

Transparent Financial Management for MBOs



Booklet 5

Sustainability for MBOs:
Resource Books for Organizations

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This series of resource books on sustainability was written in response to the expressed needs of Membership Based Organizations (MBOs) of informal workers looking for a basic guide on operational practices and achieving sustainability. The project was initiated by WIEGO (Women in Informal Employment: Globalizing and Organizing), as part of the Inclusive Cities project, a collaboration of local/national MBOs of informal workers, international alliances of MBOs, and support organizations working together as partners to improve the situation of the working poor.

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Overview

Sustainability for MBOs: Resource Books for Organizations

The Booklets

There are currently five Booklets in the series:

1. Writing a Project Plan Part ONE:
Developing Outcomes and Objectives
2. Writing a Project Plan Part TWO:
Measuring and Sharing the Impact of Your Project Results
3. Writing a Project Plan Part THREE:
Operational Planning and Activity-Based Budgets
4. Introduction to Proposal Writing
- 5. Transparent Financial Management for MBOs**

Further books will be added to the series as funding allows. Check with www.wiego.org for updates.


The Aim


This series aims to assist leaders and managers of MBOs to build more sustainable organizations through strengthening administrative and financial management, as well as establishing more effective planning, monitoring and evaluation systems. The series will also look at issues related to fundraising.

Using the Booklets


These resource Booklets provide ideas, guidelines and examples that will help decision-makers in your organization address project planning and some administrative systems in your MBO. You will find the following symbols throughout:

 **Tips:** Quick tips to apply to day-to-day operations.

 **Checklists:** Quick evaluation tools to make sure you're ready to move to the next step.

 **Examples:** Case studies and examples showcasing practical applications.

 **Definitions:** Clear descriptions of key words and terms.

 **Learning Activities:** Exercises to help you make the methods and strategies your own, or to help you teach them to others.

Introduction

In this Booklet

This resource book introduces three basic methods for promoting transparent financial management in your MBO; specifically setting Financial Policy, Internal Control Systems and a Rolling Forecast Budget. Financial Policies set the standard for how your governing body and members make financial decisions. Internal Controls ensure that your MBO will have open and honest procedures for handling cash, while budget forecasting will ensure that you are planning how to use your cash as effectively as possible. In addition, this Booklet will draw on previous Booklets in the series (particularly Booklet Three on writing Activity-based Budgets from a Log Frame) to offer some suggestions on how to use a Project Budget for monitoring, including the use of cash flow projections for budget forecasting.

This Booklet is not a bookkeeping guide. The systems that will be discussed here are *parts* of a financial *management* system, not a financial accounting system. Though we won't be discussing financial accounting or bookkeeping methods here, it must be understood that meticulous financial records are the foundation of all financial management systems. We strongly recommend that your MBO team has an accounting specialist to oversee financial systems, including a dual-entry¹ bookkeeping system. Whether you have a qualified bookkeeper on your regular staff, or a third party bookkeeper working on contract, the additional services of a designated accountant to prepare an audit report at the end of your fiscal year is also strongly recommended (and may be required). This person will be aware of International Accounting Standards (IAS), or Generally Accepted Accounting Principles (GAAP), and can be a reliable advisor on any matters to do with finances.

¹ **Dual-entry (or double-entry) accounting systems** require two balanced entries for each financial transaction. For instance, a payment to a vendor for office supplies would require a credit to a 'Cash' account, and a debit to the 'Office Supplies' account. This system is the standard for bookkeeping and financial accounting.

Good financial accounting practices are essential to the health of your MBO. Think of this Booklet as a map to guide you through some important things to consider when setting up financial systems for your MBO. Deciding exactly how the systems operate will be up to you, your members and your accountant.



Section One: Financial Policy

Setting Financial Policy For Your MBO

Internal Controls should be set out in your MBO's Financial Policy. A Financial Policy gives both your members and outside stakeholders a detailed explanation of your finance systems and procedures. A Financial Policy also sets the standard for how financial information is recorded and kept. The Financial Policy gives your internal decision-makers a foundation and framework for when and how to take action, including (and especially) in times when cash is tight. Last but not least, a Financial Policy—along with good internal controls—ensures that systems are in place to prevent fraud and corruption.

The Financial Policy for your MBO should answer the following questions:

- a) When was the Policy approved by the Board of Directors, and/or when was it revised? All policies should be dated to show that they are current.
- b) Where are your financial records kept and maintained?
- c) What method is used for recording financial transactions? An accrual-based dual-entry accounting system is the standard. If you're using bookkeeping software, list the name here. You should also mention whether the books will be kept in-house or by a third party.
- d) Where are your bank accounts?
- e) Who has access to the bank accounts; who makes the deposits; and who and how many people sign the cheques?
- f) Under what circumstances would your organization borrow money or use lines of credit?
- g) Who does the bank reconciliations and how often?
- h) What kind of Financial Reports are delivered to managers, your members and your Executive or Board of Directors; and how often?

- i) What are your audit procedures? Who appoints the external auditor, and how often is a new auditor appointed?
- j) What controls are in place (such as Internal Controls and Voucher Systems to be discussed in detail a little later in this booklet)?
- k) Do you have a Procurement Policy? Who is allowed to make contracts with vendors? Does your Conflict of Interest Policy (see definition below) take procurement into account? How many quotes are required when making major purchases?
- l) What method is used for maintaining separate financial records for each project or programme area?
- m) Do you allow for salary advances? If so, what are the circumstances and limitations?
- n) How do you handle reserves² and restricted funds³?
- o) Is there a minimum cash balance that the organization wants to maintain?
- p) How do you handle Petty Cash? Can staff borrow from Petty Cash? How often is Petty Cash reconciled and by whom?

² **Reserves** are basically the 'savings' of an organization. They are funds that are held for future use, sometimes from one period (year) to the next.

³ **Restricted funds** are pots of money that can only be used for a particular purpose or in a particular way. Often, restricted funds result from contracts with funders. For example, a funder might give grants that can be used for travel and skills training; but that cannot be used for core costs.



Definition

Conflict of Interest

A Conflict of Interest is any situation where a corporation or an individual acting on behalf of your MBO also stands to gain from the activities of your MBO. It's when money changes hands that Conflict of Interest can most often become an issue. For example, the Secretary General of your MBO is tasked with choosing between three quotes for a major equipment purchase, but her father-in-law owns one of the businesses submitting a quote. In another example, a member of your Executive Council will vote on a decision that could commit your MBO to a contract relationship with her own business.

In order to handle these situations, your MBO needs to have a Conflict of Interest Policy in place. Usually these policies will either disqualify paid staff and elected leaders (and their families) from gaining financially from the MBO (e.g., from selling things or providing services to the MBO), or will bar individuals from voting or being included in decision-making in situations where they stand to gain. For instance, in the first example above, the MBO could decide either that they would not consider a quote from the company of the Secretary General's father-in-law, or that the Secretary General would be excused from making the decision on which quote was accepted. By the same token, in the second example, the MBO could decide not to have dealings with a business owned by a Council member, or to ask that member to leave the room when a decision regarding her business was being made.

