PRACTICE FOR PROJECTS WITH OLDER PEOPLE IN AFRICA**

*By Amleset Tewodros*

We work for HelpAge International Africa Regional Development Centre, in Kenya. Our job is to provide support for national and local NGOs working with older people. Through their efforts we try to ensure that a number of best principles and practice are reflected in project work. Here are some of them:

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### Checking our attitudes and those of other key people

We try to ensure that everyone concerned sees older people as equal partners, not as objects of charity. Getting older is a natural process that affects us all. We should recognise that older women and men are an important part of society. They contribute, and their rights, needs and contributions need to be well understood. It is important to recognise that older men and women have a wealth of experience acquired over time.

*"I never believed these poor older people had anything to say. Now I have changed my mind and will always consult them",* Government officer, Ethiopia, after attending a needs assessment workshop with older people.

### Involving the elderly in NGO structures and in their planning processes

Our partner NGOs are involving the elderly in their structures. Like other NGOs they share powers, rights, and accountability by having strong Boards (more in Chapter 8) and older men and women are represented on these Boards. They can use their experiences and capacities in project designing, implementing and monitoring.

### Understanding their physical limitations but also their strengths

As people advance in age, they may become weaker and more susceptible to illness. We have found that it is important to take this into consideration while dealing with older people. We have to see each of them as an individual, to try to encourage participation, independence and dignified living – what we call active ageing. But we must not be overprotective. Older people have great strengths.

*You are never too old to learn. For me, it was like stepping from darkness into the light",* Mrs, Mchuru, 82 years, a literacy programme participant, Durban, South Africa.

## 7.4 Good Practice in the context of a country with some resources

### EXAMPLE: WORKING WITH PHYSICAL DISABILITY IN SOUTH AFRICA

*By Gordon Freer*

MODE is a group of companies that is dedicated to finding socio-economic solutions for persons with disabilities – helping them find paying work. In many cases disabled people are seen as being a drain on families and on society. But paid work is economically empowering and can help reintegrate them into their society.

Previously there was a welfare mindset that ensured that the disabled remained dependent on grants and handouts – in a proverbial sense, people were given fish instead of being taught how to fish. One beneficiary said, "What does it help if we can dress ourselves and operate our wheelchairs, but we are unable to find jobs to earn a living? We are a burden to our families and we have no dignity."

Through the MODE methodology, inactive, dependent people with disabilities are transformed into active, productive citizens who contribute to the economy. MODE is a "best practice" model of teaching people with disability how to fish. Provided with opportunities and support, many people with disabilities have proved that they can start and run their own, viable small businesses.

The person must be highly motivated to improve his or her financial situation, through his or her own effort and not relying on handouts. It is also very important that the person has a reliable support network of friends and family. To achieve our aim, Mode uses a number of different tools including:

- Empowerment opportunities to the sector of society who are labelled as "disabled". Motivated individuals with disabilities are prompted to discover their abilities.
- Vocational rehabilitation, which includes pre-vocational skills, work performance skills and problem-solving skills.

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- Work placement / job creation / business placement in the formal as well as the informal sector.
- Environment-enabling solutions to overcome physical and social obstacles in the work place.

### 7.5 How you find out what is Best Practice in your field:

To find the best practice in your field:

- Find an experienced NGO in your field. Ask if you can visit and look at what they do.
- Read the literature. Pay a visit to the nearest town with a library. Look at the list of addresses, contacts and resources in *Annex Six* at the end of this manual and find what applies to your specialism. Follow it up. Try to find some useful sites on the Web.
- Find an experienced worker in your field, perhaps retired, and ask them to join the Board of your NGO.



## CHAPTER EIGHT: BUILDING GOOD STRUCTURES

### 8.1 Becoming a formal NGO

So your group has passed the initial stage of enthusiasm and informality. You have decided that you can do more if you formalise your structure and register as an NGO. You will create a steering committee or board, be recognised officially by the government and donors, and comply with the expectations and prescriptions that will result.

### 8.2 Specialisation among the staff

Well, do you really need administrators, fund-raisers and bookkeepers, an office and a filing system, secretaries, vehicles and drivers, sweepers, a canteen and cooks? To answer that you need to start thinking about the other end – What do you want to achieve with your organisation? The original group could help a hundred people in a nearby slum. Now you want to run a health service meeting the basic needs of 20,000 people. To provide a bigger, more focused and professional service, people have to specialise. If you want to do immunisations, you need a nurse. The nurse should not be spending a lot of time sweeping floors because then she can do fewer immunisations. And so on.

### 8.3 Building and sustaining the principles

But NGOs are not just about size and professionalism. They are about principles. One of these principles is that everybody, director and sweeper, should feel that they are part of the NGO team and that the NGO belongs to them. There are different ways of doing this but one is through people eating together. If you serve a good midday meal to everyone, at big, mixed tables, this is one way of making them a team.

Other principles for an NGO are reliability, accountability and transparency. For this you need an adequate administrative system. Someone must deal with each gift of a pile of pennies, give a receipt and say thank you. The bookkeeper must enter the money and be able, as part of the annual audit, to show that it went to buy medicines, not beer for the staff. The bookkeeping must be simple enough that the donor understands. The receipts for the medicines must be filed in a system so they can be found again. If we come back to finances over and over again, it is because so many NGOs handle money so poorly.

### 8.4 The Western model of organisations

The western model of organisations, the Pyramid, is the most common in industry and also among NGOs, both in the North and the South. It was the same type of organisation that built the real pyramids.

Other ways of organising groups of workers are found all over the world and can also work well but they are usually smaller organisations. For example, in the health field, nursing or maternity homes are sometimes run by a group of sisters or midwives, who are fairly egalitarian while offering quality care. The nurses know and respect each other and would rather do minor jobs themselves than pay out extra salaries. It is a way of working which is more “female”, which draws on a spirit of co-operation.

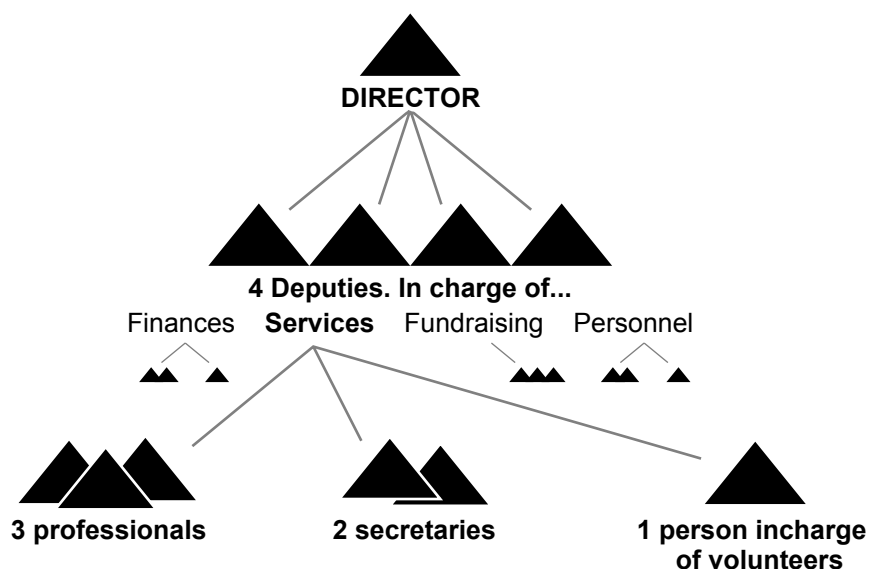


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Another successful model is that of the Family organisation, where everybody will turn to any job and the boss is also grandpa. A possible weakness with family organisations is that they may be resistant to new ideas. Then, in addition to the stated function, the organisation has another – important but unwritten – goal: to benefit the family itself. This does not matter if they make and sell flip-flops, but matters a lot if they say they are helping AIDS orphans.

So the western Pyramid model is like a pyramid in shape, with usually one boss at the top and more people as you go down the pyramid:

### AN OUTLINE ORGANOGRAMME OF A WESTERN NGO:



Each layer supervises the layer below, each layer answers to the layer above. In the end, everyone answers to the boss who should take responsibility for what everyone does.

Some organisational pyramids are tall and thin; some are wider and flatter. A good NGO has a pyramid that is not too tall. The most junior person should not have too many layers between her or him and the boss. The reason for this: it should be easy for the two to communicate, when necessary.

#### EXERCISE:

**Put your NGO structure on paper, like the example above.**

**How many layers between the most junior person and the boss?**

The same model is found in almost all industries and profit-making organisations. Some say it is a more “masculine” way of organising. The model can stay fairly worker-friendly and democratic but, particularly as the organisation gets bigger, it can become distorted in the following ways:

- The prestige of the boss may get greater and the gap between him and the lowest worker gets bigger (the boss is usually but not always a man);
- The top of the pyramid becomes mainly male;
- To get promotion or even keep your job you must compete;
- Employees are set targets, with pressure to produce volume rather than quality. For example: An increasing number of old people must be visited each year. But it becomes less important that the quality of their lives is actually improved.

## 8.5 Improving staff functioning

You can help the NGO to function well by making sure that each post has a job description – what that person should be doing, who they answer to and who they supervise.

Job descriptions for senior posts should include tasks at field level, so that the bosses do not get out of touch. And serious tasks should be shared rather than all being done by the Director. Good bosses deputise – for example, the NGO can be represented on a local platform on Food Security by the person who knows about agriculture, etc.

Your NGO has stated goals and a chosen specialism. So you know what you want the NGO to do. And you need staff who can do it. The job of the NGO should be reflected in the capacity of the staff and then in the qualities of the board.

### **Supervision/support of the workers:**

Most workers need the same things to work well. They need the basic material things – a salary which will pay for a roof, food, school for the children; sufficient job security so that if they work well they will not get sacked; enough holidays to keep mentally healthy.

In an NGO, all being well, they will get something more – a sense of purpose in doing a job that helps others. But this feeling does not last forever if the workers themselves do not receive enough support.

In most organisations, most workers answer to someone, who in turn has the job of checking what they do. Good supervision reminds workers from time to time of their purpose. Perhaps each cleric needs to spend a day with a field worker from time to time, or the NGO could hold an 'Accounting Day': "This is what we achieved over the last year..."

In some cultures and with some people, supervision is almost wholly negative, with fear and humiliation used to keep workers as underlings. Not only is this morally dubious, people treated this way tend to work far below their full capacity.

A better way is to focus on good work – effort, achievement, support of colleagues, cooperation using praise and encouragement. Honest praise is a goldmine that most organisations barely try to dig out. It inspires individuals and knits team spirit. A good supervisor can also help a worker to understand their own motivation, their strengths, their weaknesses and how they can improve.

If you, the reader, are also a supervisor, you could do the following exercises with your supervisees (and be sure to do them for yourself as well!): 13.1, 13.1.1., 13.1.2., 13.2.2.

### **EXAMPLE: BUILDING CAPACITY IN THE FENJI WATER PROJECT**

Fenji is part of a wider project run by an NGO in Vietnam. Until recently it was a temporary project reviving an old water system with a number of technicians on temporary contracts. Now the equipment works well, meters are installed at each house and business; the money that is being collected from users can pay for Operation and Maintenance. The project is sustainable. So the NGO is setting up a permanent Water Section.

As part of the changeover it has:

- 1 decided on the posts required in the Water Section;
- 2 formulated the job description for each of the posts;

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- 3 conducted a performance appraisal of the staff currently working in the project;
- 4 decided whether the capacities of the current staff, technical and personal, match the requirements of the job;
- 5 decided, with regret, to dismiss one staff member with few skills and little wish to learn; and to move two others who could not behave properly towards the new young boss;
- 6 arranged for three staff to go on training courses so that they can do their jobs adequately (if they pass);
- 7 is drawing up job contracts with a probation time of 6 months.

This kind of approach to a job overview is known as a SWOT (a Strengths, Weaknesses, Opportunities and Threats analysis) and can be used to analyse capacity in the whole NGO and for other issues.

*For more on SWOTs read the first part of Chapter 12, 'Building Sustainability'.*

In Fenji and elsewhere, it is important to realise that staff capacity-building is more than just training – some organisations see training as the answer for every problem when what is needed is staff working more accurately, getting better supervision, having their motivation improved etc.

Funding for training is more difficult to find these days.

### **EXAMPLE: CAPACITY-BUILDING IN A WOMAN'S PROJECT**

A farming NGO in northeast Africa started a Women's Section to offer training to village women. It recruited five professional women from the capital, all middle-class and with heavy family responsibilities. These were women who had to find food for their big families with prices high and inflation rising; care for the aged parents of their husbands; leave their babies with 10-year-olds while they worked. They had good hearts but their job was not their highest priority.

The Women's Section had no clear objectives. Staff held meetings at crossroads around the country. They would give a lecture on childcare. Two women from each village would be "volunteered" to attend. Neither staff nor listeners found it useful or interesting. The morale of the staff became very low.

Then, with the help of donors, the organisation started to analyse what was needed. The staff spent a week in a village, for several the first time they had done so. They returned later to interview women on what the village women wanted to learn. Their priorities turned out to be Earning Money and Family Planning. But to teach these, the staff had to do two things – find professionals to work with and go back to school themselves. The process of re-forming was long and tough but it made sense to the staff and their morale went up.

## **8.6 Building and sustaining an effective Board**

Having a Board or Steering Committee is a Western way of organising an NGO. It is not the only way. However, in the experience of the authors, good NGOs almost always have good Boards and the contribution of that board is visible. In Chapter 1 we said that a Board becomes important when the workers start to be paid, and may become more concerned with earning a living than with good service.

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A good Board can do the following:

- If the membership is right, it will truly represent the interests of the beneficiaries
- It can make policy decisions away from the people doing the daily tasks, out of no personal interest except the good of the beneficiaries. This is what is meant by the separation of policy-making and executive functions.
- It gives the director authority and support; and provides an alternative authority to which staff can appeal if the director gets out of line.
- If it is made up of experienced women and men from the local community it will bring all kinds of experience into the NGO.



By asking respect-worthy local leaders and representatives to be members, a bridge is built between the NGO and the wider community. It is a fact that local leaders cannot be bypassed. If they feel ill will towards an NGO then that organisation has a poor chance of doing well. Other ways of ensuring the passive support of local leaders, when you don't want them messing in policy-making, are getting their blessing or asking them to be Honorary Patrons. However, if they are suitable to be on the Board they can also form an active bridge between the NGO and donors, the NGO and Government.

The skills they bring should supplement those of the NGO staff rather than compete with them. Examples of the people to recruit as Members are: nurses who have reduced their workload in the hospital; headmasters; officers who used to work in the community courts; representatives of the private sector (since some business people have a refreshing way of seeing organisations); people who work in finance, because most NGOs are dreadful managers of finance.

The Board members should have their functions clearly written, with a job description – for many of them, it is indeed a new job. The description should include the years of tenure. Job descriptions also help to link the board to the office and the people in the office. The two types of functions – Board and Staff – should complement each other, and both should be stated in writing. It should be clear that the Board shall never interfere in decision-making about daily work; and the staff should not re-interpret the policy of the board to make it fit with their own vision. Inevitably, though, these things will happen and there will be clashes.

