Resource Mobilisation and Financial Management Facilitator Guide

Pehchan Training Curriculum
MSM, Transgender and Hijra Community Systems Strengthening

Resource Mobilisation and Financial Management
Pehchan Consortium Partners

**India HIV/AIDS Alliance (www.allianceindia.org)**

**Pehchan Focus:** National coordination and grant oversight

Based in New Delhi, India HIV/AIDS Alliance (Alliance India) was founded in 1999 as a non-governmental organisation working in partnership with civil society and communities to support sustained responses to HIV in India. Complementing the Indian national program, Alliance India works through capacity building, technical support and advocacy to strengthen the delivery of effective, innovative, community-based interventions to key populations most vulnerable to HIV, including men who have sex with men (MSM), transgenders, hijras, people who use drugs (PWUD), sex workers, youth, and people living with HIV (PLHIV).

**Alliance India Andhra Pradesh**

**Pehchan Focus:** Andhra Pradesh

Alliance India supports a regional office in Hyderabad that leads implementation of Pehchan in Andhra Pradesh and serves as a State Lead Partner of the Bill & Melinda Gates Foundation.

**The Humsafar Trust (www.humsafar.org)**

**Pehchan Focus:** Maharashtra, Madhya Pradesh, Goa, Gujarat and Rajasthan

For nearly two decades, Humsafar Trust has worked with MSM and transgender communities in Mumbai, Maharashtra. It has successfully linked community advocacy and support activities to the development of effective HIV prevention and health services. It is one of the pioneers among MSM and transgender organisations in India and serves as the national secretariat of the Indian Network for Sexual Minorities (INFOSEM).

**Pehchan North Region Office**

**Pehchan Focus:** Punjab, Delhi, Uttar Pradesh and Bihar

Alliance India supports a regional implementing office based in Delhi that leads implementation of Pehchan in four states of North India.

**Solidarity and Action Against The HIV Infection in India (SAATHII) (www.saathii.org)**

**Pehchan Focus:** West Bengal, Manipur, Orissa and Jharkhand

With offices in five states and over 10 years of experience, SAATHII works with sexual minorities for HIV prevention. SAATHII works closely with the West Bengal's State AIDS Control Society (SACS) and the State Technical Support Unit and is the SACS-designated State Training and Resource Centre for MSM, transgender and hijra.

**South India AIDS Action Programme (SIAAP) (www.siaapindia.org)**

**Pehchan Focus:** Tamil Nadu

SIAAP brings more than 22 years of experience with community-driven and community development focussed programmes, counselling, advocacy for progressive policies, and training to address HIV and wider vulnerability issues for MSM, transgender and hijra community.

**Sangama (www.sangama.org)**

**Pehchan Focus:** Karnataka and Kerala

For more than 20 years, Sangama has been assisting MSM, transgender and hijra communities to live their lives with self-acceptance, self-respect and dignity. Sangama lobbies for changes in existing laws that discriminate against sexual minorities and for changing public opinion in their favour.
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About this Module

This module is designed to help training participants: 1) develop an understanding of resource mobilisation; 2) become familiar with resource mobilisation techniques; 3) develop a resource mobilisation strategy for the CBO; 4) develop an understanding about grant management and the basics of bookkeeping and accounting; and 5) review guidelines of strong and stable financial systems. Interactive sessions in this module included games, exercises, group discussion, presentations, case studies, and slide shows. In the Pehchan programme, this module is used to introduce resource mobilisation and financial management principles to CBO staff.

About Pehchan

With financial support from the Global Fund, Pehchan is building the capacity of 200 community-based organisations (CBOs) for men who have sex with men (MSM), transgenders and hijras in 17 states in India to be more effective partners in the government’s HIV prevention programme. By supporting the development of strong CBOs, Pehchan addresses some of the capacity gaps that have often prevented CBOs from receiving government funding for much-needed HIV programming. Named Pehchan, which in Hindi means ‘identity’, ‘recognition’ or ‘acknowledgement,’ this programme will reach 453,750 MSM, transgenders and hijras by 2015. It is the Global Fund’s largest single-country grant to date, focused on the HIV response for vulnerable sexual minorities.

Training Curriculum Overview

In order to stimulate the development of strong and effective CBOs for MSM, transgender and hijra communities and to increase their impact in HIV prevention efforts, responsive and comprehensive capacity building is required. To build CBO capacity, Pehchan developed a robust training programme through a process of engagement with community leaders, trainers, technical experts, and academicians in a series of consultations that identified training priorities. Based on these priorities, smaller subgroups then developed specific thematic components for each curricular module.

Inputs from community consultations helped increase relevance and value of training modules. By engaging MSM, transgender and hijra (MTH) communities in the development process, there has been greater ownership of training and of the overall programme among supported CBOs. Technical experts worked on the development of thematic components for priority areas identified by community representatives. The process also helped fine-tune the overall training model and scale-up strategy. Thus, through a consultative, community-based process, Pehchan developed a training model responsive to the specific needs of the programme and reflecting key priorities and capacity gaps of MSM, transgender and hijra CBOs in India.
Preface

As I put pen to paper, a shiver goes down my spine. It is hard to believe that this day has come after almost five long years! For many of us, Pehchan is not merely a programme; it is a way of life. Facing a growing HIV epidemic among men who have sex with men (MSM), transgender, and hijra communities in India, a group of development and health activists began to push for a large-scale project for these populations that would be responsive to their specific needs and would show this country and the world that these interventions are not only urgently needed but feasible.