The policy needs to be tailored to the needs of your organization, but should include your MBO's definition for 'Conflict of Interest', the procedures that you will follow to avoid a Conflict of Interest, and the date that the policy was approved. As with many other things, the Internet is an excellent source for examples and information.

Section Two: Internal Controls

Internal Controls are systems and procedures for handling cash in your MBO. These systems protect your MBO from losing money through error or fraud. With the correct procedures in place, you'll be able to show your members that their dues are being put to the intended use; and you'll be able to show funders and government regulatory agencies that your operations are free of collusion⁴ and fraud⁵, and that your records are accurate.

Internal Control Systems are as varied as the MBOs that use them. The larger the organization, the larger the control system—including the numbers of staff and elected leaders involved. No matter what your MBO's needs are, there are some basic principles that govern most Internal Control Systems:

1. One person is clearly defined (and approved) to perform each task.
2. Adequate records are kept to show that all people who have access to the MBO's cash are following procedure.
3. Duties to do with handling cash are always kept separate from duties to do with recording cash transactions.
4. Responsibility for actions related to handling cash (for example, receiving cash payments, issuing receipts and making cash bank deposits) should be divided amongst at least two or three people.
5. Cash and goods or inventories are physically verified.
6. Independent reviews of records are done to check that the Internal Control System is working.

⁴ **Collusion** is an agreement or conspiracy between two or more parties to misrepresent facts for personal gain. The separation of duties in the handling and recording of cash (as per Internal Control Systems) is intended to eliminate opportunities for individuals to collude.

⁵ **Fraud** is a wrongful deception resulting in personal gain for the fraudulent individual.

Tip

Considering the Limitations of Internal Control Systems

There are three major limitations to all Internal Control Systems:

1. Human error: People making innocent mistakes
2. Fraud: People divert cash dishonestly, and for their own gain
3. Cost vs. Benefit: If the Internal Control System is too big, the cost of keeping it running will outweigh any potential benefits

All three of these factors should be considered when designing your Internal Control System. You want to make sure that you avoid losses due to error and fraud, without it costing more than the potential losses to do so.



There are three types of situations where it's easy for your MBO's cash to go missing:

1. When someone is collecting cash for your MBO (such as membership fees or cash donations);
2. When someone is making a purchase on behalf of your MBO; and
3. When your office has a petty cash system.

Internal Controls for each of these situations will protect all of your staff from errors and fraud that can harm your MBO.

Tip

Three Golden Rules for Controlling Cash

1. Separate duties to do with handling cash from duties to do with recording of cash transactions.
2. Cash should be deposited to a bank account regularly (daily if possible).
3. Wherever possible, make cash disbursements/payments by cheque (so there is a paper trail).



Internal Controls for Collecting Cash

The basic steps for collecting cash are as follows:

1. An amount is paid to the MBO.
2. A receipt is issued (the amount is verified by the person paying cash).
3. The cash is deposited into a bank account.
4. The receipt record is entered into the financial records by a bookkeeper.
5. When the bank reconciliation is done, the deposit and receipt records agree.

In order to fulfill the first principle of Internal Controls (as per above) you must first decide which of your staff members have approval to do things like issue receipts, receive cash and make bank deposits; and then assign the tasks. In addition, these duties must be spread over two or three people in order to separate the collecting of the cash from the recording of the transactions.

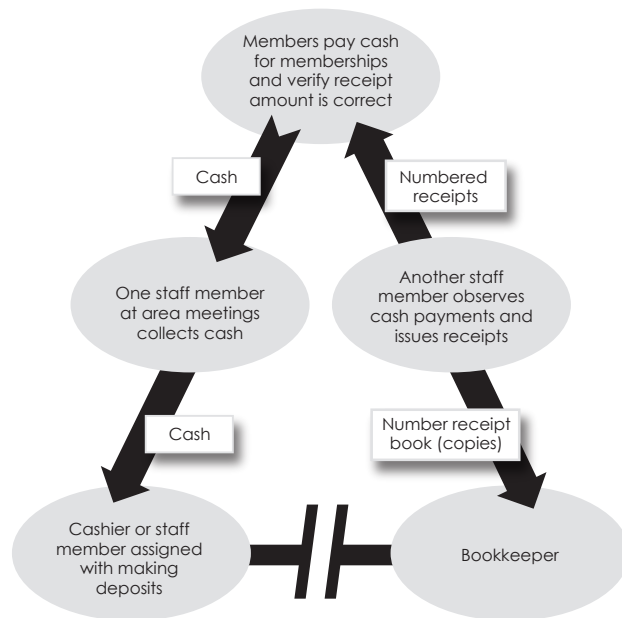
If your MBO doesn't have paid staff, or has only one staff member, you still need to have Internal Controls. However, in this case you may have to divide tasks among staff and elected leaders, or just among elected leaders. Having a bookkeeper on contract would be important, as soon as your MBO can manage to do so financially.

Example

Internal Controls for Collecting Cash Payments for Membership Fees

An MBO collects membership fees from each member twice a year at area meetings. The membership fees are due in January and June of each year, so there are many relatively small cash transactions during those months. This is a situation where—without good Internal Controls—human error could be a big problem, or a little cash could easily slip into the wrong pocket.

With the basic principles of Internal Controls as a guide, the MBO and their bookkeeper devised the following procedures, which were reviewed and approved by the MBO's accountant:



Internal Controls for Purchasing

Any time your MBO agrees to pay for goods and services, it creates an obligation or a contract. Internal Controls create rules about who is allowed to obligate the MBO in this way, while ensuring that the purchases were made with the best interests of the organization and its members at heart, and for a good price.

Internal Controls must also ensure that the goods and services were actually exchanged for payment; bogus or fraudulent invoices are one known way of misdirecting an organization's cash. Good financial records match an objective and verifiable document (such as a receipt or a paid invoice) with each cash expenditure. In smaller MBOs, it's relatively easy to verify that the invoice is real and that the goods or services were actually received. However, in larger organizations something called a Voucher System is used as an Internal Control for purchasing. The Voucher System ensures not only that goods were exchanged for cash, but that the purchase was appropriate and that it was approved.

Tip

Purchasing Fixed Assets

Getting more than one quote (three is common) when purchasing fixed assets or making other major purchases ensures that the MBO gets a good price, and that no favoritism is being shown to any particular vendor. Your Financial Policy can stipulate the number of quotes required, as well as how and by whom the final decision is made.

In addition, your MBO might want to consider keeping a separate fixed Asset Register. If your MBO owns many fixed assets, there should also be an Annual Inventory Report to verify that what exists 'on the books' (or in the register) is actually in your possession.