## 8.7 The relationship between the Staff and the Board in an NGO

Both Board and Staff will only function at their best if their relationship is well built. The staff needs to have ways of providing information to the board and having an input into the process of policy development. They must then be ready to understand, accept and work within that policy framework. And they need to have the room to make decisions themselves within the framework.

## 8.8 Building the capacity of Board and Staff

Members of the Board need to build their skills as Board Members. The NGO can arrange courses, the members can visit other NGOs; they can learn more from Staff about the issues of the work. They can also share training with Staff, building a sense of working together. *See the CLRAC example in Chapter 10.2.1. 'Planning the funding needs of the NGO'.*

## 8.9 The boss, the character and the job

The capability of bosses is affected by how they are motivated and what got them the boss position. Some are bosses because they are someone's son or the oldest successor to the resigning boss. A more typical head is someone with extra drive, energy and vision. Sometimes the vision is for the beneficiaries, sometimes it is for personal glory.

Are you, the reader, a boss? Can you look at what motivates you and use that knowledge to work better? *If so, look at Exercises 13.1.2 and 13.2.2 in Chapter 13.*

If you acknowledge to yourself that your work is less about serving others than feeding the image you have of yourself, don't get discouraged. You can still do a fine job, but you need to build in safeguards – ways of ensuring that you treat workers and beneficiaries well and do not edge into small tyranny. Find people to spend time with who will tell you if you are getting a swollen head.

Then consider this: whatever your motivation as the boss, the more you are a strong, inspiring leader, the more you need to ask yourself "If I have a heart attack tomorrow, who would keep the NGO going? Who would maintain standards?" Then, we suggest, you can start delegating more, giving possible successors more responsibility and guiding them so they learn how. Start building sustainable leadership.

Think about this: energetic, driven bosses are sometimes better at getting results than at building good relationships with colleagues. If there is a persistent and serious conflict between you and a colleague, or between two colleagues, it may affect the functioning of the NGO. *See Chapter 8.10.5.*

## 8.10 Good group functioning

### 8.10.1 Democratic decision-making:

Your organisation needs to be like a democratic country. Everyone should have a say and a vote. Sometimes, the boss, like a Prime Minister, has to take the final decision, and also take responsibility if it goes wrong. However, bosses in many countries find it difficult to share any of the decision-making. Dialogue between board and staff, dialogue between boss and staff – unless bosses ensure this, they are on the road to a dysfunctional, undemocratic NGO with unhappy employees.

**8.10.2 Respectful listening:**

Good, respectful listening is one of the most important skills that everyone should develop. It means helping the other person to say what they think and feel, by giving them the time they need, making encouraging noises, asking questions, saying that they are doing well – whatever works within your culture.



*Good listening*

**GROUP EXERCISE:**

The best way of learning is to listen to the other person's point of view and then state it yourself, effectively, even if you do not agree with it. So find a topic that people find exiting and will argue about. For example:

Your country has a wild animal that attracts rich hunters, who bring money into the country but kill. Protecting the animal might attract camera tourists if anyone organised it. And for some people the animal is lovely; it has a right to survive and be protected, whatever the economic arguments. But the country is so poor. Can you think of such an animal in your own country – tiger – lion – elephant – red deer – arctic fox – polar bear?

Now each person picks an extreme position that they identify with. "No animal should be hunted for fun", or "If it brings money in, we need it". Then they find someone with a position they disagree with and make a pair.

Now, each, in turn, states their point of view as well as they can, with feeling, and the listener helps them as much as possible.

Then, in front of the whole group, each person states the argument that they heard from their partner, doing it as well as they can.

The idea is not for people to change their point of view, but to see that a different point of view is understandable and worthy of respect.



### 8.10.3 Holding good meetings:

Most meetings are miserable things. Here are some ways of making them much more useful, democratic and satisfying:

- Make sure they do not go on too long – never more than an hour and a half;
- Have a clear agenda and use it to move the meeting along. Work out beforehand how much time you can spend on each item and when that time is up, get the vote and move on.
- Lift out issues that needs a lot of discussion. For example if you want everybody to discuss "Should our NGO be doing less emergency work and more long-term work?" then put aside a whole afternoon for that debate and get as much preparation as possible done in advance. For example, people who have a strong opinion should write down their arguments and circulate copies to everybody.
- Think back to previous meetings. Who talks too much, who talks too little? If there are people who talk too much, look at the section on Good Listening just above, talk to those people individually, and if necessary warn them before the next meeting that after three minutes you will stop them. Perhaps there is an ethnic minority group who hardly speaks, perhaps it is the women. Ask yourself why and perhaps have a meeting with the minority group or with the women.
- Is there a real cultural barrier to them speaking? Would they like to hold a pre-meeting meeting each time, with a friendly man who can argue their case in the main meeting?
- Are they discouraged by interruptions, people laughing at them or not listening? Do people respond in demeaning ways? If yes, you can work from two angles. Help the quiet people to meet and clarify their viewpoint, help them practice speaking. Give them time in the main meetings. Then, talk to the people who are putting them down. If some people deny others the chance to speak, this is not just a joke; it is bullying, depriving people of their democratic rights. It is nasty and not acceptable.

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### 8.10.4 If your group has fallen into bad habits:

Sometimes people in a group fall into bad habits, Meetings are chaotic, a few people do most of the talking, there are a lot of interruptions and raised voices. You might want to break the pattern and slow the discussion process right down. Suggest that for the next four meetings, the group works differently, doing some or all of the following:

- a) There is a Talking Stick, (as used by some Native American people). The person who has the stick can talk and nobody else, but for a limited time, perhaps three minutes. After that the stick has to be passed to someone else;
- b) Nobody talks twice until everybody has talked once;
- c) The discussion should stay on the problem, and people should not talk about the personalities involved;
- d) If people lose their temper, they go outside until they are cool. It is better if other people do not pay them much attention. (Paying attention rewards bad behaviour). After four meetings, a more normal meeting may be possible

*IF YOU FIND THIS SECTION USEFUL, GIVE THE EXERCISES IN CHAPTER 13 A TRY.*

### 8.10.5 When there is serious conflict between two of the workers:

If there is persistent conflict between two colleagues it may affect the functioning of the NGO. Here is one way to approach this problem. (It may seem elaborate but you can adapt it to your own needs. Above all, do make the effort to resolve conflict: if major disagreements go unresolved, an NGO can get torn apart.)

**STEP ONE:** Find an independent Chair, and have both parties agree to abide by the Chair's decisions.

**STEP TWO:** The Chair starts investigating the background, bearing in mind the following basic principles:

- The problem is defined by the interests and the personalities of the people involved.
- Both sides are probably interested in keeping their job
- Both sides are interested in being valued.
- Probably, both want to be seen as in the right in this disagreement. So focus on interests, not positions or personalities

The Chair may want to find out more about the conflict before any formal meeting, talking with bosses and colleagues within the NGO. Then, talking separately with the families of those involved in the conflict might stop the conflict being stirred at home – instead family members can be encouraged to bring gentle pressure for resolution.

**STEP THREE:** The Chair talks to each party separately.

- 1) Each party gets the time they need to recount their view of what has happened. The Chair tries silently to sort out real events from interpretations of events.
- 2) Parties are listened to quietly until emotions have been clearly expressed. Then the Chair responds to the feelings: "I hear from you how sad and angry you are about everything that has happened". Both sides need to have their say, let out their feelings, and have those feelings acknowledged. Having each party do it separately means that bad feelings are kept away from the other party.



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- 3) The Chair can list, perhaps on a big sheet of paper for each party, the main events and problems of the last years, with the parties ensuring that the lists are accurate.
- 4) The Chair ensures that all remarks are free of labelling one party the 'goodie' and the other the 'baddie'. Saying something like "Nobody deserves to have their report stolen and presented as someone else's work" would be fine. It does not say that the Chair believes the report was stolen (since it is not yet clear that it was).

**STEP FOUR:** The Chair arranges the first meeting with both parties.

Some conditions may need to be imposed – for example, that both promise to listen and not make personal attacks on the other.

Issues of honour and face-saving may be important to both parties. When the word 'Honour' comes up, the Chair can acknowledge its importance and the feelings it raises; and say that any agreement reached will have to be honourable to both sides, otherwise it will not be agreed to. At a certain point, the Chair can say it is better not to use the word for the moment because it is a given and distracts from working out how to repair the underlying problem. Some people get stuck on the concept of honour and chew on it like a dog with an old bone. To move them on, talk about the honourable nature of working for a future for the NGO and how worthy of respect it would be to achieve that.

**STEP FIVE:** Dealing with the past.

The Chair has to identify which past events were unacceptable and cannot be forgotten by the injured party. Stealing a report and presenting it as your own might be an example. But is there proof or an admission of guilt? If not, the injured party may have to live with no final resolution.

**STEP SIX:** Finding the long-term goals that can be agreed to.

Ask both parties to think five years ahead. They will probably still both be working in the same NGO, perhaps the same building. What do they both want? It is hoped that they both want the NGO to be doing well. They probably both want to be in a job, perhaps with promotion. They may both want to be boss or to have more responsibility. They probably want recognition, to be valued, to feel some satisfaction in what they do.

The Chair may have to point out that in these situations, people are not going to get all they want. However like every worker, they deserve a certain package. It may be possible to ensure that a party with little responsibility is given more (only if he or she is a personality who can handle it – the interests of the NGO are a higher priority).

The Chair can meet separately again with the two parties, give each a prescription of how they should behave in the future, and promise to re-visit over the next year. One party, for example, might hear: "If you cannot control your temper over the next year I will recommend your dismissal"; OR "you need to tell yourself every day that the other party is not the enemy and should be treated as carefully as a sibling"; OR "you need to start listening seriously to the other party; you can learn useful stuff"; OR "Let go of all these complaints and grudges; they will give you stomach ulcers".

This may be a good time for the NGO to introduce a Code of Behaviour for all workers. This might cover inappropriate behaviour such as angry outbursts, bullying, and sexual harassment. Following such a Code can be part of every job description, a pre-condition for promotion and even for keeping a job.

### STEP SEVEN: Saying sorry.

This part may need separate meetings with the two parties. When people have been hurt and angry for a long time, it helps to have this acknowledged by the people they see as the cause. It helps to hear the other party say "Sorry". In English you can say "Sorry" without admitting fault – "I was not here when you broke your leg but I'm sorry it happened". So, in conflicts between two people, find a way for both to say "I'm sorry that we are in disagreement"; "I acknowledge that sometimes I forget how another may be feeling; I did not mean to hurt you but I am sorry that I did" or "I miss working closely with you".

### STEP EIGHT: Sharing hospitality and pleasant times.

If the parties eat or drink together, with the Chair and the others involved, the process is rounded off and lightened; there is a start towards better feelings and correct behaviour to each other has the chance to begin straight away.

## 8.11 If things are going wrong in the NGO

Many factors may push an NGO in the wrong direction. Here we deal with some typical examples. If you have experienced other types of problems, and found a way of solving them, please let us know.

### 1 PROBLEM:

**Workers are not listening to each other, not allowing others to have their say, not accepting criticism or even having a major conflict.**

#### POSSIBLE APPROACHES:

*To help with listening:* Read Chapter 8.10.2 and have everyone do the exercise at least once. (You can repeat the exercise by finding different topics to discuss).

*To help with accepting criticism:* Try Exercise 13.2.2.

*To help people work better in groups:* Look at Chapter 8.10.4.

*To help two people who are in serious conflict:* Check Chapter 8.10.5.

### 2 PROBLEM:

**Workers are unclear about their job or their own motivation.**

#### POSSIBLE APPROACHES:

*Make the job clear:* Every post, including the Board positions, needs a clear job description. If people act inappropriately with juniors or beneficiaries, or if they start doing the minimum, then it helps if their performance can be monitored against the Job Description. Job descriptions should include the length of time the post holder can remain in place – the job lasts, say, for three years and is then reviewed, or the holder has to retire at a certain age.

*Improve behaviour to juniors and beneficiaries:* Try exercises 13.2.1, 13.2.2 and 13.3. After using these, other approaches can be found – perhaps an outsider organising a small workshop, or discussions on relevant sections of the Koran or Bible. Perhaps other NGOs have approaches they find useful.

*Use the powerful tool of role-play:* Suppose there is a workshop and you can find a couple of brave beneficiaries or outsiders. They can act a scene in which they play Senior v. Junior, or Worker v. Beneficiary. If, say, the NGO employees are often rude, asking very personal questions or if seniors are exploiting and patronising then the actor exaggerates such behaviour to the point where people are shocked and laugh. Seeing bad behaviour acted out can change attitudes. Some

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organisations allow this approach in a yearly play or pantomime. It can make points more gently but still be unforgettable.

*Create a Code of Behaviour:* A further step, suggested in Chapter 8.10.5, is a Code of Behaviour for everyone, being a part of their Job Description.

*Improve supervision:* Look at Chapter 8.5. If supervision is poor throughout the NGO, then a workshop – perhaps with an outside trainer – could be the most useful approach.

### 3 PROBLEM:

**The management style is not serving the goals of the NGO.**

POSSIBLE APPROACHES:

A *SWOT exercise* as in Chapter 12.1 may be the way to start the process of change.

It may also need an *outside trainer*.

The management at each level would have to accept the need for change, perhaps giving much higher priority to the welfare and involvement of the workers, perhaps retraining every worker in the ethics of service. Managers and supervisors at every level would need retraining. People who cannot demonstrate that they can do the job the new way can be, if not dismissed then blocked from promotion.

### 4 PROBLEM:

**The boss is no longer listening.**

POSSIBLE APPROACHES:

*Read Chapter 8.9.* If you are junior to the boss, identify the people who can talk to him about the way he is acting. Look at the people round him. Who does he respect? People he knew as a student? His father? Anyone on the board? Who could talk to him in a way he would listen? At the same time there may be a group of people round him in the office who boost his ego and these people must be discouraged. Think of small ways of influencing him that can be done frequently.

### 5 PROBLEM:

**The Board is not motivated.**

POSSIBLE APPROACHES:

This problem was tackled in the Lesotho SWOT exercise outlined in Chapter 12.1.

### 6 PROBLEM:

**Elderly individuals at the top are blocking progress.**

In some countries the work culture lets the person with the longest service get promotion, regardless of their ability to do the job. Organisations exist where one or two elderly people can block all progress, keeping the training school empty or running major feuds against the organisation next door.

POSSIBLE APPROACHES:

An organisation that has this problem has to do two things:

*Ensure that the situation is not repeated in the future...* by having more stringent selection criteria and job descriptions; and by building better checks and balances into the guidelines for what Board and director can do.