A Voucher is basically a folder containing documents to support each stage of purchasing. This can include:

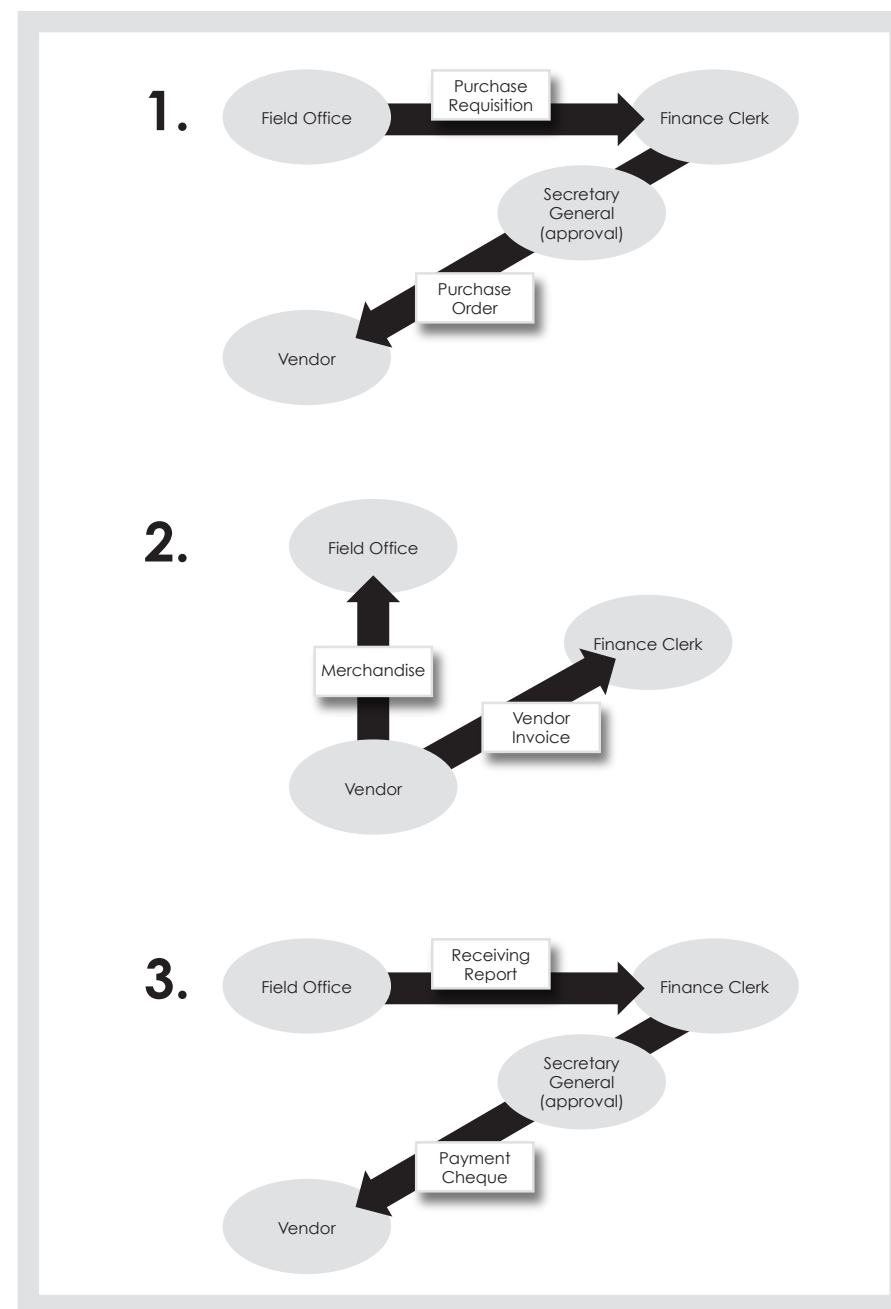
1. A Purchase Requisition documenting a request for goods or services;
2. An Approval Form that OKs the purchase;
3. A Purchase Order documenting the request for goods or services from the vendor;
4. A Receiving Report that verifies all the goods on the Purchase Order arrived in good condition;
5. An Invoice from the vendor; and
6. A record of payment (a cancelled cheque, or a paid receipt).

If each of these steps is performed by a different and designated person, and if the tasks to do with purchasing goods and paying for the goods are kept separate, then there is very little opportunity either for error, or for the cash to get paid into the wrong hands. Your accountant or auditor can guide you on when your organization is large enough to warrant this kind of system. For smaller organizations, you may shorten the process while ensuring that the proper approvals are in place, and that more than one person is involved in the transaction.

Example

Internal Controls for Purchasing New Sewing Machines for a Remote Field Office

An MBO has a skills training project running for home-based workers in a remote village. The field staff in that location decide that in order to continue the skills training, they are going to need to buy six new sewing machines. This MBO has chosen to use a Voucher System for purchases, and has a policy of getting three quotes for each purchase of assets. The following diagram describes how the Voucher System works in this scenario:



Section Three: Forecast Budgets⁶

An Annual Budget gives your MBO a basis on which to make day-to-day financial decisions. It's approved by the board (usually annually), and so is a fixed document that does not change throughout the year. On the other hand, a Rolling Forecast Budget allows an MBO to look into the future, to test solutions, to make adjustments when the unexpected happens, or to test the ability of the MBO to rise to a new challenge when an opportunity presents itself.

The Rolling Forecast Budget is a cash-basis⁷ report that monitors the levels of ready cash throughout the year, and usually covers three to five years (including the current year). It is broken into months and can be updated with actual figures at the end of each month, which helps with planning for or avoiding temporary cash flow problems throughout the year. It's a working document that managers can manipulate with 'what if' scenarios.

⁶ WIEGO has created web resources to enhance the learning in these Booklets. For this Booklet in particular, the web resources include views of the entire spreadsheets used in examples, and videos further demonstrating some of the concepts discussed.

⁷ **Accrual vs. Cash-Basis Accounting Methods**

The main difference between *accrual* and *cash-basis* accounting is the timing of when revenue and expenses are recognized in your bookkeeping system. Under the accrual method, revenues are recognized when they are earned (but not necessarily received), and expenses are recognized when the obligation is incurred (not when money is paid out). For example, if you were to mail invoices to your members for collecting membership fees, under the accrual method the revenue would be recognized as soon as the invoices were sent out, but under the cash-basis method would be recognized only when the cash was paid from the member to the MBO. Under the accrual method, an expense would be recognized as soon as the invoice for goods or services was issued by the vendor; but under the cash-basis method it wouldn't be recognized until the money was actually paid to the vendor.



Definition

Organizational Budget vs. Project Budget

The Annual Budget referred to in the example below is an Organizational Budget; it's a summary for all of the Revenues and Expenditures of the entire organization for the year. A Project Budget—like the examples used in Booklet Three in this series—includes expenses that pertain only to one project. An organization can—and usually does—have many projects running simultaneously, and expenditures will be assigned to those projects by the bookkeeper, based on the instructions of the Project Manager. A description of a system like this is beyond the scope of this Booklet. For the purposes of the example to follow, we can assume that all project and core/operational expenses have been included in this summarized Annual Budget. A rolling forecast for the entire Organizational Budget gives the best overview of the bottom-line, over time.