*Then, deal with the individual...* A Board, for example, may not be able to get rid of a 'deadwood' director until he retires in two years. Perhaps his terms of employment protect him. However they can start planning for that moment. They can make it clear to him that his powers are limited: he cannot extend his post, choose his successor or hold up business for longer than two years. They can refuse to listen

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any more to his repeated complaints and obsessions. They can repeat, "We are concerned about the NGO here, not about individuals. Let us discuss the future of the NGO". Repeated, this may gradually erode his 'playing the tyrant'. Should it be necessary to get a decision from him, ensure this is done by sending a delegate of fairly equal status to meet with him – alone. The delegate must be careful to keep the whole transaction cool and adult.

### 7 PROBLEM:

**The purpose of the NGO has been corrupted but this is not discussed.**

This can happen from the outside: the government, by bringing pressure and/or replacing staff, can turn the NGO into another mouthpiece – into a GONGO (Government-organised NGO). Political parties can turn an NGO into an organisation that gets money for its own members. Sometimes the hijacking comes from the inside – an NGO created by a family may gradually divert more resources and positions to family members and dependants. A further way of hijacking the purpose is for the whole NGO to get comfortable with doing the minimum. Consider, for example, an organisation to help elderly women. Two years on, it is contacting fewer and fewer of the beneficiaries, and providing services that take little time and are irrelevant. Once a year, it passes out a doll and some cloth to dress it. This agency could close the next day and only the staff would suffer.

### POSSIBLE APPROACHES:

This is a very difficult problem to tackle from the inside. If a junior challenges what is happening, dismissal is possible, and in many countries jobs are scarce and families need to be fed. But an individual can, in a quiet way, start look for allies and developing legitimate strategies. These might include:

*Encouraging beneficiaries to organise themselves and protest;*

*Ensuring that the press gets interested;*

*Ensuring that any partner organisations or funders start realising what is happening.*

Funders in particular may be able to organise an independent financial audit and/or systematic review.

## CHAPTER NINE: BUILDING GOOD BACK-UP SERVICES

### 9.1 Good administration

However it is organised, whoever does the work, good administration in an organisation does the following:

- it keeps the organisation in touch with important contacts, through letters, e-mail etc.
- it makes the office the hub of the wheel when other staff goes off on various tasks, so that no one is lost or feels isolated,
- it keeps correspondence ordered, up-to-date, and findable
- it makes sure that everyone gets paid on time
- it keep some files, like personnel files, locked up and confidential
- it keeps financial records and receipts up-to-date.

Everybody in the organisation should have good administrative skills: if computers are used, then everyone should be able to use them including the boss; if there are procedures and practice in use, everyone should use them, whether forms for internal memos and monitoring or rules for e-mails. It is very important to ensure that the NGO does not have donkeys, the poor people at the bottom of the pyramid who end up doing all the boring work for everyone else, carrying an impossible load.



*Don't put too many tasks on the office junior*

### 9.2 Logistics

The job of logistics is making projects happen – ensuring that there are supplies and transport when and where needed. Some tasks need logistics that are quite complicated.

For example, you want to vaccinate small children at the right times, so you need to get to the vaccinating points four times a year (measles vaccine, for example, has to be given when a baby is nine months, but babies are born all through the year...). And you need to keep the vaccine cold from the point it leaves the Ministry in the capital city, to the point where it is given. So you need what is called a Cold Chain, a series of fridges and insulated boxes, which in turn means electricity, paraffin or solar power. And at the same time you need a system to sterilise needles and equipment, with pressure cookers and boiling water and paraffin cookers. There are other things you will need, but the Ministry, UNICEF or a bigger NGO will help you identify them all. But definitely you will need a vehicle and a driver and diesel fuel and spare tyres and somebody to keep the vehicle mended and so on.

#### **EXERCISE:**

**You could do this even if you are not a health NGO. It will help you to start to think like a planner.**

**Find a map of your town and the surrounding districts. You are going to visit three villages four times a year, taking three community nurses, vaccines in cold boxes, sterilising equipment etc. Start listing what you will need.**

**Which villages are the best for getting to the most people?**

**Think about where the people are living – they will not walk more than ten kilometres to get a vaccine. Do they move during the year?**

**How much time will it take for the team to get to the villages and back?  
Will you have to stay overnight?**

**Then there will be more things to take with you. The villages are poor, so you cannot depend on them for food.**

One of the most important tasks of the logistician is to plan ahead. When there is an earthquake, the logistician thinks not just of the emergency tents which have to be flown in immediately, but also about what will be needed in three months – because it takes three months for boats to bring the corrugated iron and cement to start rebuilding houses.

### 9.3 Making Budgets

#### 9.3.1 The role of budgeting:

Budgeting has a vital role to play throughout the cycle of every project. Money is the lifeblood of any project (or NGO), and it is controlled through budgets. So, budgeting is a fundamental element of all planning and monitoring. In the planning stages, it is necessary for the project's managers to have an accurate idea of the true cost of the project. This should have an impact on its design.

Without a realistic estimate of costs, there is no way of comparing the output of the project (perhaps in humanitarian terms) to the resources required – i.e. the project's cost-effectiveness. This prevents senior management from making strategic decisions

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about how best to use their limited resources. (For example, the cost of over-budgeting one project is paid in terms of lack of funding available for other projects. In other words, if project budgets are made too big, then they reduce the total results that an NGO can achieve.) The budget is also the basis of all financial negotiations with donors for external funding.

**Once a project is under way, an accurate budget is essential as a financial control. The basis of financial management is comparing actual expenditure to budgeted expenditure. Without an accurate budget, this is impossible. Finally, the budget should form part of the evaluation of a project once it is finished.**

### EXAMPLE: WATER PROJECT IN ASIA

For a water project in Asia, the donor, a European Government, made a budget at their desks in their capital city. A lump sum was set down for the digging of 500 wells with pumps. Elsewhere in the Terms of Reference it mentioned that the wells should produce water, but the Project Manager was more concerned with digging. The project budget was never translated into exact field expenditures. Two-thirds of the way through, the project was on target and within budget – except that half the wells had no water. When an assessor pointed this out, the project had to re-dig all the dry wells, making them complete late and way over budget. When the project was evaluated, everyone blamed everyone else.

### 9.3.2 Definition, and overall approach to budgeting:

A budget describes the expected costs of one set of activities. So, budgets often have to be revised part way through a project. This happens when the activities that are actually carried out change from the activities originally planned. There is no point in comparing the actual cost of buying apples (or digging wells) to the projected cost of buying oranges (or drilling boreholes).

This means that it is important that the original budget was put together in a logical, simple way. Otherwise, it is impossible to understand how the original figures were calculated (or if they were calculated at all). And this makes it impossible to adapt the budget to changing circumstances.

So it is extremely important for budgets to be carefully thought through and well presented. Somebody else picking up your budget should always be able to understand it all (and adapt it, when necessary) with no additional explanation beyond what is written down. These notes suggest one way of doing this.

### 9.3.3 Notes about accounts structure:

A budget is drawn up using a specific accounts structure. An 'accounts structure' is the way in which costs are categorised. (For example, costs may be categorised as: local staff, international staff, travel, etc.) It is generally difficult to move from one accounts structure to another, once a project is under way.

The choice of accounts structure may be made by the NGO that you are working for – and if so, it must be used. However, some external donors have strict accounts structures that must also be accommodated. If you are receiving external funding for your project, then this must be looked into, as early as possible. You can save a lot of pain later on, by setting up an appropriate accounts structure. *See Chapter 10.*

*MORE ABOUT THE PRACTICALITIES OF BUDGETS IN ANNEX FOUR*

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### EXERCISE FOR WOMEN WORKING IN NGOS:

Many women say “I’m bad with numbers” and “ I can’t do sums”. Many of us were laughed at when we were small or told that nice girls were not good at maths. Forget about all that. Get a cheap pocket calculator, find a quiet corner or earplugs, and you will be able to do a budget or make a plan using numbers as well as anyone. Here is an example of a Focus Group Discussion from the Needs Assessment Annex (*Annex One*):

*“In three villages in Somalia, 19 women talked about their pregnancy history; between them they had had 136 known pregnancies leading to 79 living babies, some of whom died afterwards. The causes of the miscarriages suggested malnutrition and anaemia, malaria and sexually transmitted diseases. The women were still sad at their losses but glad to have had the chance to have their stories listened to”.*

Now work out how many pregnancies on average the women had.

Then work out how many live births they had on average.

Now, try a percentage. What percentage of pregnancies led to a live baby?

This is how to calculate it: take the smaller of the two numbers, 79, and multiply it by 100. Then divide the result by the bigger number ( $79 \times 100 = 7900$ . Divide by 136 = ?). It is not easy, but if you go slowly and do everything twice you can do it.

(Answers: 7; 4; 58%). *Well done!*



## CHAPTER TEN: MANAGING AND FINDING THE MONEY

### 10.1 Managing the money

#### **What is Financial Management?**

Financial management involves planning, organising, controlling and reporting on the financial resources of an organisation to achieve organisational goals.

#### **10.1.1 Managing scarce resources**

NGOs must ensure donated funds and other resources are properly utilised to achieve the organisation's mission and objectives. Financial management equates to maintenance of a vehicle – if we don't put in the right fuel and oil and give it a regular service, the functioning of the vehicle suffers and it will not run efficiently. If neglected, the vehicle will eventually grind to a halt and fail to reach its intended destination.

#### **Managing risk**

All organisations face internal and external risks that can threaten operations and even survival (e.g. funds being withdrawn, an office fire or a fraud). Risks must be managed in an organised way to limit the damage they can cause. This is done by establishing systems and procedures to bring about financial control.

#### **Managing strategically**

Financial management should not be seen as a separate activity left to finance department staff. It is of strategic importance and must be incorporated into all aspects of operational management.

#### **10.1.2 What is financial control?**

Financial control is a state of affairs that ensures that the finances of an organisation are being properly handled. The concept of financial control is at the heart of financial management. It is achieved by designing systems and procedures to suit the particular needs of an organisation. Without financial control:

- assets are put at risk,
- funds may not be spent in accordance with the organisation's objectives or donors' wishes, and
- the competence of managers and integrity of the organisation may be called into question.

#### **10.1.3 Why is financial management important for NGOs?**

In many NGOs, financial management takes a low priority. Financial planning and monitoring systems are often inadequate. But NGOs operate in a changing and competitive world. To survive in this challenging environment, managers need to develop the necessary understanding and confidence to make full use of financial information.

#### **10.1.4 Good practice in financial management can do the following:**

- help managers to be effective and efficient stewards of the resources to achieve objectives and fulfil commitments to stakeholders
- assist NGOs to be more accountable to donors and other stakeholders
- gain the respect and confidence of funding agencies, partners and those served
- give the NGO the advantage in competition for increasingly scarce resources
- help NGOs prepare themselves for long-term sustainability and the gradual increase of self-generated funds.

### 10.1.5 Getting the basics right

Good practice in financial management is achieved by designing systems and procedures around the four key "building blocks". These are:

#### 1 Accounting Records

Every organisation must keep an accurate record of all financial transactions that take place so that, as a minimum, it can show how the funds have been used. This is referred to as the *Financial Accounting* function.

#### 2 Financial Planning

to the organisation's strategic and operational plans, the budget is the cornerstone of any financial management system and plays an integral part in monitoring the use of funds.

#### 3 Financial Monitoring

*Management accounts* are internal reports produced so that managers can compare the organisation's progress against the budget and then make decisions about the future.

*Financial statements* are produced periodically for outside checkers to demonstrate how funds have been applied in the past.

#### 4 Internal Controls

Controls, checks and balances – collectively referred to as internal controls – are put in place to safeguard an organisation's assets and manage risk. Their purpose is to deter opportunistic theft or fraud and to detect errors and omissions in the accounting records. An effective internal control system serves to value and protect those who are responsible for handling the financial affairs of the organisation.

Effective financial control will not be achieved by a partial implementation of the building blocks. For example, there is very little point in keeping detailed accounting records if they are not checked for errors and omissions. Inaccurate records will result in misleading information, which in turn could wrongly influence a financial management decision.

### 10.1.6 Financial Accounting versus Management Accounting

For the financial management process to take place effectively, financial systems and procedures need to cover two aspects of accounting, financial accounting and management accounting. This is the day-to-day work of an accounts section. It describes the systems and procedures used to keep track of financial and monetary transactions that take place inside an organisation – recording, classifying and summarising financial data for various purposes.

#### The building blocks

Financial accounting records can be maintained either using a manual or computerised system (or a combination of both methods). Although it is important to comply with certain accounting conventions and standards, the actual system adopted will depend on a variety of factors:

- expertise and resources available
- volume and type of transactions
- reporting requirements of managers
- obligations to donors

One output of financial accounting is the annual financial statements, which are backwards looking and used primarily for accountability to those external to the organisation. The routine output of financial accounting throughout the year must be

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accurate and up-to-date in order for management accounting to be undertaken effectively and with minimum effort.

### Management Accounting

This takes the data gathered by the financial accounting process, compares the results with the budget and then analyses the information to help make decisions about the future management of the organisation. The reports produced by the management accounting process – most commonly the *Budget Compared to Actual Report* and the *Cash flow Forecast* – are therefore primarily for internal use and are forward looking.

Financial reports for management must be timely, accurate and relevant. They should be produced on a regular basis – usually monthly or quarterly depending on the needs of the organisation – and as soon as possible so that figures are relevant to managers' discussions.

### 10.1.7 Why accounts are produced

There are several compelling reasons to produce accounts, including:

- for project management: so that managers know how much money has been spent, on what;
- the law requires it: all charities are required to produce accounts detailing their income and expenditure;
- donors require it: donors wish to see how their money has been spent;
- for control purposes: to check that money is not going missing;
- for budget monitoring and planning: to compare actual expenditure against the budget, so that managers can be sure that there are funds to complete all project activities.

### 10.1.8 Financial controls

A few basic financial controls can greatly reduce the chance of money going astray, or of funds running out. These are described below, and include areas like authorising expenditure. It may not always be possible to implement all the controls. But, the more that you are able to use, the stronger your system will be.

Remember that preparing accounts and comparing them against a budget is an extremely important financial control in itself. Another fundamental control is making sure that people with the appropriate skills and experience are recruited for financial work, and that their responsibilities are clearly defined. This should be the priority when it comes to finding new staff to take on the accounts: find someone who has the right qualifications and experience, and make sure that they know what is expected from them.

### 10.1.9 Segregation of duties

A standard financial control is to make sure that different members of staff have responsibility for different accounting duties. This introduces a series of checks on all accounting work, and greatly reduces the possibility of fraud. The basic jobs to try to split up are: authorising payments, handling cash and recording transactions.

### 10.1.10 Accounting Golden Rules

- △ Record everything that you do. You must preserve an 'audit trail'. That means that another person must be able to follow all of your accounts just from what you have recorded, with no additional explanation.
- △ Be organised. Make sure that all documents are properly filed, and all procedures properly followed.
- △ Be consistent. If you do things one way in one month, then do them the same way in the next month (unless there is a good reason for changing them).
- △ Keep on top of the books. Do not let them go for more than a week without making sure that they are up to date. Fill in all the proper books as the transactions happen: do not let a backlog build up.
- △ Do not get stuck on one point. If one thing is being very difficult, then make a simplifying assumption that will allow you to move on. Make a note of it, and discuss it with your manager or an accountant as soon as possible.

*MORE ABOUT THE PRACTICALITIES OF ACCOUNTS IN ANNEXES FOUR AND FIVE*

## 10.2 Fundraising

### 10.2.1 Planning the funding needs of the NGO, including training needs

Idealism and motivation are not enough to set up a good NGO. You need money and you need to plan well ahead. In this planning it is wise to work out approximately how much funding will be needed for the first two to three years. Taking into account the following issues can be very helpful:

- If there is a possibility for voluntary participation by your members, it may be a good idea to first start looking for funds for small concrete activities, like the salary of a counsellor, money for visual aids, or money for a workshop.
- Donors often like to find out first what your NGO is able to handle, before getting fully involved. By starting with a small collaboration, you can show your sincerity and the quality of your work. Donors will be more generous when you apply for funds the second time around.
- Donors often prefer to support short-term projects with clear objectives, and which contribute to the independence of the NGO.
- In your planning, sources from within the project should be taken into account. e.g. insurance schemes and income generating activities. With health care activities, patient charges can be made for consultations and treatment (allowing for the financial capacity of the patients). Other projects can produce income from saleable articles like water, handicrafts or agricultural products. Although these funds will never cover all project expenses, they are important in your planning and also in building the self-sustainability of your projects.
- Donors are in general more interested in project costs (implementation of activities) than in organisational costs (overhead costs e.g. costs for telephone/fax, e-mail, postage, electricity bill, etc.). For that reason, always include an item line for overhead costs when submitting a project proposal. UNICEF admits to 14%, but 10% is reasonable for a very small organisation. However some donors do not like

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paying much towards this line. In that case, find out the donor's policy on overheads and adjust the proposal accordingly.

- \* You also need to discuss a contingency line with the donor. This means allowing some money for the possibility of plans going wrong. A post-disaster project, for example, may face inflation, fluctuating exchange rates, hikes in the prices of essential raw materials etc. The project can soon be way over budget. An allowance of 'unforeseen' of 5 to 6% is normal in every proposal.



*Making a plan to find the money*

NGOs should resist having donors give them money in tranches. If they get the entire grant they can put what is not immediately required on deposit and earn the interest. You can also encourage donors to set up endowment funds as a good way to become gradually more sustainable or at least independent of that donor.

Indirect Funding can take the form of substitution of resources, e.g. secondment of personnel. Examples are where government staff is allowed to work for your NGO for a certain period of time, or the government allows the project to use its visual aids materials.

**\*\*\* Be very clear and honest about the amount of money you need for one particular activity, from one particular donor \*\*\***

Remember that the building of a relationship of trust with your donor is just as important as the amount of money you ask or receive.

### **EXAMPLE: A WORKSHOP ON FUNDRAISING FOR A HUMAN RIGHTS NGO IN LESOTHO**

This NGO (CLRAC) organised a Workshop on Fund-raising for both staff and Board Members. Together, over three days, the participants worked through the following:

- a brief evaluation of fund raising by CLRAC in the past years: conclusions;
- how to plan the funding needs for CLRAC and set realistic objectives for the period 2000-2002;
- development of a fund-raising strategy, including: planning/timing of projects and CLRAC organisational costs in need of funding;

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- capacity assessment in CLRAC to conduct fund-raising; how to build in fund-raising capacity: human resources development and organisational development;
- how to target donors, local and international – and what their requirements are;
- how to write a proposal for project funding;
- an outline for financial reporting;
- a plan to write a Strategic Planning document for implementation of fund-raising by CLRAC;
- meeting with a Maseru-based donor representative

Because the Board members and staff followed the Workshop together, a feeling of commitment and co-working also developed; the Strategic Planning Document got written and some money has been raised.

### 10.2.2 Accepting the mind-set that will help you succeed

Non-profit organisations in the South are steadily becoming more professional. For NGOs seeking grants, one of the most important steps is a mental one. It is accepting that there are no quick fixes, no magic shortcuts. The steady, regular work of your organisation - your board members, your staff responsible for funding – all this will develop an effective strategy through many small steps.

Part of the process is to be clear about what you are – each of you, each a very special NGO – and to make that clear in the documents that go to the possible funder. A *Mission Statement* that is enthusiastic, imaginative and creative will help a lot. Can you answer the following questions clearly and directly?

- What is the unique purpose of your organisation?
- What are the basic needs that this organisation fills?  
(the target group it serves and how this organisation meets the needs of the beneficiaries)

### 10.2.3 Finding the agencies with funds

Research on any funder's stated programme interests is essential. Do not attempt a scatter approach, sending requests to a wide group of organisations. It can damage your organisation's credibility. You are trying to identify the few funders that have interests that are in line with your organisational and project objectives. Here is a guide to research into funding: if you do not qualify, do not apply. Many funding agencies now have web sites so look them up and see what they say.

Funder research is a two-step process. The first step aims to develop an initial 'prospect' list of some 10 to 15 funders who have general interests in the subject area of your organisation or project. The second step involves further research and refines this list to the 3 or 4 funders you may approach.

Sources for funding can be found within your country as well as abroad. Local funding has a number of advantages. The procedures are often easier to follow. And international donors want to know that local sources have been tried first. When applying for funds from abroad, the national registration of your NGO and formal approval of your project by your government is often necessary.

Locally, the main institutions to apply to for funds are:

- *Local organisations*  
Think of Rotary or Lions clubs, churches, temples, mosques, hospitals, local business associations, the 'rich' in your community etc.

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- *Government or District institutions*  
Funds are often available, especially if working in co-operation in the same field of interest. Think also of secondment of staff, use of their logistics etc.

Possible sources from abroad include:

- *Voluntary funding organisations*  
These include missions, aid agencies and other groups, both religious and secular. Most of them are based in the North, in Europe, North America and Australia. Such groups are often interested in supporting smaller-scale development and health projects. A list of names can be obtained from national and voluntary organisations and from embassies.
- *International Aid organisations.*  
These include the United Nations Agencies such as WHO, UNICEF, UNDP, FAO, the European Commission (EC), the World Bank (WB), and Asian Development Bank (ADB). However, they do not often support small-scale projects directly. Funds from these sources are more likely to be available via national umbrella organisations. It is worth finding out what their contributions in your country are, to the government and to bigger NGOs. This information will be available from your government (ministry) or from local UN and EC delegations etc.
- *Foreign Embassies.*  
They often have funds available for small-scale projects. (For example, Dutch Embassies have special funding sources for so called KAP projects. From these sources they can give direct support to projects with sums up to \$20,000. Special procedures/criteria need to be followed).

### 10.2.4 How to apply for funds

- 1 Select your funding source. Try to get as much information as possible about the ins and outs of that organisation, its procedures for application and so on. Find out which person to approach within the organisation, so you can address them personally. This works best via mutual contacts.
- 2 Write a letter using your personal title to the person dealing with funds. Introduce yourselves in the letter and give a brief explanation of your organisation, its objectives, and your intentions with respect to funds. Ask for the procedures you need to follow. Always make a copy of your letter to keep. If your source is local, give the person you addressed a phone call about one week after you mailed the letter and ask if it was received. This is not only to make sure that the post is working, but it is also an excuse for exchanging more information. Personal relationships are very important in fundraising. By making a phone call, you get a chance to find out the kind of person they are and to show your own involvement and motivation.

If you are approaching an international donor, follow your letter up with an e-mail message if possible, just to make sure that your application has been received and again to show your own motivation.

- 3 While waiting to find out the procedures to follow, you can prepare the information the donor will likely want to know. Most will expect brief details of the following:
  - Aims and objectives of your organisation.
  - Details of the target population
  - Number of people/villages you want to reach

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- Social structure of the communities, including details of local employment, income levels, high-risk groups etc.
- Details of the project area, its location, terrain and climate.
- Your relationship with other organisations e.g. other NGOs and the Government and your intended co-operation with them.
- Names and qualifications of your staff members
- General plan of the implementations of your activities.
- Budget:
  - Include a budget for the first year.
  - Estimate expected funds from other sources.
  - Be concrete about the funds you are asking for.
  - Include in your budget items that are essential, but do not ask for expensive or unnecessary equipment.

If you follow all the guidelines and still your organisation does not get the grant it needs, remember that the funding agency has a hundred applications for every slice of money. Citizens Associations are increasingly turning to the independent funding community to assist their work and consequently the numbers and quality of projects – and their accompanying grant proposals – are increasing. So do not take the rejection personally. The percentage of proposals being failed is 90%, so do not be put off; you can learn from failure. Write a brief letter or email to the funder asking the reasons for the rejection. The answer may suggest how to improve the proposal, or even request an improved resubmission.

### EXAMPLE:

I (FA) am a black woman from the South, living presently in the Netherlands. I am the founder of an NGO based both in the Netherlands and in Somaliland. In 1995 I came to the Netherlands as a refugee. The civil war had left me unable to stay in my homeland, a bankrupt, my house and small factory burnt to the ground.

During the months I waited in Europe to be either granted residential status or rejected, success in business no longer seemed important. Instead I decided to focus on making a difference. I began talking to other Somalis who shared my passion. The concept of our NGO gradually took shape with the purpose of advocacy for the internally displaced in Somaliland. On 7 November 1997, Doses of Hope was formed.

Finding the money, though was a major problem We were newcomers. We had set up an NGO in the heart of Europe. We started knocking on doors and encountered every obstacle and rejection - one reply said, "we have received your letter and understood its contents but unfortunately we think neither our organisation nor any other organisation in the Netherlands would support your initiative". But we succeeded in finding partners – highly respected partners.

So remember the three Ps: Persistence, Patience and Pursuing.

### 10.2.5 Co-operating with funding organisations

Building a good trusted relationship with your donor is very important. Often, co-operation is not easy. The donor asks for long and complex reports, and transfers of funds are often delayed. Communication problems are common because of misunderstandings from both sides and because of postal delays. Don't forget that donors are dependent on their own supporters, who in turn will expect reassurance that their money is being well spent.

Ways to improve co-operation are:

- After receiving funds, write a letter of acknowledgement and thanks.
- Send regular reports as requested by the donor.
- Prepare accurate budgets, and keep costs as low as possible.



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- If two or more donors are supporting your project, than the area of support should be clearly defined and communicated.
- Encourage the donors to share a single global report and accept each others' tour reports to reduce the amount of time you spend on their requirements.
- Always give feedback to the donor on how the money was spent.
- Always stick clearly to the objectives of your NGO.
- If there are any major changes of plan, inform your donor.
- Welcome visitors from your donor agencies.
- Try to reply promptly to letters from your donor.

### 10.2.6 Building fundraising capacity

- △ Develop a fundraising policy and regulations for your NGO.
- △ Set up a fundraising committee, with clear job descriptions (responsibilities, tasks).
- △ Monitor these fundraising activities periodically
- △ Look again at the outline of the funding workshop in Chapter 10.2.1.

## CHAPTER ELEVEN: GETTING LEGAL STATUS

As part of the process of becoming accepted at international level, you will probably have to become registered, legal by the rules of your country. In each country there is a NGO umbrella organisation to which you will need to sign up. This step give you access to information about other organisations and their activities, about current best practice in your field. It is usually a necessary step in getting funding by most international donors.

### EXAMPLE: A NGO in India becomes legal

*by Professor Saraswati Swain*

Before I retired I was a full-time Professor in a Medical College. I was conducting a lot of studies with funding from the Indian Council of Medical Research, WHO, UNICEF etc. After retirement I wanted to continue and the only way financially to do that was to become a NGO. I sat with some of my likeminded friends to deliberate and formed an NGO called National Institute of Applied Human Research and Development (NIAHRD).

In order to be legal and get financing, three registrations were necessary:

- A registration under Indian Societies Registration Act.
- A registration with the Home Ministry under Foreign Contribution Regulation Act to receive and utilise grant-in-aids or contributions from outside the country.
- A registration with the Finance Ministry under section 12A of Income Tax Act to be a non-profit and non-taxed organisation.

Such registrations in India take a lot of time and involve filling in many forms After it was launched NIAHRD started to take up projects and studies on behalf of many national and international funding agencies and also successfully completed those projects. We were invited to many workshops and Seminars and became an active member of many networks.

### EXAMPLE: The South African NGO sector

*by Khathatso Mokoetle*

#### BACKGROUND

Non-governmental organisations (NGOs) in South Africa have a unique history. In the apartheid years up until 1994, organisations that were more conservative and mainly run by whites were referred to as private welfare organisations. Most of them were easy to register as they functioned within the law. Most received good subsidies from government and acquired fundraising numbers.

In those years, the term NGO predominantly referred to charity organisations that addressed the problems of disadvantaged communities. Most of them were run by the progressives, served black communities and depended a lot on membership fees, bequests and overseas philanthropic financial support. The criteria set for registration made it difficult for NGOs to register. They were generally seen as anti-government in their criticism of apartheid laws and service delivery. Members were in and out for what they said or did in defiance of the government of the day. Requirements for registration included, among other things, submission of the organizational constitution, staff names and particulars to the registering office. As registered members, they had to make available whatever documents the state required. This made it easy for police to track down and arrest "trouble makers". Given this context, progressive organisations preferred not to be legally registered. But local fundraising was illegal if the organisation did not have a fundraising number.

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### **AFTER THE NEW DEMOCRATIC GOVERNMENT, POST 1994.**

With the new government, NGOs experienced survival difficulties. Private welfare organisations, most of which survived on government subsidies, lost benefits from the new government and had to close. Progressive organisations also faced survival difficulties; the overseas assistance received was now diverted to the new democratic government. This drastic change in the financial environment adversely affected lots of organisations, many of which had to close.

### **THE EVOLUTION OF THE NGO SECTOR**

In the new democratic government, some old organisations died for reasons already given. New ones emerged for several reasons, the main reason being the increasing incidence of HIV/AIDS, with more and more HIV/AIDS organisations being formed. With historical perceptions equating non-government to anti-government in South Africa, the term NGO is gradually being replaced by the term NPO (Non-Profit Organisation).

### **THE NON PROFIT ORGANISATIONS ACT, NO. 21 OF 1997**

The Act was promulgated to make it easier for NGOs/NPOs to register. The procedures are easier and user-friendlier. Under this Act, charity/ non-profit-making organisations are now free to register either as Charitable Organisations or Section 21 Organisations. The private welfare organisations are also now registered under the two options.