Example

A Three-Year Rolling Forecast Budget for the Informal Workers' Association

Every January, the Secretary General of the Informal Workers' Association (with help from the bookkeeper and accountant) creates an Annual Budget for the upcoming year. Once this Budget is approved by the board of directors, it becomes a guide for all spending and purchasing decisions for that year. The Informal Workers' Association's fiscal year followed the calendar year: 12 months ending on December 31st.

However, the management team found that they needed more information than could be supplied by the Annual Budget. A

major skills training project was coming to an end. Some expensive equipment needed to be replaced. Due to an increased workload, the Association would like to hire some part-time staff person; but this had not been budgeted for. Some grants were coming to an end and some were starting, but the team needed to make sure if and where gaps still existed, and to make fundraising plans accordingly.

For these reasons, the Informal Workers' Association built a Three-Year Rolling Forecast Budget.

Step 1: The Three-Year Forecast Budget

First, the Association extrapolated a Three-Year Budget from their current year's Annual Budget. They made some small adjustments for growth and cost of living increases, and included increases for the equipment purchases, and decreases after the end of the skills training project.

Tip

Conservatism

In order for budgets to be useful, they must be conservative: revenues should only be entered in a budget if you are sure of them, and all anticipated expenses should be included.

In addition, times when you expect to pay and receive funds should be as accurate as possible. Recording revenues a month early or expenses a month late could seriously skew your bottom-line and make the Budget document unreliable.

The headings on this report match the Income Statements that are provided to the Executive at monthly meetings. This will make updating the actual expenses in the form much easier at the end of each month (this will be explained below under Step 5).

The resulting Three-Year Forecast Budget looked like this:

INFORMAL WORKERS' ASSOCIATION 3 Year Forecast Budget (USD)

		2016	2017	2018
REVENUE				
Grant Revenue	Jones Foundation	80000	80000	0
	HIVOS	125000	0	0
	USAID	141000	149000	141000
	Star Foundation	0	110000	140000
	Other (pending)	70000	30000	25000
	Total Grant Revenue	416000	369000	306000
Donations	Corporations	40000	48780	65000
	Spring Fundraising Event	18000	0	17400
	Private Donations	2000	2200	2400
	Total Donations	60000	50980	84800
Earned Revenue	Membership Fees	34000	36000	40000
	Interest Revenue	6000	3000	2000
	Total Earned Revenues	40000	39000	42000
	TOTAL REVENUE	516000	458980	432800
EXPENSE	Salaries and Benefits	155000	170500	187000
	Training Expense	131000	60000	
	Rent	73000	73000	73000
	Meeting Expense	64000	54900	67200
	Telecommunications	36000	37500	41000
	Professional Fees	12000	13200	14500
	Utilities	3000	3300	3600
	Book keeping and Audit Expense	9000	9900	10800
	Promotions and Advertising	7800	8580	9400
	Insurance	7600	8360	9200
	Website	6200	3600	3600
	Fundraising Expense	4000	0	4400
	Office Supplies	3400	3740	4200
	Equipment	2600	10860	3200
	Postage and Courier	1400	1540	1700
	TOTAL EXPENSE	516000	458980	432800
	Total Revenue less Expense	0	0	0

Step 2: Breaking the Year into Months

In the next step, the Informal Workers' Association broke the three years into thirty-six months, and Revenues and Expenses were entered in the months accordingly.

Expenses like rent and utilities are disbursed in equal monthly amounts across all months, while expenses like insurance and professional fees are paid in lump sums. Further, expenses like salaries and benefits are much higher in some months than in others.

On the Revenue side, there are even more fluctuations from month to month. All of the Association's funding partners pay the awards in lump sums or annual disbursements. In addition, cash flow from membership fees and donations fluctuate throughout the year based on event and meeting schedules.

The Forecast Budget is an excel worksheet, and is too big to fit here. The full spreadsheet appears as Appendix 1 on page 31 of this Booklet, or can be viewed online (instructions for accessing web resources can be found on page 29 of this Booklet). However, here is an excerpt to demonstrate what the finished spread sheet looks like:

INFORMAL WORKERS' ASSOCIATION 2016							
3 Year Rolling Forecast Budget	January	February	March		Total 2018	Budget 2018	Variance of actual over budget
REVENUE							
Grant Revenue							
Jones Foundation	0	0	60000	0	0	0	0
HIVOS	0	0	0	0	0	0	0
USAID	0	0	0	0	141000	141000	0
Star Foundation	0	0	0	0	140000	140000	0
Other (pending)	0	20000	0	00	25000	25000	0
Total Grant Revenue	0	20000	60000	00	306000	306000	0
Donations							
Corporations	0	0	0	0	65000	65000	0
Spring Fundraising Event	0	0	0	0	17400	17400	0
Private Donations	150	150	150	170	2400	2400	0
Total Donations	150	150	150	170	84800	84800	0
Earned Revenue							
Membership Fees	3000	3000	3000	600	40000	40000	0
Interest Revenue	4000	2000	0	0	2000	2000	0
Total Earned Revenues	7000	5000	3000	600	42000	42000	0
TOTAL REVENUE	7150	25150	63150	770	432800	432800	0
EXPENSE							
Salaries and Benefits	12000	12000	12000	2000	187000	187000	0
Training Expense	0	0	43000	0	0	0	0
Rent	6080	6085	6085	6080	73000	73000	0
Meeting Expense	22000	3200	1200	0	67200	67200	0
Telecommunications	3000	3000	3000	3600	41000	41000	0
Professional Fees	2000	0	6000	0	14500	14500	0
Utilities	250	250	250	300	3600	3600	0
Book keeping and Audit Expense	300	300	300	400	10800	10800	0
Promotions and Advertising	650	650	650	785	9400	9400	0
Insurance	3600	0	0	0	9200	9200	0
Website	300	300	300	300	3600	3600	0
Fundraising Expense	0	250	500	0	4400	4400	0
Office Supplies	300	300	300	350	4200	4200	0
Equipment	0	0	0	0	3200	3200	0
Postage and Courier	100	100	200	142	1700	1700	0
TOTAL EXPENSE	50580	26435	73785	33957	432800	432800	0
Total Revenue less Expense	(43430)	(1285)	(10635)	(6187)	0	0	
Cash Balance Beginning of Month	23245	(20185)	(21470)		29432		
Cash Balance at End of Month	(20185)	(21470)	(32105)		23245		

Step 3: Calculating the Running Cash Balance

The last row in this spreadsheet shows the running cash balance by adding a month's Total Revenue less Expenses to the ending Cash Balance from the previous month. For the first month of this new spreadsheet, the Informal Workers' Association's cash balance at the close of the previous year was entered: \$23,245.