## CHAPTER TWELVE: BUILDING SUSTAINABILITY

### 12.1 Institutional sustainability

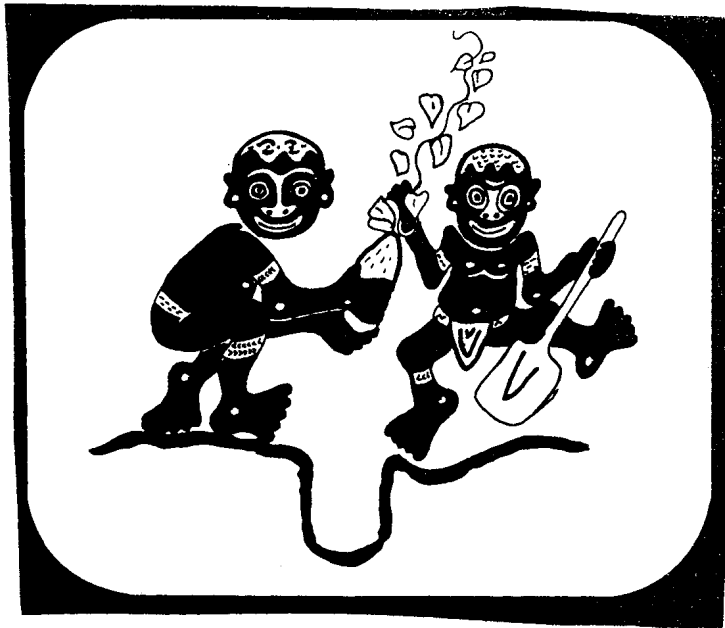
#### **Remember: Sustainability is People**

An NGO which is concerned about long life might choose to do an exercise called a SWOT – Strengths, Opportunities, Weaknesses, Threats. This exercise helps the NGO to identify the key issues that could make its future either more secure or instead, threatened in some way. The issues may be internal (organisational issues) or external (environmental issues). The purpose of doing a Swot is twofold; firstly it enables the NGO to find the issues which everyone agrees are strengths, weaknesses etc. The next step is to work with these issues, establish the relationship between them, select the ones which are priority and then transform them into policy issues or Things-to-be-Done.

In this chapter we describe a SWOT that focuses on sustainability, but the same broad approach can be used to analyse other problems, such as the capacity issues in Chapter 8.5.

#### **Steps to take:**

- The NGO finds a workshop leader, from its own staff or from outside, who has a good analytical mind and can run the workshop well.
- It allocates a block of three days for the whole examination of sustainability. Of these days, the first half-day is given over to the SWOT exercise. During the rest of the time there are discussions and brain-storming to find the policy issues and Things-to-be-Done
- Then, the meaning of Strengths Weaknesses, Opportunities and Threats are explained and agreed on. Participants are asked to identify issues that fit into these categories. An issue might fit into two categories. For example, if an NGO only has one very generous donor this could be both a strength and a weakness; however for the purpose of the SWOT exercise it can only be discussed in one category – and in the context of sustainability it is a weakness.
- Both issues internal to the NGO and those that are external, need to be identified. For example, if a major donor is cutting back on contributions this is a serious external threat. If the NGO is spending too much on administration this is an internal threat.
- A fundamental concept in organisations is explained to the participants. It is this: An organisation is like a plant; there is a part of it that is above ground – stem, leaves, fruit. These are the organisational aspects that an outsider can see – the projects, the administration, the capacity building. But there is also the part below the ground, the roots, or institutional aspects of the organisation. This part is strong if the NGO is serious about its purpose, has strong objectives and convictions. If the boss and staff have lost their vision, the roots are weak but may still be rescue-able and a guarantee that the NGO can survive. If the roots have been eaten by pests, no matter how well the office is run, the NGO will die.



*Planting the NGO well for the future*

### EXAMPLE:

An Asian NGO had the stated aim of improving the skills of farmers throughout the country. However there was also an unwritten aim, held by the boss and most of the Board; that was to spread the culture of the majority ethnic group into minority areas. This aim had changed the nature of services for the worse. There was no serious decentralisation and all training was in the majority language even where the farmers could not understand it. The staff was becoming increasingly demoralised.

### Workshop Technique:

- As the groups work, findings need to be written up. If the only resource is a blackboard, that can be used. But it is one step better to use big sheets of cheap paper and felt pens. Even better are file cards and bullock, which is like chewing gum and sticks cards to walls or paper. Its advantage is that cards can be moved around, grouped in one way and then another. Each group will need a blackboard or paper, cards and felt pens.
- Staff are put into groups. If the NGO is democratic, the groups can have a mix of gender, job status, HQ- based and district-based, technical and non-technical etc. If the SWOT is happening in a culture where juniors cannot speak freely in front of bosses, then a different mix in the groups has to be done. Or, if needed, different kinds of groups can be made up for different steps of the SWOT exercise.
- Each of the groups discuss each of the four themes for a certain length of time, perhaps fifteen minutes. Then a short break, a cup of tea or coffee helps the digestion of ideas.
- Everyone comes back together and each group presents its findings. As each group talks, the Workshop Leader writes up what they say under “external” and “internal”.
- Under Strengths, Weaknesses, Opportunities and Threats, the Leader notes all the issues brought forward by the groups. These are then reviewed and the not-so-relevant ones left out. Through discussion, the remaining issues are put into an order of priority. Ways of addressing each problem in turn are discussed. As agreement is reached, and tasks assigned.

## How to Build a Good Small NGO

### EXAMPLE:

An NGO in Lesotho did a SWOT analysis to look at sustainability. A major finding of the workshop was that Board members had a lack of commitment to the basic goals of the NGO, and that this was an institutional weakness that needed to be addressed. A sign of poor commitment was that too many Board members missed meetings.

A number of Actions were identified to change this:

- Firstly, there was a very careful, tactful discussion on whether the right Board Members had been chosen, whether they actually had the time and means to do a good job. From this discussion, the NGO came to a consensus on the future profile for Board Members and the procedure for selecting them.
- Secondly, it was agreed that the Board members should have training. This was done.
- Thirdly it was agreed that the District Office Co-ordinator should raise the interest of Board Members; this was done by visiting individuals at home, introducing individuals and their skills to the meetings and raising her own profile as an example. Board members were also encouraged to read NGO literature and documents.

This example shows how a workshop can identify a weakness, find organisational and institutional answers and agree on the steps to take to address it so that the weakness no longer exists. These actions together also raised the motivation and standing of the Members.

It is important that the SWOT exercise does not focus only on weaknesses and threats, but devotes a lot of time to achievements and strengths. They should be highlighted and used to give more perspective to the weaknesses and threats.

Another “must” in successful SWOT-ing is that everything should be done to separate issues from personalities. The SWOT has to deal with functions, processes and procedures and not with the performance of individuals. It is not a performance appraisal of staff. Where an NGO has a serious issue linked to an individual, this should not be dealt with in a workshop but through other means.

The final steps of a SWOT workshop would be to plan a reunion after a couple of months to see how well the planned actions are implemented. Then participants are thanked and the workshop is closed.

## 12.2 Sustainability for projects

If you have projects which help your beneficiaries, then:

- either these activities should have a limited life, for example a one-off health promotion action;
- or they should be able to survive on their own if and when you stop your support.

So there should be a degree of community participation and/or contribution in cash and kind in order to guarantee a minimum level of ownership. Income-generating activities should be making a real income for the target groups and therefore be more than just social schemes. The management of the money involved should follow the same rules as money management within your NGO.

### 12.3 Sustainability and training people

There are important issues of sustainability if you train people to do a job at village level. Be very careful of training people in health matters, unless the Ministry of Health is going to take responsibility for the trainees and supervise them. Why? Look at Water and Sanitation projects, where projects want Hygiene Education activities and often train village people in health matters. But sometimes the project ends; the trainees have a certificate, little training and no supervision. They may buy a white coat, start giving injections, knocking out the teeth of children with diarrhoea or branding them with red-hot bicycle spokes. They can do harm. The same thing happens when NGOs start so-called Primary Health Care projects, train community health workers but disappear after a year.

**\*\*\* Be careful of creating a group of workers. Either they should have a future, can be rewarded and supervised; or, their task should be self-limiting \*\*\***

### 12.4 Building sustainability through strong networks

Networks allow different groups to work together toward a shared goal by co-ordinating strategies and pooling resources. Networks, which include a range of organizations, groups, and individuals, demonstrate to policy makers that there is wide support for particular policies or programmes.

The term network here refers to a group of organisations that communicate and collaborate on a shared advocacy strategy – that is making their point of view known to the people who matter. The goal is to come together, to pool resources and capabilities and to work more effectively for proposed programs.

#### 12.4.1 Challenges to building a network

Despite the benefits, building and maintaining networks is hard work. Network members must keep in mind the following challenges and be prepared to address them:

- Building consensus is a time-consuming process. And even then, network members may not always agree on the goals, objectives, and strategies of the network.
- The network must build trust among its members. Member organisations and programmes may compete for funding from the same donor agencies, hampering their ability to collaborate. Building trust in the face of such conflicts is difficult – members may have previous experiences, both personal and professional, with each other, that affect their ability to work collaboratively.
- The larger the network grows, the more complex it is to manage its logistics. Keeping all members aware of meetings, actions taken, results, and upcoming activities is important.
- The network must remain a collaborative effort among all members, rather than the possession of one or several of the most powerful members.
- Members must agree on rules necessary for the network to operate smoothly and effectively.
- The network must decide how to leverage resources for its collaborative activities.

### 12.4.2 Guidelines for effective networks

Articulate and committed young people can help the network remain true to its mission of serving youth. Youth are excellent representatives for programmes designed to address their needs. Young people can organise students, friends and other young people to support the network's campaign.

Keep people informed: maintain up-to-date mailing, phone, fax, and e-mail lists of network members and key contact people. Keeping members informed maintains trust, interest, and involvement. It also minimizes misunderstandings and identifies points of disagreement before they become problems. Network members should always receive minutes from meetings, updates, news clippings, and information on future events. Adequate advance notice of meetings and other events encourages participation in important discussions and decisions.

Select spokespeople who will represent the network to the media: Early in the network's development, identify members who have experience in public speaking or interacting with the media. The spokespeople may or may not be the same people as the leadership team. One spokesperson should be a young person. Members should agree on a process for handling inquiries from the media.



## CHAPTER THIRTEEN: CLEARING YOUR MIND

People who do a good job in development work have found some balance in three areas:

- 1 They have some understanding and control of their own motives.
- 2 They treat their colleagues with respect and some understanding.
- 3 They treat the beneficiaries of their work with respect and some understanding.

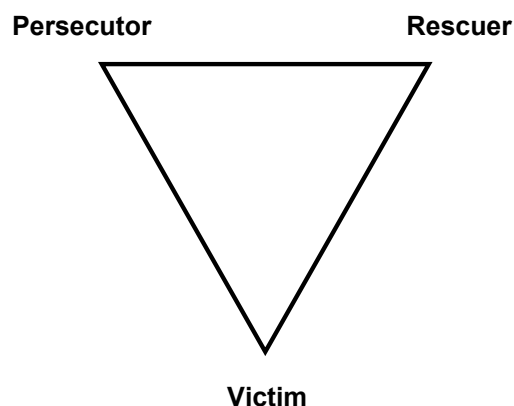
What follows are discussions and exercises to help you in these three areas. The idea is to help you to get things clear in your mind - help you to understand why you do what you do. Of course, you can skip this chapter. But what you understand, you can control. If you do not understand your own behaviour you will not be in control of what you do. So work through it all, discuss what you learn from the answers to the exercises; then keep the debate going inside your head over the next few years.

You might want to do the exercises in a group. You may have a group of people with whom you hope to build your NGO. Or you may work with them in an NGO. If you bring together a group of fellow-workers, make sure it is a group of equals. Make sure, for example, that if one person says something honestly, and offends the boss, they will not be sacked, or have their life made difficult. So have a group of three junior staff, or three seniors, instead of one big group. Make sure that each person promises to keep to themselves what they hear in the group.

We are talking now about everyone who works in development, including ourselves. Nothing said here is meant as an insult. But as we become older, we hope that we understand more clearly what feelings drove us when we begun our careers. None of us are saints. None of us have total control over our meaner instincts. At some level in our minds, we all think ourselves to be the next Mother Teresa or Martin Luther King. At another level, we are sure we are rubbish, and that we can only save ourselves if we do Good Deeds for the rest of our lives.

### 13.1 How well do you understand and control your own motivation?

It is important that people in the business of helping others, understand The Rescue Triangle:



The idea is that we all play roles, just as we do in role-plays, but we do this most of the time unconsciously. We have roles that we find comfortable, and, since we are involved in NGOs, we probably like the role of Rescuer.

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Other people like being the victim too well. If we help them with one problem they will find another. To be a victim, most people need a bad guy who makes them that way – the persecutor. A classic example is the weak-seeming woman who always marries a man who treats her badly . . . and who then finds another man who will rescue her. After a while, he, too, starts to treat her badly, so she looks for another man who . . . etc.

So we do not stay in one role, we move around the Rescue Triangle. We help a friend with her problems, encourage her to talk to us, giving advice, being a good rescuer, until suddenly she tells us that we are nagging, making her life miserable – so now we are persecutors. Then she goes away, leaving us feeling bad, feeling like the victim, so we go to a friend, who helps us and encourages us to do this and that, until . . .

It is not only individuals who play Rescue Triangle, it is ethnic groups and countries. Persecutor, Victim, Rescuer – can you think of examples from Africa and Asia in the last ten years? Sometimes two countries fight each other and both feel the victim, and say that the other is the persecutor, calling on the UN to come to the rescue.

There is one further position that individuals or countries can take, and that is the position of Onlooker, who sees what is going on but does nothing.

If you think in these terms you will realise a few things:

- You work in development not just to be a good person, but also to serve your own needs.
- Sometimes, the natural-born rescuers expect too much and get disappointed when the world does not follow their advice. One way to avoid this is to stop wanting to control everything. Instead, build partnerships with beneficiaries so they are more responsible than you for sorting out their own problems. You make it clear that the problems are theirs, not yours, and you cannot lift them off the sufferers' backs.
- If groups still come back, time after time, with more and more problems, and you think they are happy in the victim role, talk about this with your colleagues. You may have to tell the group that it seems that they are not mentally ready to find a true solution; perhaps you could set a time limit on your involvement.

### **EXERCISE 13.1.1**

**Can you think of a time in the past when the NGO or you as individuals have got entangled in the Rescue Triangle?**

### **EXERCISE 13.1.2**

**Imagine that it is ten years from now. Imagine that the NGO you started has done very well, and you have been told you will be getting a medal at a big ceremony. People will clap you; people will say how great you are. Each of you, write down the answers to the following questions:**

**Who is the person you will first want to tell? Would it be your father, your mother? Your grandfather or grandmother? Your husband or best friend? Your bank manager? A journalist at the local paper?**

**Who are the people who will be most annoyed or jealous? Brother or sister? Old school friends or enemies?**

**How important is telling these people? One a scale where 0 is “not at all” and 10 is “The most important thing in the World”?**

Now look at Chapter 13.4 and have somebody read out what it says about this exercise. Then discuss what you think in the group. You can share as much or as little as you wish with the others – but be honest with yourself.

## 13.2 How far do you treat your colleagues with respect and understanding?

### EXERCISE 13.2.1

This is an exercise to do in a group, if you can:

When it comes to making decisions, we could say that some people are better suited than others. Suppose that it is lunchtime in your office; people are eating round the table, and the discussion turns into an informal but serious meeting on the future of the NGO. There is a mix of people round the table. They are listed below. Copy the descriptions out, each onto one bit of paper, then put the bits of paper in a column, with the person whose opinion is most important at the top and the person whose opinion should matter least at the bottom:

- A youngish male medical doctor;
- A middle-aged woman social worker, whose English is poor;
- An older non-literate woman, visiting from a village, whose English is poor;
- One of the group you are trying to help;
- A middle-aged male book-keeper;
- A visiting European expert;
- A young female worker.

Now look at the next page and have somebody read out what it says on 13.2.1. Then discuss what you think in the group. You can share as much or as little as you wish with the others – but be honest with yourself.

### EXERCISE 13.2.2

Think of the last three times that you were at work and a colleague disagreed with you. Ask the person who works closest to you to remind you of other occasions. How did you feel? What did you feel about the other person? Write down a word for each occasion – but keep these words to yourself. The words might be might be "angry", "stupid", "surprised" "disrespected" – whatever.

Now look at the next page and have somebody read out what it says about 13.2.2. Then follow the instructions. You will need someone in the group to write on a big sheet of paper.

## 13.3 How far do you treat beneficiaries with respect and understanding?

### EXERCISE 13.3

Each of you writes down the answer to the following questions:

Suppose you are looking after a child, and the child now seems to be getting a slight fever. You think about taking the child to a western-style doctor. Your mother is around and suggests how the child should be treated. She is not very educated and grew up in a village. Do you accept her advice or go to the doctor? Why do you make that choice?

Now look for 13.3 on the next page and have somebody read out what it says. Then discuss what you think in the group. You can share as much or as little as you wish with the others – but be honest with yourself.

### 13.4 Discussion about understanding and controlling your own motivation

#### Looking at 13.1.2: the award ceremony

What you are concerned with here is the extent to which you are driven by the opinions of other people. Of course you want to please your mother and make your father proud; of course you may want to annoy your older brother who said you were a loser. But if it becomes “The most important thing in the world”, – 8 or more on the scale of 1-10 – then you may have a problem. If you wanted to tell a bank manager, then do you have big money problems or a big need to be rich? If you wanted to tell a journalist, do you have a crying need for fame? If these needs are very strong then you may start making decisions that are not in the interest of the goals of your organisation. If you found that you scored 8 or more, then look around for somebody you can talk to, somebody older, more experienced, who can help you work out what is going on and help you feel less strongly.

### 13.5 Discussion about how you treat your colleagues:

#### Looking at 13.2.1: the discussion round the lunch table

Did your group make a hierarchy of the different people? Why? Did you really think that a hierarchy is a good idea, or did you think that – if it is in a book, it must be right? Some books are not so reliable. So the first lesson is: if your instincts are good, follow them. Believe them before you believe a book, even if it is written in Europe. Perhaps we should not put people into any hierarchy.

Next, if you made the hierarchy, what value did you put on the different people? The text said, “We could say that some people are better suited to make decisions than others”. But we could also say the opposite. Did you put the European near the top? Why? Europeans who go to the South get called “expert”, but how much more do they know than you people? Were your decisions affected by the ability of people to speak English? Why? You are not trying to help penniless English hippies, we hope.

So value people for the qualities and experience they have.

#### Looking at 13.2.2: when colleagues disagree with you

Ask one person in the group to be the writer on a big sheet of paper. Clearly, in any group there will be disagreements. Sometimes these can be handled well and sometimes there is a clash.

At the top of the paper, write on the left “Helpful” and on the top right “Unhelpful”. Now, in general the group discusses what feelings can be helpful when people disagree, and why – what feelings do not help and why.

Nobody has to confess anything and nobody should be accused of anything. But each individual should think seriously about their own behaviour. Some people use anger to bully colleagues.

Some people tell themselves; if people disagree with me, then I must be wrong and stupid. This de-values them and their contribution to the organisation.

For some of you, now might be a good moment to make a resolution – to behave or talk to myself in a more helpful way.

**FOLLOW-UP EXERCISE:**

Look round the group of colleagues with whom you are working. In turn, each of you tell each other person one quality that they have that makes them valuable – perhaps honesty, perhaps their ability to work hard. Say out loud that you all value what is in your group.

### 13.6 Discussion about how you treat beneficiaries

**First, go back to 13.2.1: the meeting round the lunch table**

If you made a hierarchy of everybody in order of importance, how important was the member of the beneficiary group? If that person was not near the top, perhaps you should look seriously at how your organisation sees this group. What are the people who make up the group to you? – objects of charity or proper partners in finding out how to improve their lives? If they are objects of charity, even just a little bit, ask yourself this:

How would you feel if someone came along and said, “we are going to organise your future education and training, but we will not ask you what you want or what you think, because we know better than you”.

**Now look at your response to 13.3: about your mother and the sick child.**

This question was intended to help you think about your mother’s culture, which for most people is their first culture, the tradition to which they belong before they go to school and study science. And it is also, usually, the culture of the people you want to help. If you have no respect for that culture, you may have no respect for them.

**EXAMPLE:**

I (MM) grew up in England just after World War Two, part of an Irish Catholic family. My mother did a number of things to keep us healthy. We were all breast-fed for three months. We wore Saint Christopher medals round our neck. For Catholics he was the patron saint of travellers and by extension would keep us safe from cars on the road. She had her own policy on vaccinations. If any neighbourhood child had measles or mumps, we were sent to play with them. My mother was determined that we would have had all the childhood infections before we started school. And in spring we had vitamin sandwiches, to strengthen our blood after the winter, made of parsley and anything else that grew green in the garden. Every morning we had to shit. Every evening, before sleep, we had to make up quarrels and say our prayers . . . and more . . . and more.

What did your mother do to keep you healthy? Some of it, probably, was not rational or scientific but made you feel protected, part of a community, or in balance with the world. List all she did for you and honour it. Tell your friends. Tell her. Honour the culture where you started your life.

## ANNEX ONE: NEEDS ASSESSMENTS INCLUDING PRAs

PRA stands for Participatory Rural Appraisal. However, there are a number of names for this way of finding out information about needs. Another variant is RRA – Rapid Rural Appraisal. And another is Community Analysis. Perhaps the most important characteristics of these methods are:

- the people whose needs you are studying participate in the process. They collect information you know you want, but also add things you never thought of. For example, in one PRA concerned with women and health, the mothers said they wanted help persuading their husbands to wait before arranging marriages for their daughters – the girls were being married off too young. This was a valid concern, linked to reproductive health, and worth following up.
- you involve colleagues of different but relevant disciplines. So if you are looking at income generation, you might want colleagues who know about agriculture, animal husbandry or fishing, or micro-industries.

The approach and many of the techniques are equally useful in urban or peri-urban (around the towns) areas.

### Information you might need could include:

- The numbers, age and sex distribution of the beneficiaries; their occupations and income; number, age and gender of family/dependents; housing: where they live (e.g. in remote locations, among the main population, in shanty towns or refugee camps) and whether housing adequate/inadequate; main sources of food and water.
- Total family budget and amounts going out for rent, food, water, schooling, health care.
- Physical problems, illnesses, risk behaviour; use of alcohol, drugs, unprotected sex. For women: age at marriage, history of pregnancies and birth risk factors, contraceptive use.
- People and occupations: absent men? Incomers? Enough jobs? Underemployment? Access to credit for creating work? Dangerous or unhealthy occupations? Small industries? Resources used in the best way? Workloads through the year, through the day, for women/men? In rural areas: crops? Animal husbandry? Fishing? Crafts?
- Children: nutrition? Vaccinations? Spacing between babies? General care? Genital mutilation? Chances for school? Differences between boys/girls? Choices for teenagers? Age of first marriage/pregnancy? Male/female power within marriage? What does it mean to be a man/a woman?
- \* What are the problems for our beneficiaries? What do normal people have that they don't have? What do they need that normal people don't need? What do they see as most important? Where do they want the money spent? How do they see themselves – as in control of their own lives, as victims, or somewhere in between?

**\*\*\* Try only to collect information you will make use of, for this project or another in the future. When people give you information they also give you time and confidences – and that must be respected. \*\*\***

### Ensuring a Good Needs Assessment:

Good Needs Assessments are not easy, but not impossible. Get all the help you can. Find an NGO or similar who can give you advice. Look for the TALC address and buy M. L. Fuerstein's book, "Participatory Evaluation".

You need to be able to form a team of one or two if you are working locally, or about five if you go off to do a PRA. In this case some of the team members may be advisory rather than active. The members, between them, must have the following skills:

- At least two must be able to talk easily with the beneficiaries, understand their lives and at least one must be female if you are talking to women. If the beneficiaries talk different languages there must be people to translate. If you will be talking to women about personal things you need women translators.
- Someone in the team must understand figures – not a qualified statistician but someone who can work out percentages and compare one to another, who understands "more" and "less", "seriously more" and "seriously less".
- Someone must be able to put a questionnaire together to get the information you need – and be able to train the rest of the group to use it.

If you do a PRA in a village, then because of distances you may have to go and stay there. You will need at least five working days, so you will have to find a way of staying six nights, perhaps camping. Don't expect the community to feed you – they are probably less well off than you. If the beneficiaries live nearby, the team could free up one afternoon a week, for two months. You can find out a lot in eight half-days.

### What can your team of NGO-plus-beneficiaries do?

Most groups of beneficiaries, except babies and small children, can discuss problems and needs. The more active groups, even those who cannot read or write, can get their neighbours talking, bring groups together, count, map, tally, do simple measurements, make timetables of activities, work out incomes and family resources, tell their own story, listen to the stories of others and spot patterns. You might be looking at the needs of children over seven or people with special needs (previously called the mentally handicapped). If you speak to them with respect, give them time, and ask them about the kind of help or care they would like to have, then they will have an opinion worth listening to.

#### — you can use a questionnaire.

For collecting simple facts a questionnaire is the most useful way. If you make a questionnaire, practice using it first, to make sure that is clear and takes no longer than half an hour to fill in. If you translate it, get someone else to translate it back, so that there are no mistakes. Do not have any difficult questions in your first questionnaire. Check that you would like to answer the questions yourself – if you want to ask me "Have you ever had a sexually-transmitted disease?" then you better do it with great sensitivity or I will kick you out!

#### EXERCISE:

How would you ask this question to whoever is sitting next to you?

### — you can hold Focus Group Discussions.

You have a question: perhaps, “how are small children cared for?” Or “what are the practices here around pregnancy and child-birth?” Then the people who know – in these cases, women – are asked to come and join in the discussion. Groups of about eight people are best. Other examples of Focus Groups producing important information are: street children talking about the risks in their lives; elderly women recalling good feeding practices for small children; small-business women pooling experiences of the risks of business.

#### EXAMPLE:

In three villages in Somalia, 19 women talked about their pregnancy history; between them they had had 136 known pregnancies leading to 79 living babies, some of whom died afterwards. The causes of the miscarriages suggested malnutrition and anaemia, malaria and sexually transmitted diseases. The women were still sad at their losses but glad to have had the chance to have their stories listened to.

### — you can do a Sickness Survey if you must (but this is difficult, so get advice).

You are studying the beneficiary group and you want to know what sicknesses they have experienced in a defined period. The information will not be very useful unless it is fairly accurate. You could give them paper and pencil and ask them to keep a list. But this only works with an educated and motivated group. You can ask them to recall their sicknesses over the last year, but most episodes will be forgotten. On the whole, recall is only successful over the previous two weeks. This is important when it comes to recording seasonal illness. If the malaria season was three months ago, malaria will be under-reported. But you can ask about sickness over the last two weeks. And you need to be very persistent and specific: “Now let’s talk about your second child – think about the day before – are you sure? – what were the symptoms? – so none of them had diarrhoea? etc”. And you can return every few months. It takes a lot of time and you might do better talking to the health workers in the area.

If you are talking to the **elderly or disabled**, you would probably be concerned not only about physical symptoms but about mental/emotional symptoms like depression or anger.

— you can bring in non-NGO people from different disciplines, perhaps agriculture. Then these experts, the NGO people, and community members with their different informal skills can form themselves into smaller teams. Team membership can change during the week so that everybody bounces ideas off each other. They can do the following:

- **Make maps** of the village and its resources, including houses, pumps, roads etc. These maps can be made on the ground using sticks and stones. Distances can be measured using pacing.
- **Find out about Workloads:** the daily burden of work of both men and women. (Report from one village: “the women work much longer hours than the men, mainly in the fields. The men do the same work in the fields but as it is men that do it, it is more important so more tiring”).
- **Take Key measurements:** for example, the nutritional status of small children under five using Upper Arm Circumference Bands. A group of women are shown how to do this then they do it in pairs. If the pair have different measurements, the expert double-checks.



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Moderate malnutrition is an example of a problem that is not noticed by the community. Usually it is invisible. By measuring and discovering it, the problem becomes visible to mothers.

**— you can look for the different kinds of truths, knowing that different people will tell them in various ways depending on the situation.**

The village chief will paint the picture he wants officials to accept. Women's replies to questions can be more varied and accurate than their husbands', because they do not know the "correct" answer. Some issues are not for public consumption. They must be brought up in private. So if you need this information, your job is to get through the layers of correct, public or political truths. You need to have done your homework. You must know the type of truths that people would not easily discuss.

### EXAMPLE:

In an assessment of a project building latrines in East Africa, it was difficult to find out why some houses were not participating. Only by organising small focus group discussions, and by taking the time to talk about every missed household, did it emerge that each of these families were being badly affected by the amount the earners were spending on alcohol.

### EXAMPLE:

Doing a Needs Assessment with sex workers, one key question was "Why is the work so dangerous?" In discussions, the workers wanted to talk more about poor pay, violent and cheating clients, and money-grabbing police, than about AIDS. These other issues were also important, and some solutions could be found. By allowing the sex workers to have some control over the agenda and by giving them a lot of time, eventually they were willing to look seriously at lessening the spread of HIV.

## ANNEX TWO: INDICATORS FOR EFFECTIVE WATER AND SANITATION PLUS HYGIENE EDUCATION

A group called PROWWESS, based in the New York UN offices, developed aims and indicators for water projects.

They said that a water project should have two initial **aims**:

- People should use the water properly, hygienically, so that there would be a good effect on the health of the family (PROPER, HYGIENIC USE); and
- People should create a structure so that the water points would continue in use (SUSTAINABILITY).

The **indicators** have been adapted for projects that include water, latrines and hygiene education. These targets should be agreed on or adapted with the community at the start of the project and then monitored. Many questions are geared to women because they are the ones who collect water, care for small children, cook etc.

### INDICATORS FOR PROPER, HYGIENIC USE

These are used both at the start of the project and during it, and if all is going well, the number of “yes” answers should increase. (Check that the indicators are measurable, relevant and achievable).

- Is soap affordable?
- Do households purchase soap increasingly during the project?
- Is water quality maintained from the source to mouth?

Look first at the water point:

- Is the site routinely kept clean?
- Are unprotected wells or ponds chlorinated regularly (specify how)?;
- Are containers chlorinated regularly (specify how)?
- Are containers clean when they are dipped into the well or pond?
- Is the water kept clean during collection and transport?