Right away the management team at the Association can see a problem. Though the Budget for the year is balanced, the month-to-month breakdown reveals a serious cash crunch in the first quarter of 2016.

INFORMAL WORKERS ASSOCIATION												2016			
3 Year Rolling Forecast Budget															
	January	February	March	April	May	June	July	August	September	October	November	December	Actual Total 2014	Budget 2015	Variance of Actual over Budget
REVENUE															
Grant Revenue															
Johns Foundation	0	0	60000	0	0	0	0	0	0	20000	0	0	85000	85000	0
HSOC	0	0	0	12000	0	0	0	0	0	0	0	0	12000	12000	0
USOC	0	0	0	0	0	14000	0	0	0	0	0	0	14000	14000	0
Star Foundation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Grant Revenue	0	0	60000	12000	0	14000	0	0	0	20000	0	0	109000	109000	0
Donations															
Corporations	0	0	0	0	0	40000	0	0	0	0	0	0	40000	40000	0
Spelling Foundation Trust	0	0	0	4000	10000	4000	0	0	0	0	0	0	18000	18000	0
Private Donations	100	100	100	4100	10000	4100	100	100	100	100	100	100	6000	6000	0
Total Donations	100	100	100	4100	10000	4100	100	100	100	100	100	100	6000	6000	0
Earned Revenue															
Membership Fees	3000	3000	3000	4000	4000	3000	2000	2000	2000	3000	3000	2000	34000	34000	0
Other Earned Revenue	2000	2000	2000	3000	3000	2000	2000	2000	2000	3000	3000	2000	40000	40000	0
TOTAL REVENUE	7100	21100	63100	14100	14100	18100	2100	2100	2100	2100	2100	2100	151000	151000	0
EXPENSE															
Salaries and Benefits	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	151000	151000	0
Training Expenses	0	0	42000	0	0	0	0	0	0	0	0	0	42000	42000	0
Travel	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	72000	72000	0
Meeting Expenses	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	24000	0
Telecommunications	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	24000	0
Professional Fees	2000	0	6000	0	0	4000	0	0	0	0	0	0	12000	12000	0
Marketing	200	200	200	200	200	200	200	200	200	200	200	200	2400	2400	0
Bank Meeting and Audit Expense	600	600	600	600	600	600	600	600	600	600	600	600	7200	7200	0
Printing and Advertising	4000	0	0	0	0	4000	0	0	0	0	0	0	8000	8000	0
Insurance	300	300	300	300	300	300	300	300	300	300	300	300	3600	3600	0
Waste	300	300	300	300	300	300	300	300	300	300	300	300	3600	3600	0
Printing Expense	40	200	300	300	300	300	300	300	300	300	300	300	3600	3600	0
Other Expenses	300	300	300	300	300	300	300	300	300	300	300	300	3600	3600	0
Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSE	6380	16435	22285	22285	22185	22185	22185	22185	22185	22185	22185	22185	27185	27185	0
Cash Balance Beginning of Month	23245	11815	11815	11815	11815	11815	11815	11815	11815	11815	11815	11815	11815	11815	11815
Cash Balance at End of Month	(20185)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)	(21470)

TOTAL EXPENSE	100	100	200	0
Total Revenue over Expense	(43430)	(1285)	(10635)	99865
Cash Balance Beginning of Month	23245	(20185)	(21470)	(32105)
Cash Balance at End of Month	(20185)	(21470)	(32105)	67760

Step 4: Using the Budget Forecast Spreadsheet as a Tool

Now that the spreadsheet is complete, the Association can use it as a planning tool.

Scenario 1: Monitoring and Fixing Cash Flow Problems

The Informal Workers' Association would like to find a way to avoid the negative cash balances that are showing up in the first quarter of 2016. There is very little flexibility on the Revenue side of things. The Association will continue to fundraise, but cannot enter any pending amounts until grants have been confirmed. In the meantime, they need to take measures to avoid potential problems, and to look at similar tight months in 2017 and 2018.

The team goes through all the expenses, and in the end takes the following measures to avoid the cash crunch:

- 1) Reschedule the larger training sessions from March to May in order to defer the \$43,000 expense.
- 2) It's too late to reschedule the annual meetings in January 2016, but by making a few calls, the Association was able to convince some of the vendors to receive payment in March (and the annual meeting is rescheduled for future years as well).
- 3) The insurance provider agreed to take a smaller payment in January 2016, and a cheque for the balance post-dated for March, and to continue this arrangement in future years.
- 4) A professional training consultant has agreed to have her entire annual fee of \$8,000 (including expenses) paid in one lump sum in March, rather than in two installments, and has also agreed to continue this payment schedule in future years.

The monthly Budget amounts were therefore reallocated as follows:

EXPENSE	(January 2016)	(February)	(March)	(April)	(May)	(June)
Salaries and Benefits	12000	12000	12000	12000	12000	12000
Training Expense	0	0	0	0	43000	45000
Rent	6080	6085	6085	6085	6085	6085
Meeting Expense	4300	3200	1200	22000	3200	1200
Telecommunications	3000	3000	3000	3000	3000	3000
Professional Fees	0	0	8000	0	0	4000
Utilities	250	250	250	250	250	250
Book keeping and Audit Expense	300	300	300	5700	300	300
Promotions and Advertising	650	650	650	650	650	650
Insurance	1000	0	0	0	0	6600
Website	300	300	300	300	300	300
Fundraising Expense	0	250	500	500	1000	1750
Office Supplies	300	300	300	300	300	300
Equipment	0	0	0	0	0	2000
Postage and Courier	100	100	200	200	100	100
TOTAL EXPENSE	28280	26435	32785	50985	70185	83535
Total Revenue less Expense	(21130)	(1285)	30365	82145	(55835)	104615
Cash Balance Beg. of Month	23245	2115	830	31195	113360	57525
Cash Balance at End of Month	2115	830	31195	113360	57525	162140

These changes did not affect the end of year budget balances, but allowed the Informal Workers' Association to avoid potential cash flow problems.

Scenario 2: Adding a Staff Position

The Association would like to hire three additional part-time staff members to help cope with an ever-increasing workload. The full cost for these positions is estimated at \$15,000 USD per year, or \$1,250 per month. This salary expense would be considered a core cost, and so must be covered by core funding. The Rolling Budget Forecast is an excellent tool for looking at the long-range effects of taking on this additional expense.

A quick check to test if and when it would be possible to add these positions was done by adding the entire amount in June of 2017 and 2018. If the entire salary were to pay out in June of 2017, for example, the end of the year cash balance still looks healthy.