Then look at home hygiene in the kitchen:

- Can water be contaminated in the kitchen?
- Are cups etc washed, dried and stored cleanly?;
- Is there soap or ash and water near the kitchen for hand-washing?
- Are hands washed before cooking?
- Are animals kept out of the kitchen?

Then look at home hygiene with small children:

- Is contaminated water boiled when children are sick?
- Can mothers make and use a rehydration drink or ORS?
- Are the faeces of children cleared up?
- Are babies well washed?
- Do mothers wash their hands after dealing with faeces?

Then look at personal hygiene:

- Are there private washing places for women?
- Is enough water used in the household for washing?
- Are washing-related illnesses getting less – skin infections, scabies?
- Do people say that they feel cleaner?

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Then look at improved latrine use:

- Are there enough latrines and are they close to the houses?
- Are people free to use latrines (no taboos)?
- Are latrines clean and free from smells?
- Is there a system to wash hands after latrine use?

### INDICATORS FOR SUSTAINABILITY

- ARE THERE CONFIDENT/COMPETENT VILLAGE ACTORS?
- Is there a Water & Sanitation Committee?
- Are most of the committee members the people who do the committee work?
- Is there at least one woman in the committee?
- Do women members say what they think in meetings?
- Have there been meetings with community members including the women?
- Have some of these meetings led to action?
- Do women in the community know what is going on?
- Have the women participated in activities?
- Do the women say that they can do something about diarrhoea in small children?

**Do not ask general questions. Ask specifically:**

**"This morning, where and how did you shit, wash, etc?"**

**"What did you do yesterday to keep everything clean?"**

**"When was the last time your kid got diarrhoea? What did you do?"**

## ANNEX THREE: COMPUTERS

A good NGO does not need a computer in order to do good work. Most of what a computer does can be done with pen and paper – often much more efficiently.

But in the long run you can do better work and save a lot of time if you do have a computer. A computer is particularly useful for creating documents that require regular updating, careful wording, precise calculation, or clear presentation.

### Areas of operation that benefit most from computerisation:

- planning (e.g. budgets)
- organisation (e.g. task management)
- calculation (e.g. management accounts)
- presentation (e.g. bids for funding)
- communication and research (via the Internet)

**Be patient:** A computer will not instantly make your NGO better. It can take time and perseverance to set up and learn the programs you need before you can start processing a lot of data effectively. In the beginning you will spend more time on a computer than you save.

**And remember the GOLDEN RULE: If you put garbage in, you will get garbage out! You are the guarantee of quality, not the computer.**

### With these qualifications, here are some of the practical benefits for NGOs:

**IMPROVED WRITING SKILLS:** Many people find that their writing style improves with a computer. A sentence can be re-written until it is clear and pleasant. A long paragraph can be worked at until it is much shorter. A chunk of text can be easily moved from one place to another where it makes better sense. Text can be styled (bold, for example) to draw attention to it.

**E-MAIL AND CONNECTION TO THE WEB:** Via e-mail you can talk to other organisations working in the same field. You can have discussions back and forth with partners in the North. You can even send in a nice long report (as an e-mail attachment). The downside is you will have no excuse for sending a report in late! If you read and write your emails while offline, telephone charges should be very small. (Unless you send in very long reports . . .)

**Important! Virus protection:** A NEW VIRUS IS LAUNCHED ONTO THE INTERNET EVERY FEW MINUTES. Thankfully, most die away without spreading very far, but a few spread like wildfire (such as the 'Anna Kournikova' virus, recently created for 'fun' by a Dutch teenager). The media always quickly reports these major viruses – but only after they have infected millions of computer systems. Points to remember:

- Anyone who has your email address on their computer is a potential source of infection. (that is, all your closest friends . . .)
- Viruses are contained in attachments, not the email itself. You can safely download all your e-mail and any e-mail without an attachment is almost certainly safe to open. *But do not open an attachment unless you know what it is. If you are not sure, delete the e-mail straightaway (and empty the bin) and contact the sender.*
- Get hold of and use a good anti-virus programme. Because new viruses are created all the time, you will still need to be careful (although you should be able to download free updates for your programme from its website – see for example

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[www.Mcafee.com](http://www.Mcafee.com) if you have a Mcafee virus scan programme. A good policy is to upgrade about once a month).

- Do not believe any warnings you receive by e-mail about dangerous new viruses. Most are misinformation. Do not pass them on. Instead check the facts from a reliable source such as The Computer Virus Myths website ([www.kumite.com/myths/home.htm](http://www.kumite.com/myths/home.htm))

If you can get onto the Web there are many useful sites, with materials, including whole books and reports, which you can download and print out (see our list of resources in Annex Six). You are unlikely to encounter any viruses on the Web. Be careful, though – 'surfing the net' can be seriously fun and you can find yourself doing it for much longer than you planned. (And you *will* get a huge telephone bill . . . )

**ORGANISING INFORMATION:** As with a paper filing system, you can store information in an organised and very structured way so that you can get the files you need quickly and easily. Storing information on the computer will also force you to select and summarize only the information you really need. You can up-date text, graphs and spreadsheets at any time without having to redo the whole file. But remember:

**Important! Privacy and confidentiality:** KEEP PRIVATE INFORMATION PRIVATE. KEEP CONFIDENTIAL INFORMATION CONFIDENTIAL.

For example, information on employees should be kept private. So ask whoever supplied your computer, or your technician, to install a system in your computer that asks, each time a new person starts your office computer, for his or her personal specific password. (e.g. the nickname of somebody's auntie living 400 kilometres away, which nobody could guess). This ensures that selected information is only accessible by those who have a mandate to work with it.

**Important! Back-up safety:** KEEP KEY INFORMATION SAFE BY MAKING BACK-UPS. Important computer documents need to be copied onto diskettes and safely stored away.

- Back-up diskettes must be kept in a fireproof safe or taken to a safe home. (Diskettes can degrade over time, especially in hot wet climates, so start with new ones every two years.)
- Keep a second copy of the most valuable files in a safe.
- In addition, every evening, the person in charge of computer documents should think, "Tonight there might be a fire" and make a copy onto a separate diskette of all the documents worked on that day. (That diskette can be over-written each evening with the new back-up files.)
- Write something meaningful on the diskette's label so you know what files it contains.
- It is useful for the name of the computer file to appear on 'hard copy' (printouts), too, so you can find it quickly if changes are needed.

### **Recommended programmes:**

*N.B. This section was written in 2001. For free open source software that offers a viable alternative to reliance on Microsoft, check [www.openoffice.org](http://www.openoffice.org)*

A very well known 'package' is *Microsoft Office*. It is available in many editions and its latest version (called *Microsoft Office Premium*) contains up to 9 different programmes. But an older version, *Microsoft Office 97*, will probably be more than sufficient for your requirements, and certainly much cheaper. (If you find it is no longer available, ask for a *Microsoft Office 2000* standard package.)

*Microsoft Office 97* has in its standard version 4 key programmes: *Word*, *Excel*, *PowerPoint* and *Outlook*. What can these programmes mean for your NGO?

**WORD:** As its name suggests, this programme is used for making text files. It can make very neat reports for you, which, if properly printed, will look as good as the work of the

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best printer in town. You can also make tables with *Word*, you can even draw your own specific organogram with arrows and boxes. A typical small NGO could probably execute 95 % of its ordinary computer work with this one programme.

**EXCEL:** A spreadsheet programme. Mainly used for accounting purposes as it has all kinds of (very sophisticated) calculation functions in it. So *Excel* is great for drawing up budgets, for comparing actual expenditures with budgets, for stock-keeping purposes, for making profitability calculations, for anything maths-related. *Excel* can also produce nice visual charts from the calculations.

If you already have *Excel* on your computer you could try and learn by playing around with a copy of the Mango accounting system spreadsheet provided with this manual. Try this **EXERCISE:**

- 1 **Open the Excel file called 'budget.xls'**
- 2 **Select column F by clicking its label 'F' at the top.** All the cells in the column should now be highlighted (meaning they are selected).
- 3 **Go to the Insert menu and select Columns.** A new blank column 'F' should appear. (The data that used to be there automatically shifts to the next column along, 'G').
- 4 **Select cell 'F6' by clicking in it.** Note that the other cells in column 'F' are now no longer selected.
- 5 **Type '% of' and press Return.** Now the text '% of' is in cell F6, and by pressing Return you have moved to cell F7.
- 6 **In cell F7, type 'total cost' and press Return again** (moving to cell F8). You have created a heading for your new column of data, well done!
- 7 **Press Return again to move to cell F9.** We will use a formula to provide the data for this cell – based on a calculation of data from two other cells...
- 8 **Type '=' and then click in cell G9.** The text 'G9' automatically appears after the equals sign; and the cell G9 now has a moving frame.
- 9 **Type '/' and then click in cell G8.** The formula now reads '=G9/G8' (and cell G8 has the moving frame).
- 10 **Press Enter instead of Return this time.** Only cell F9 is selected again and we should have some generated data in it now. However we will need to change the cell format to display the data correctly as a percentage.
- 11 **Go to the Format menu and select 'Cells...'** A window appears (called 'Format Cells').
- 12 **From the tabs at the top, select 'Numbers'; then select 'Percentage' from the Category listing. A box for decimal places appears – set it to '1' and click 'OK'.** If all has worked then we should now be able to see that the Programme Manager represents 18.5% of the total spending on international staff. Let's see how this figure changes if we double the Programme Manager's workload...
- 13 **Click in cell E9, type in '24' and press Enter.** 31.2% of the International staff budget is now being gobbled up by the Programme Manager – correct?

Of more marginal use are:

**POWERPOINT:** With this programme you could make up your own professional presentation of your NGO, or your programme, and beam your colourful images onto a wall – top of the modern life! But probably not very feasible for you as the cheapest beamer to connect to your computer would cost you about US\$ 3.000.

If you have an overhead projector, you can make a very decent presentation just by printing out your beautiful PowerPoint pages onto a laser printer, or a humble inkjet printer. Or you can even use a flip chart.

**OUTLOOK:** A search programme. It will help you to retrieve a file that you have on your computer but cannot find anymore. Suppose you would like to retrieve the file about your women's cooperative in dressmaking, but cannot remember the file name. You

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simply fill in the word 'dress-making' under the text search and your computer will locate all files that have anything to do with dressmaking. Could be handy one day...

### **Printers as a district resource:**

There may be many smaller NGOs in your district. Perhaps you could think of them – some of them at least – as future colleagues and resources who now need help. You could offer to print materials they need, perhaps for the cost of the paper.

**Important! Virus protection:** IF YOU DECIDE TO OFFER SUCH SERVICES TO COLLEAGUES, ALWAYS CHECK THEIR DISKETTES FOR VIRUSES. When you put the diskette in your computer, do not open anything on it immediately. First open your anti-virus programme and tell it to scan the new diskette. Do not think, "we are far out in the bush, new viruses do not come that easily here".

## ANNEX FOUR: MORE ON BUDGETS – THE PRACTICALITIES

**To best learn from this section, print out the Excel spreadsheet "budget.xls" which accompanies this manual.**

### **Note about accounts structure:**

A budget is drawn up using a specific accounts structure. An 'accounts structure' is the way in which costs are categorised. (For example, costs may be categorised as: local staff, international staff, travel, etc.) It is generally difficult to move from one accounts structure to another, once a project is under way.

The choice of accounts structure may be set by the NGO that you are working for – and if so, it must be used. However, some external donors have strict accounts structures that must also be accommodated. If you are receiving external funding for your project, then this must be looked into, as early as possible. You can save a lot of pain later on, by setting up an appropriate accounts structure. See *Chapter 10.1*.

### **An approach to drawing up a budget**

#### **EXAMPLE: HARGEISA SCHOOLS DEVELOPMENT PROJECT**

*First print out the Excel spreadsheet 'budget.xls'.* The budget is a good one. It has the following characteristics that you should follow:

- The Budget details include basic information about the project, including the name; the period covered in the project; the currency used; clear labelling of the currency on each costs column; a "Code" column with accounts codes clearly marked;
- The "Description" column has a short description for each type of cost which should be as detailed as possible, and is unique for each item. For example, for staff, it has "School Outreach Officer 1" and "School Outreach Officer 2" on different lines, rather than just one line 'Outreach Officers'. A good rule of thumb is to go for more detail rather than less, if you are not sure how to describe a cost. Descriptions are as precise as possible. For example, 'electricity for the office' is much more useful than 'power'.
- There are 'other' lines at the bottom of each section of the budget. This ensures that there are accounts codes for unforeseen expenditure. This means that the accounts codes do not have to be stretched when unexpected things happen – which they surely will.
- The units written in the "unit" column were chosen to correspond to how you will actually make payments for each item. This means that there will be different units for different items. You should not try to set units (e.g. the monthly cost) for the whole budget: this will only cause confusion for some items.
- The budget includes the time scale as well as the service. This means that it uses "composite units" – e.g. a 'person-day'. For example, this would be the best unit to use for a consultant who will be working for ten days on a project.



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### Total Cost

The total cost column should be filled in with the 'unit cost' multiplied by the 'quantity'. It is extremely important that all lines really do have this calculation made on them. If the numbers do not add up, then it is very hard to have any faith in the budget, or to adjust the budget.

(For example, suppose a budget showed 5 bags of cement, each with a unit cost of \$20, having a total cost of \$80. It is impossible to tell if this means that each bag could actually be bought for \$16, or if only 4 bags were bought for \$20 each. So, it is impossible to adjust the budget to changing circumstances. The total cost must be  $5 \times 20 = \$100$ .)

### Notes

Any notes about how a figure is arrived at (either the cost or quantity) should be written in the 'notes' column. This column is often not included in budgets. It always should be. Without it, it is impossible to know exactly why the quantity (or the unit cost) shown on the budget has been chosen. Every line should have a 'note' written alongside it. For example, if 5 air flights have been budgeted for, the note should explain why there are 5 flights, and not 4 or 6. Without a good record of the decisions taken in drawing up the budget, it is impossible to adjust the budget. This severely limits the use of the budget and the quality of financial management possible.

It is always useful to write more rather than less in the notes column. However, these notes do not have to be huge. They just have to be enough to explain the numbers given in the other columns of the budget. It cannot be stressed enough how important this information is.