(June)	13500	13500	13500	13500	13500	22000	185500
28500	13500	13500	13500	13500	13500	22000	185500
20000	0	0	0	20000	0	0	60000
6085	6085	6085	6085	6080	6080	6080	73000
1200	5000	5000	5000	8200	1200	1200	54900
3100	3100	3100	3100	3200	3200	3200	37500
4400	0	0	0	0	0	0	13200
275	275	275	275	275	275	275	3300
375	375	375	375	375	375	375	9900
715	715	715	715	715	715	715	8580
4380	0	0	0	0	0	0	8360
300	300	300	300	300	300	300	3600
0	0	0	0	0	0	0	0
300	300	300	300	340	350	350	3740
0	0	0	0	0	0	0	10860
130	130	130	140	150	150	150	1540
69760	25980	29780	29790	53135	26145	34645	473980
122440	(23310)	(27060)	(27120)	(29465)	(22425)	(1975)	(15000)
17160	139600	116290	89230	62110	32645	10220	
139600	116290	89230	62110	32645	10220	8745	

However, if the employee is paid monthly, this additional salary adds to the cash flow problems at the beginning of the year.

(January to March 2017)		
14750	14750	14750
0	0	20000
6080	6085	6085
1200	1200	1200
3100	3100	3100
0	0	0
275	275	275
375	375	375
715	715	715
0	0	0
300	300	300
0	0	0
300	300	300
10680	0	0
100	100	100
37875	27200	47200
(31705)	(4030)	21470
23245	(8460)	(12490)
(8460)	(12490)	8980

Increased Monthly Salary Expense Leads to cash flow problems

Further, there are some cash flow problems in the first part of 2018 that need to be addressed in order for the position to continue. Based on this information, it's decided that the part-time positions will be filled in April of 2017, but that the contracts will only be valid until December 31st, 2017 with an option to renew. The Association management team is confident that they'll be able to raise additional funds by that time in order to keep all three positions going, but want to be careful not to obligate the MBO to promises that it's not completely sure it can keep.

Scenario 3: Buying Equipment

The Informal Workers Association needs to purchase new equipment with an estimated cost of \$10,680. Having the equipment in January would be ideal given programme plans. However, plugging this amount into January 2017 causes a negative cash balance in the following month.

	(January 2017)	
Salaries and Benefits	13500	13500
Training Expense	0	0
Rent	6080	6085
Meeting Expense	1200	1200
Telecommunications	3100	3100
Professional Fees	0	0
Utilities	275	275
Book keeping and Audit Expense	375	375
Promotions and Advertising	715	715
Insurance	0	0
Website	300	300
Fundraising Expense	0	0
Office Supplies	300	300
Equipment	10680	0
Postage and Courier	100	100
TOTAL EXPENSE	36680	25950
Total Revenue less Expense	(3045)	(2780)
Cash Balance Beginning of Month	23245	(2310)
Cash Balance at End of Month	(7210)	(9990)

So, the equipment purchase is moved to May when there is more cash available.

(January 2017)				(May 2017)		
375	375	375	5775	375	375	
715	715	715	715	715	715	
0	0	0	0	3980	4380	
300	300	300	300	300	300	
0	0	0	0	0	0	
300	300	300	300	300	300	
0	0	0	0	0	0	
100	100	100	130	130	130	
25945	25950	45950	44520	64690	56010	
(19775)	(2780)	22720	68670	(52240)	136190	
23245	3470	690	23410	92080	39840	
3470	690	23410	92080	39840	176030	

Step 5: Monthly Updates

A good Forecast Budget is used to predict what is likely to happen in the future. However, even the most educated assumptions can sometimes end up being quite different from what actually happens. In order to keep the Forecast Budget current, you can substitute your assumed numbers with actual ones when monthly reports are issued.

Each month, when the Association's bookkeeper generates the Income Statement and Balance Sheet, she also uses these reports to update the Forecast Budget.

Definition

Income Statement and Balance Sheet

Every organization has particular needs regarding Financial Reports, which are often influenced by funders and other regulatory agencies. However, two very basic reports that are standard requirements (and that you will need to monitor cash flow in your MBO) are the Income Statement and the Balance Sheet.

The Income Statement describes your Revenues and Expenditures (money in and out) during a period in time, as well as any surplus or deficit created during that period. It does not describe an overall cash position. For example, the Informal Workers' Association Income Statement for January (in the example below) shows a deficit of -\$21,052, but this does not mean that the organization is in trouble, or that there will be a deficit at the end of the year – only that the Association spent more money than it received during this particular month.

The Balance Sheet shows accumulations of assets, equity and liabilities in your organization at a point in time. While the Income Statement shows activity over a period, the Balance Sheet shows what your MBO has accumulated in terms of cash and other assets (such as equipment, land and buildings) as well as liabilities (such as accounts payable) and a cumulative equity or deficit (which is taken from the Income Statement at the end of each year). The Informal Workers' Association's Balance Sheet, as of January 31, 2016 (as in the example below), shows a Current Asset (ready cash) balance of \$2,193. It's this Balance Sheet information that tells us how much money is in the bank at a given time.

To update the January amounts, projected numbers are replaced with real ones from the expenses listed in the Income Statement for the month of January. When this is done, the cash balance on the Forecast Budget worksheet should agree with the cash balance on your Balance Sheet⁸ from the same period. To keep it clear, updated actual figures are in a large font and italicized.

Help Association 3 Year Rolling Forecast Budget		2016					
		January	February	March	April	May	June
Help Association INCOME STATEMENT January 1 to 31, 2016							
REVENUE							
Grant Revenue							
Jones Foundation	-			60000	0	0	0
HIVOS	-			0	125000	0	0
USAID	-			0	0	0	141000
Star Foundation	-			0	0	0	0
Other (pending)	-			0	0	0	0
Total Grant Revenue	-			20000			
Donations							
Corporations	-			0			
Spring Fundraising Event	-			0			
Private Donations	630			150			
Total Donations	630			150			
Earned Revenue							
Membership Fees	2,750			3000			
Interest Revenue	4,120			2000			
Total Earned Revenues	6,870			5000			
TOTAL REVENUE	7,500			25150			
EXPENSE							
Salaries and Benefits	11,889			12000			
Training Expense	-			0			
Rent	6,080			6085			
Meeting Expense	6,200			3200			
Telecommunications	2,100			3000			
Professional Fees	299			0			
Utilities	254			250			
Book keeping and Audit Expense	1,000			650			
Promotions and Advertising	300			300			
Insurance	1,000			0			
Website	300			300			
Fundraising Expense	310			250			
Office Supplies	120			300			
Equipment	120			0			
Postage and Courier	28,552			1,000			
TOTAL EXPENSE	(21,052)			29,435			
Total Revenue less Expense	(21,052)			(1285)			
Cash Balance Beginning of Month	39273			2193			
Cash Balance at End of Month	2193			908			

Each month the Rolling Forecast Budget will be updated and reconciled with the financial reports to maintain accuracy. When these changes are made, values will begin to appear in the 'Variance' column, enabling your MBO to track how well you're able to follow the Budget. By the end of the year, there will be a completed comparison between actual and budget figures for the year.