### EXTRACT FROM HARGEISA SCHOOLS DEVELOPMENT PROJECT BUDGET *See file 'budget.xls'*

*Budget Period:* 1st March 2000 - 28th February

2001

*Budget Currency:* US Dollars

Code	Description	Unit	Unit Cost	Quantity	Total Cost	Notes
<b>B</b>	<b>National Staff Costs</b>				<b>39,800</b>	
B1	School outreach officer 1	Month	450	12	5,400	Hargeisa Grade B
B2	School outreach officer 2	Month	450	12	2,800	Hargeisa Grade B
B3	School outreach officer 3	Month	450	12	2,800	Hargeisa Grade B
B4	Office assistant	Month	350	12	4,200	Hargeisa Grade C
B5	Drivers	Month	250	36	9,000	3 drivers, each on Hargeisa grade D
B6	Guards	Month	250	24	6,000	2 guards for the office, each on Hargeisa grade D
B7	Cleaner	Month	250	12	3,000	1 cleaner, on Hargeisa grade D
B8	Medical costs	Person Month	50	132	6,600	expected cost: \$50 per staff member (11 in total) per month
<b>G</b>	<b>Local Transport</b>				<b>10,980</b>	
G1	Fuel	Vehicle Month	150	36	5,400	\$150 fuel per project vehicle p.m.
G2	Vehicle maintenance	Vehicle Month	50	36	1,800	\$ 50 maintenance per project vehicle p.m.
G3	Vehicle insurance	Vehicle Year	300	12	3,600	Annual insurance for each vehicle
G4	Nairobi local transport	Person Day	6	30	180	For trips by PM, EM and OM (assumed 2 during the year, 5 days each).

## ANNEX FIVE: MORE ON THE PRACTICALITIES OF ACCOUNTING

To best learn from this section, print out the Excel Workbook "accounting.xls" which accompanies this manual. The workbook contains 8 spreadsheets that are good examples of the accounting records discussed here.

### Remind yourself why accounts are produced:

- For project management: so that managers know how much money has been spent, on what;
- The law requires it: all charities are required to produce accounts detailing their income and expenditure;
- Donors require it: donors wish to see how their money has been spent;
- For control purposes: to check that money is not going missing;
- For budget monitoring and planning: to compare actual expenditure against the budget, so that managers can be sure that there are funds to complete all project activities.

### Recording transactions

#### Cashbook:

Payments and receipts are referred to as transactions. All transactions must be properly recorded in a cashbook. The cashbook is the most important single accounting book. If you do not keep any other accounting records (apart from the receipts), then you should keep a cashbook. It sets down the basic information used to build up a complete set of accounts.

The following details must be entered in the cashbook for each transaction: the date, a description, the reference number (see later), and the amount.

The sheet "Cashbook" shows the cashbook for a new field project. It is important to note that this is just one example of how a cashbook can be laid out. Cashbooks can be set out differently, for instance with receipts and payments laid out in adjacent columns, in the same table. However, they always contain the same basic information.

The first entry recorded in the January sheet (1<sup>st</sup> Jan 2000) is the \$20,000 cash, which the Office Manager brought from the UK Head Office in order to set up the field office. From the point of view of the field office, this is income. (Previously there was no money in the office cash account. Now there is \$20,000.) So, this is recorded on the left hand side, in the receipt section.

In January a donation of \$2,000 was also received. This means that total receipts for the month were \$22,000. In the same month, a total of \$7,000 was spent, as payments on rent, materials, electricity and salaries. Deducting the total payments from the total receipts gives the amount remaining at the end of the month (i.e. \$22,000 - \$7,000 = \$15,000). The \$15,000 is called the '*balance carried forward*'. This is because it is the balance of money carried forward to the next month, February.

This '*balance carried forward*' should be the same as the amount of money in the safe at the end of the month. If it is not the same, then either a payment or a receipt has been made but not recorded in the cashbook, or money has been taken or added to the safe.

(This exercise of comparing the amount of money in the safe to the balance in the cashbook is known as a '*cash reconciliation*', and should be carried out at the end of

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every month. Record the findings of any cash reconciliations that you perform on a cash count form (see example on sheet “Cashcount”). Include an explanation for any differences between the balance on the cashbook and the amount of money in the safe.)

Moving down the example to the February accounts, the first entry is the ‘balance brought forward’ from January (i.e. \$15,000). This is the starting position for the month. It is extremely important that the balance brought forward in one month is exactly the same as the balance carried forward from the previous month.

(There was no balance brought forward for January, because the office did not exist before January. It did not have any funds to ‘bring forward’.)

During February, \$300 of additional income is received, and a total of \$14,250 payments are made. So, the balance carried forward at the end of February is \$1,050, and this should be the amount in the safe on the 28<sup>th</sup> February.

### **Bankbook:**

In the example, the new field office starts up holding all its money in cash. However, in February the Office Manager decides to open an account at a local bank. She is then able to make payments using a chequebook as well as by using cash, and to hold the office’s funds in the bank.

So, the Office Manager has to keep a separate accounting book to record the details of bank transactions. An example of this is shown in the sheet “Bankbook”. (There has to be a separate accounting book for each ‘pot’ of money used by the office: the cashbooks, and the bankbooks, should describe exactly what is happening in the cash accounts and the bank accounts.)

The ‘bankbook’ has almost exactly the same format as the cashbook. The only difference is an extra column used to record the cheque numbers of all payments made. In fact, the term cashbook is used loosely. It can refer to a book detailing either cash transactions or bank transactions. The term ‘bankbook’ is used here to distinguish it from the cashbook.

The office’s bank account was opened with a deposit of \$10,000, taken from the cash account. It is important to see how this is shown in the cash and bankbooks. In the cashbook it is recorded as a payment. This makes sense, because the cash account is \$10,000 worse off. (Without this entry, the balance carried forward in the cashbook would be \$10,000 higher than the amount in the safe.) In the bankbook, the amount is recorded as a receipt. This also makes sense. Previously there was no money in the bank account, and now there is \$10,000.

It is important to remember that transfers made between cash and bank must be recorded in both account books. In the example, cash is deposited in the bank. But, it is also true for cash that is withdrawn from the bank and held in the cash account.

The bankbook is completed in exactly the same way as the cashbook. In the example, cheque payments totalling \$5,225 are made during February. \$15,000 of income was received by bank transfer from Head Office, in addition to local income of \$1,200. Together with the \$10,000 deposited from the cash account, this means that total income received in the bank account (during February) was \$26,200. So the balance carried forward at the end of the month was \$20,975 (= \$26,200 - \$5,225).

### **Bank reconciliation:**

The cash reconciliation confirmed that all the cash transactions were properly recorded in the cashbook. A similar check can be carried out for the bank account. Instead of comparing the balance in the cashbook to the amount of cash in the safe, the balance in

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the bankbook is compared (reconciled) to the balance on the bank statement. This is known as a 'bank reconciliation'.

A bank statement is a list of transactions produced by a bank, showing all the payments and receipts on an account over a period of time, and the amount held at the end of that period. See the sheet "Statement" for the bank statement received by the field office at the end of February.

The balance in the bankbook may not be the same as the amount on the statement, even if transactions have been properly recorded. There will probably be a number of timing differences. For example, a cheque payment made in the last couple of days of the month will be recorded in the bankbook. But the cheque may not have been presented to the bank and processed by the bank. So it might not appear on the bank statement. Or, money paid into the bank during the last few days of the month may not appear on that month's statement. There may also be some transactions on the bank statement that have not been recorded in the accounts. A common example is bank charges, which are deducted directly from the bank account.

So, it is necessary to check whether each transaction appears on the bank statement and in the bankbook. This can be done by ticking transactions off the statement, and seeing if they appear in the bankbook, and then by ticking transactions off the bankbook and seeing if they appear on the statement. It should then be possible, using transactions that are only recorded in one place, to reconcile the balance in the bankbook to the balance on the statement. See the sheet "Reconciliation" for an example.

### **Multiple currencies:**

As explained above, separate books must be used to record cash and bank transactions. Separate books must also be used for each currency that is used. This allows you to keep track of the balance of each fund of money that you are using. (For instance, suppose you have 4,000 dollars and 14,000 Kenyan Shillings. You cannot account for both the dollars and the shillings in one cashbook – otherwise you would be trying to add up different currencies, which soon becomes very complicated, or meaningless.)

### **Payment vouchers (reference numbers):**

In a cashbook, each transaction is given a reference number. For payments, this is done using payment vouchers.

Every payment should be documented on a payment voucher. This voucher must state: its own unique number (they should be numbered sequentially), the date of the payment, the payee (the person receiving the payment), a description, the amount of the payment and the accounts code. It should be prepared before the payment is made, and it can also be used to authorise payments. However, it is better practice to use separate authorisation forms for this.

The basic purpose of payment vouchers is to assign a unique number to each payment. This number is the label that finance staff use to track the payment through the accounting system. It is often necessary to do this, especially when problems crop up. If no printed payment vouchers are available, then you can make do by assigning each payment a number. For instance, you might choose to use the sequence "Jan01, Jan02, etc". This fulfils the vouchers' basic function.

Payment vouchers should be produced in duplicate. The first copy should be filed in the accounts records, and the second copy should be left in the payment vouchers book. This means that there is an extra record of all payments made in the vouchers book, along with the record in the cashbook.

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Every payment must also be supported by a receipt, and an invoice where available. The receipt is the proof that payment really happened, and that the goods or services were really bought. The invoice describes the goods or services that were actually received. When there is no invoice, the goods or services received should be described on the receipt. Receipts should be filed, as described in the following section, "Supporting Documents".

### **Receipt vouchers:**

Any income received should be documented on a receipt voucher. This must state: its own unique number (numbered sequentially), the date of the receipt, the payer (the person giving the money), a description, the amount and the accounts code. Receipt vouchers should be produced in triplicate. The payer should be given one copy, signed by the person who received the money. This is their proof that the money has gone to your specific organisation. The second copy should be left in the receipt vouchers book, and the third should be filed in the accounts records.

Books of receipt vouchers should be stored in a secure place. Otherwise, anybody could use them, apparently receiving money in your organisation's name.

### **Supporting documents**

All transactions must be recorded in cashbooks or bankbooks (as described above). However, each transaction must also have supporting documents filed for it, as well. Supporting documents include receipts, payment vouchers and authorisation forms. These files of supporting documents are a crucial part of any set of accounts.

There should be a separate file of documents for every month, with dividers in it for each different currency (and for cash as opposed to bank accounts). The documents filed for each transaction should include: authorisation (which could be on the payment voucher), the payment voucher, and receipts or invoices, all stapled together. The documents should be filed in order of payment voucher.

It should be easy to find the supporting documents in the files for any entry in a cashbook or bankbook. So, any accounts office is likely to have monthly files of supporting documents along its bookshelves.

### **Producing accounts**

Recording transactions is the basis of bookkeeping, and one of the most important parts of any accounting system. However, on their own, cash and bankbooks only have limited value. They only give details of individual transactions. They do not provide any overall picture of how much money was spent on what, and from where money was received. To do this, the information contained in the cashbooks must be summarised.

The sheet "Summary" shows a summary of the receipts and payments made by the field office in January and February. The information has been drawn from both the cashbook and the bankbook, and the income and expenditure has been summarised, using categories. From this, it is easy to see how much has been spent and received. It provides a clear breakdown of how the money was spent, and where it came from. This is useful for the project manager, who can monitor the overall financial situation.

When transactions are made in a number of currencies, you have to convert them all in to one common currency before you produce accounts. As discussed before, it does not make much sense to add dollars to shillings, for example.

### **Accounts codes:**

The categories used to summarise cashbooks are labelled with 'accounts codes'. Any set of categories can be used to summarise a project's income and expenditure. For NGOs, the expenditure codes are generally the most important ones. They can be set up according to geographical region (for instance, expenditure in the North, South, East or West), according to project (for instance, expenditure on health education or agricultural support), or according to type of expenditure (for instance, staff costs, transport or agricultural tools).

Often, codes will use a mixture of these different frameworks. (This can give rise to long codes.) Any codes at all can be set up and used. However, the same codes must be used on the budget as all subsequent accounts. So, accounts codes are defined when the budget is written.

You must always consider the needs of people who will use the accounts when you are setting up accounts codes. The codes define what information will be produced. Will that information be useful for the people who use the accounts? These people include the project management, the NGO head office accountants and any external donors.

Some of the users have fixed, inflexible requirements. So, their standard accounts codes must be used. This is likely to be the case for the NGO head office accounts systems, and for some external donors. This is discussed further in the '*Donor Reporting*' Mango Accounting Pack

It is important that every transaction recorded in the cash and bankbooks is properly coded. For this, an extra column is required on the cash and bankbooks. See the sheet "Codes" for an example, applying codes to the January and February cashbooks.

### **Accounts summary:**

The cash and bankbooks can be summarised using the accounts codes. This allows accounts to be produced. An example of a simple accounts summary is given on the sheet 'accounts summary'. You can see how the information produced here is useful for managers, and how it could easily be compared against an overall budget.

## **Financial controls**

A few basic financial controls can greatly reduce the chance of money going astray, or of funds running out. These are described below, and include areas like authorising expenditure. It may not always be possible to implement all the controls. But, the more that you are able to use, the stronger your system will be.

Remember that preparing accounts and comparing them against a budget is an extremely important financial control in itself. Another fundamental control is making sure that people with the appropriate skills and experience are recruited for financial work, and that their responsibilities are clearly defined. This should be the priority when it comes to finding new staff to take on the accounts: find someone who has the right qualifications and experience, and make sure that they know what is expected from them.

### **Authorisation:**

Every item of expenditure must be authorised. This is necessary to ensure that those with responsibility for expenditure are able to maintain control. The Project Manager, for instance, is normally responsible for ensuring that expenditure remains within budget. This would be outside his control if any of the staff could authorise payments. (For instance, money could be spent inappropriately.)

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There must be clearly stated procedures agreed by the Project Manager, who is responsible for the budget, setting out different authority levels. For instance, the Office Manager might be allowed to authorise cash payments of up to \$500. Payments for more than \$500 would have to be authorised by the Project Manager (or a designated deputy in the absence of the project manager). It is generally also necessary to have different forms to authorise different types of transactions. (For instance, there might be a specific 'float request form' used to request and authorise floats.)

### **Security:**

It is clearly very important that any cash in the office is kept secure, usually in a safe, or at least in a strong cashbox. Access to this should be restricted to one person. Cash held in the office should be restricted to a minimum. Money should be withdrawn from the bank, or obtained from Head Office, only when it is required.

### **Cash and bank reconciliations:**

If regular cash and bank reconciliations are carried out, then you know that the accounts are recording reality: that if the accounts say that you have \$100 of cash, then you really have \$100 of cash. This is a fundamental control, and must be carried out at least every month.

### **Segregation of duties:**

A standard financial control is to make sure that different members of staff have responsibility for different accounting duties. This introduces a series of checks on all accounting work, and greatly reduces the possibility of fraud. The basic jobs to try to split up are: authorising payments, handling cash and recording transactions.

## **Accounting Golden Rules**

- △ Record everything that you do. You must preserve an 'audit trail'. That means that another person must be able to follow all of your accounts just from what you have recorded, with no additional explanation.
- △ Be organised. Make sure that all documents are properly filed, and all procedures properly followed.
- △ Be consistent. If you do things one way in one month, then do them the same way in the next month (unless there is a good reason for changing them).
- △ Keep on top of the books. Do not let them go for more than a week without making sure that they are up to date. Fill in all the proper books as the transactions happen: do not let a backlog build up.
- △ Do not get stuck on one point. If one thing is being very difficult, then make a simplifying assumption that will allow you to move on. Make a note of it, and discuss it with your manager or an accountant as soon as possible.

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