Step 6: Rolling Forward

Each year, a new forecast year must be added to maintain this as a Three-Year Rolling Budget. For example, when the year changes from 2016 to 2017, the Association would create a new Three-Year Budget and Rolling Forecast (2017 to 2019). In many cases, an organization may find that a Five-Year Rolling Forecast better meets their needs.

Tip

WIEGO has created web resources to enhance the learning in these Booklets. For this Booklet in particular, the web resources include views of the entire spreadsheets used in examples, and videos further demonstrating some of the concepts discussed. We hope you'll take advantage of these companion resources while creating some financial management tools for your MBO. You can get access to this members-only website by contacting WIEGO directly through the contact form at www.wiego.org.

⁸ If your MBO has outstanding accounts payable or receivable, the cash balance will need to be adjusted from accrual to cash-basis. Your accountant or bookkeeper will be able to do this, and most accounting software can generate cash-basis reports.

Conclusion

There is much more to the world of financial management than Policy, Forecast Budgets and Internal Controls. The information contained in this Booklet is meant as an introduction only, with a focus on tools and procedures (with the foundation of a good bookkeeping system) that will contribute to transparent handling of cash in your organization, and in turn afford your MBO credibility and more sustainable operations.

We know that not all MBOs are at a stage in their development where they need to have the full set of systems described in this booklet in place. We have tried to describe a proper financial system for a slightly larger MBO with several sources of income so as to offer a complete picture. Please do consult an accountant on the proper systems for your organization. Even if your organization is smaller than the examples we have used here, an accountant can give you a good sense of the necessary requirements, according to your size, history and stage of development, as well as in the context of local laws and regulations governing your MBO. You may be able to ask an accountant to give you an initial consultation for free. No matter the size, solid and transparent financial systems are a must for every effective and representative MBO—your members will expect it from you before a donor ever asks!

Appendix 1

The 'Forecast Budget' (see page 21)

INFORMAL WORKERS' ASSOCIATION	2016	3 Year Rolling Forecast Budget												Actual Total 2015	Budget 2016	Variance of actual over budget				
		January	February	March	April	May	June	July	August	September	October	November	December							
REVENUE																				
Grant Revenue																				
Jones Foundation	0	0	60000	0	0	0	0	0	0	0	0	20000	0	0	0	0	80000	80000	0	
HIVOS	0	0	0	125000	0	0	0	0	0	0	0	0	0	0	0	0	125000	125000	0	
USAID	0	0	0	0	0	141000	0	0	0	0	0	0	0	0	0	0	141000	141000	0	
Star Foundation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other (pending)	0	20000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50000	70000	70000	0
Total Grant Revenue	0	20000	60000	125000	0	141000	0	0	0	0	0	20000	0	0	0	0	50000	416000	416000	0
Donations																				
Corporations	0	0	0	0	0	40000	0	0	0	0	0	0	0	0	0	0	0	40000	40000	0
Spring Fundraising Event	0	0	4000	10000	4000	0	0	0	0	0	0	0	0	0	0	0	0	18000	18000	0
Private Donations	150	150	150	150	350	150	150	150	150	150	150	150	150	150	150	150	150	2000	2000	0
Total Donations	150	150	150	4150	10350	44150	150	150	150	150	150	150	150	150	150	150	150	60000	60000	0
Earned Revenue																				
Membership Fees	3000	3000	3000	4000	4000	3000	2000	2000	2000	2000	2000	3000	3000	3000	3000	2000	2000	34000	34000	0
Interest Revenue	4000	2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6000	6000	0
Total Earned Revenues	7000	5000	3000	4000	4000	3000	2000	2000	2000	2000	2000	3000	3000	3000	3000	2000	2000	40000	40000	0
TOTAL REVENUE	7150	25150	63150	133150	14350	188150	2150	2150	2150	2150	2150	23150	3150	3150	52150	516000	516000	516000	516000	0
EXPENSE																				
Salaries and Benefits	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	14000	14000	21000	155000	155000	155000	155000	0
Training Expense	0	0	43000	0	0	45000	0	0	0	0	0	43000	0	0	0	131000	131000	131000	131000	0
Rent	6885	6885	6885	6885	6885	6885	6885	6885	6885	6885	6885	6885	6885	6885	6885	73000	73000	73000	73000	0
Meeting Expense	22000	3200	1200	4500	3200	1200	1200	5000	5000	5000	14500	3400	0	0	0	64000	64000	64000	64000	0
Telecommunications	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	36000	36000	36000	0
Professional Fees	2000	0	6000	0	0	4000	0	0	0	0	0	0	0	0	0	12000	12000	12000	12000	0
Utilities	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	3000	3000	3000	3000	0
Book keeping and Audit Expense	300	300	300	5700	300	300	300	300	300	300	300	300	300	300	300	9000	9000	9000	9000	0
Promotions and Advertising	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	7800	7800	7800	7800	0
Insurance	3600	0	0	0	0	4000	0	0	0	0	0	0	0	0	0	7600	7600	7600	7600	0
Website	300	300	300	300	300	300	300	300	300	300	300	300	300	300	2900	6200	6200	6200	6200	0
Fundraising Expense	0	250	500	500	1000	1750	0	0	0	0	0	0	0	0	0	4000	4000	4000	4000	0
Office Supplies	300	300	300	300	300	300	300	300	300	300	300	300	300	300	200	200	3400	3400	3400	0
Equipment	0	0	0	0	0	2000	600	0	0	0	0	0	0	0	0	2600	2600	2600	2600	0
Postage and Courier	100	100	200	200	100	100	100	100	100	100	100	100	100	100	100	1400	1400	1400	1400	0
TOTAL EXPENSE	50580	26435	73785	33285	27185	80935	24785	27985	27985	27985	27985	37280	28280	34480	516000	516000	516000	516000	516000	0
Total Revenue less Expense	(43430)	(1285)	(10635)	9965	(12835)	107215	(22635)	(68835)	(68835)	(68835)	(14130)	(14130)	(25130)	17670	0	0	0	0	0	0
Cash Balance Beginning of Month	23245	(20185)	(21470)	(32105)	67760	54925	162140	139505	113670	44835	30705	5575	23245							
Cash Balance at End of Month	(20185)	(21470)	(32105)	67760	54925	162140	139505	113670	44835	30705	5575	23245								

INFORMAL WORKERS' ASSOCIATION	2017												Values of budget 2017	
	3 Year Rolling Forecast Budget													
REVENUE	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017	Budget 2017
Grant Revenue														
Jones Foundation	0	0	6000	0	0	0	0	0	0	20000	0	0	80000	80000
HIVOS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USAID	0	0	0	0	149000	0	0	0	0	0	0	0	149000	149000
Star Foundation	0	0	0	110000	0	0	0	0	0	0	0	0	110000	110000
Other (pending)	0	30000	0	0	0	0	0	0	0	0	0	0	30000	30000
Total Grant Revenue	0	30000	60000	110000	0	149000	0	0	0	20000	0	0	349000	349000
Donations														
Corporations	0	0	0	0	8780	40000	0	0	0	0	0	0	48780	48780
Spring Fundraising Event	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Private Donations	170	170	170	200	170	200	170	220	170	170	220	170	2200	2200
Total Donations	170	170	170	200	8950	40200	170	220	170	170	220	170	50980	50980
Earned Revenue														
Membership Fees	3000	3000	3500	3000	3500	3000	2500	2500	2500	3500	3500	2500	36000	36000
Interest Revenue	3000	0	0	0	0	0	0	0	0	0	0	0	3000	3000
Total Earned Revenues	6000	3000	3500	3000	3500	3000	2500	2500	2500	3500	3500	2500	39000	39000
TOTAL REVENUE	6170	33170	63670	113200	12450	192200	2670	2720	2670	23670	3720	2670	458980	458980
EXPENSE														
Salaries and Benefits	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	22000	170500	170500
Training Expense	0	0	20000	0	0	0	0	0	0	20000	0	0	60000	60000
Rent	6080	6085	6085	6085	6085	6085	6085	6085	6085	6080	6080	6080	73000	73000
Meeting Expense	22000	1200	1200	4300	3200	1200	1200	5000	8200	1200	1200	1200	54900	54900
Telecommunications	3100	3100	3100	3100	3100	3100	3100	3100	3100	3200	3200	3200	37500	37500
Professional Fees	2200	0	6600	0	4400	0	0	0	0	0	0	0	13200	13200
Utilities	275	275	275	275	275	275	275	275	275	275	275	275	3300	3300
Book keeping and Audit Expense	375	375	375	5775	375	375	375	375	375	375	375	375	9900	9900
Promotions and Advertising	715	715	715	715	715	715	715	715	715	715	715	715	8580	8580
Insurance	3980	0	0	0	0	4380	0	0	0	0	0	0	8560	8560
Website	300	300	300	300	300	300	300	300	300	300	300	300	3600	3600
Fundraising Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	300	300	300	300	300	300	300	300	300	340	350	350	3740	3740
Equipment	10860	0	0	0	0	0	0	0	0	0	0	0	10860	10860
Postage and Courier	100	100	100	130	130	130	130	140	150	150	150	150	1540	1540
TOTAL EXPENSE	63785	25950	52550	34480	27980	54760	25980	29780	29790	53135	26145	34645	458980	458980
Total Revenue less Expense	(57615)	7220	11120	78720	(15530)	137440	(23310)	(27060)	(27120)	(29465)	(22425)	(31975)	0	0
Cash Balance Beginning of Month	23245	(34370)	(27150)	(16030)	62690	47160	184600	161290	134230	107110	77645	55220	0	0
Cash Balance at End of Month	(34370)	(27150)	(16030)	62690	47160	184600	161290	134230	107110	77645	55220	23245	0	0

INFORMAL WORKERS' ASSOCIATION	2018												Values of budget 2018	
	3 Year Rolling Forecast Budget													
REVENUE	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018	Budget 2018
Grant Revenue														
Jones Foundation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HIVOS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USAID	0	0	0	0	141000	0	0	0	0	0	0	0	141000	141000
Star Foundation	0	0	0	0	0	0	0	0	0	0	0	0	140000	140000
Other (pending)	0	0	0	0	0	0	0	0	0	0	0	0	25000	25000
Total Grant Revenue	0	0	0	0	0	141000	0	0	0	0	0	0	25000	306000
Donations														
Corporations	0	0	0	0	0	40000	0	0	0	25000	0	0	65000	65000
Spring Fundraising Event	0	0	0	0	7400	10000	0	0	0	0	0	0	17400	17400
Private Donations	170	170	170	200	270	200	170	220	220	220	220	170	2400	2400
Total Donations	170	170	170	200	10270	40200	170	220	220	25220	220	170	84800	84800
Earned Revenue														
Membership Fees	3350	3350	3800	3400	3800	3400	2800	3000	3000	3800	3700	2600	40000	40000
Interest Revenue	2000	0	0	0	0	0	0	0	0	0	0	0	2000	2000
Total Earned Revenues	5350	3350	3800	3400	3800	3400	2800	3000	3000	3800	3700	2600	42000	42000
TOTAL REVENUE	5520	3520	3970	151000	14070	184600	2970	3220	3220	29020	3920	2770	432800	432800
EXPENSE														
Salaries and Benefits	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	22000	187000	187000
Training Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent	6080	6085	6085	6085	6085	6085	6085	6085	6085	6080	6080	6080	73000	73000
Meeting Expense	14900	2600	2400	7000	4200	3200	3200	6000	6000	14300	3400	0	67200	67200
Telecommunications	3400	3400	3400	3400	3400	3400	3400	3400	3400	3400	3400	3400	41000	41000
Professional Fees	2500	0	7100	0	4900	0	0	0	0	0	0	0	14500	14500
Utilities	300	300	300	300	300	300	300	300	300	300	300	300	3600	3600
Book keeping and Audit Expense	400	400	400	6400	400	400	400	400	400	400	400	400	10800	10800
Promotions and Advertising	765	785	785	785	785	785	785	785	785	785	785	785	9400	9400
Insurance	4400	0	0	0	0	4800	0	0	0	0	0	0	9200	9200
Website	300	300	300	300	300	300	300	300	300	300	300	300	3600	3600
Fundraising Expense	0	0	2000	2400	0	0	0	0	0	0	0	0	4400	4400
Office Supplies	350	350	350	350	350	350	350	350	350	350	350	350	4200	4200
Equipment	0	3200	0	0	0	0	0	0	0	0	0	0	3200	3200
Postage and Courier	140	140	142	142	142	142	142	142	142	142	142	142	1700	1700
TOTAL EXPENSE	48535	32560	38262	42162	30962	39662	29962	32762	32762	41057	30157	33957	432800	432800
Total Revenue less Expense	(43015)	(29040)	(34292)	(10838)	(16892)	(14938)	(26992)	(29542)	(29542)	(12037)	(26337)	(6187)	0	0
Cash Balance Beginning of Month	23245	(19770)	(48810)	(83102)	25736	8844	153782	126790	97248	67706	55669	29432	0	0
Cash Balance at End of Month	(19770)	(48810)	(83102)	25736	8844	153782	126790	97248	67706	55669	29432	23245	0	0

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with, and draws its membership from, three constituencies: membership-based organizations of informal workers, researchers and statisticians working on the informal economy, and professionals from development agencies interested in the informal economy. WIEGO pursues its objectives by helping to build and strengthen networks of informal worker organizations; undertaking policy analysis, statistical research and data analysis on the informal economy; providing policy advice and convening policy dialogues on the informal economy; and documenting and disseminating good practice in support of the informal workforce. For more information see www.wiego.org.



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