Pehchan was finally launched in 2010 after more than two years of planning and negotiation. As the programme has evolved, it has never stepped back from its core principle: Pehchan is by, for and of India’s MSM, transgender and hijra communities. Leveraging rich community expertise, the Global Fund’s generous support and our government’s unwavering collaboration, Pehchan has been meticulously planned and passionately executed. More than just the sum of good intentions, it has thrived due to hard work, excellent stakeholder support, and creative execution.

At the heart of Pehchan are community systems strengthening. Our approach to capacity building has been engineered to maximise community leadership and expertise. The community drives and energises Pehchan. Our task was to develop 200 strong community-based organisations (CBOs) in a vast and complex country to partner with state governments and provide services to MSM, transgender and hijra communities to increase the effectiveness of the HIV response for these populations and improve their health and wellbeing. To achieve necessary scale and sustain social change, strong CBOs would require responsive development of human capital.

Over and above consistent services throughout Pehchan, we wanted to ensure quality. To achieve this, we proposed a standard training package for all CBO staff. When we looked around, we found there really wasn’t an existing curriculum that we could use. Consequently, we decided to develop one not only for Pehchan but also for future efforts to build the capacity of community systems for sexual minorities. So began our journey to create this curriculum.

Building on the experience of Sashakt, a pilot programme supported by UNDP that tested the model that we’re scaling up in Pehchan, an involved process of consultations and workshops was undertaken. Ideas for each module came from discussions with a range of stakeholders from across India, including community leaders, activists, academics and institutional representatives from government and donors. The list of modules grew with each consultation. For example in Sashakt, we had a single training module on family support and mental health; in Pehchan, we decided that it would be valuable to split these and have one on each.

Eventually, we agreed on the framework for the modules and the thematic components, finding a balance between individual and organisational capacity. Overall, there are two main areas of capacity building: one that is directly related to the services and the other that is focused on building capable service providers. Then we began the actual writing of the curriculum, a process of drafting, commenting, correcting, tweaking and finalising that took over eight months.
Once the curriculum was ready to use, trainings-of-trainers were organised to develop a cadre of master trainers who would work directly with CBO staff. Working through Pehchan’s four Regional Training Centers, these trainers, mostly members of MSM, transgender and hijra communities, provided further in-service revisions and suggestions to the modules to make them succinct, clear and user-friendly. Our consortium partner SAATHII contributed particularly to these efforts, and the current training curriculum reflects their hard work.

In fact, the contributors to this work are many, and in the Acknowledgements section following this Preface, we have done our best to name them. They include staff from all our consortium partners, technical experts, advocates, donor representatives and government colleagues. The staff at India HIV/AIDS Alliance, notably the Pehchan team, worked beautifully to develop both process and content. That we have come so far is also a tribute to vision and support of our leaders, at Alliance India and in our consortium partners, HumSafar Trust, SAATHII, Sangama, and SIAAP, as well as in India’s National AIDS Control Organisation and at the Global Fund to Fight AIDS, Tuberculosis and Malaria in Geneva.

We would like to think of the Pehchan Training Curriculum as a game changer. While the modules reflect the specific context of India, we are confident that they will be useful to governments, civil society organisations and individuals around the world interested in developing community systems to support improved HIV and other health programming for sexual minorities and other vulnerable communities as well.

After two years of trial and testing, we now share this curriculum with the world. Our team members and master trainers have helped us refine them, and seeing the growth of the staff in the CBOs we have trained has increased our confidence in the value of this curriculum. The impact of these efforts is becoming apparent. As CBOs have been strengthened through Pehchan, we are already seeing MSM, transgender and hijra communities more empowered to take charge, not only to improve HIV prevention but also to lead more productive and healthy lives.

Sonal Mehta
Director: Policy & Programmes
India HIV/AIDS Alliance
New Delhi
March 2013
General Acknowledgements

The Pehchan Training Curriculum is the work of many people, including community members, technical experts and programme implementers. When we were not able to find training materials necessary to establish, support and monitor strong community-based organisations for MSM, transgenders and hijras in India, the Pehchan consortium collectively developed a curriculum designed to address these challenges through a series of community consultations and development workshops. This process drew on the best ideas of the communities and helped develop a responsive curriculum that will help sustain strong CBOs as key element of Pehchan.

We would like to take this opportunity to acknowledge the contributions of those who helped in taking this process forward, including (in alphabetical order): Ajai, Praxis; Usha Andewar, The Humsafar Trust; Sarita Barapanda, IWW-UK; Jhuma Basak, Consultant; Dr. V. Chakrapani, C-Sharp; Umesh Chawla, UNDP; Alpana Dange, Consultant; Brinelle D’Sourza, TISS; Firoz, Love Life Society; Prashanth G, Maan AIDS Foundation; Urmia Jadav, The Humsafar Trust; Jeeva, TRA; Harleen Kaur, Manas Foundation; Krishna, Suraksha; Monica Kumar, Manas Foundation; Muthu Kumar, Lotus Sangama; Sameer Kunta, Avahan; Aagniva Lahiri, PLUS; Meera Limaya, Consultant; Veronica Magar, REACH; Magdalene, Center for Counselling; Sylvester Merchant, Lakshya; Amrita Nanda, Lawyers’ Collective; Nilanjan, SAFRG; Prabhakar, SIAAP; Priti Prabhughate, ICRW; Nagendra Prasad, Ashodaya Samithi; Revathi, Consultant; Rex, KHPT; Amitava Sarkar, SAATHII; Dr. Maninder Setia, Consultant; Chetan Sharma, SAFRG; Suneeeta Singh, Amaltas; Prabhakar Sinha, Heroes Project; Sreeram, Ashodaya Samithi; Suresh, KHPT; Sanjantti Veul, JHU; and Roy Wadia, Heroes Project.

Once curricular framework was finalised, a group of technical and community experts was formed to develop manuscripts and solicit additional inputs from community leaders. The curriculum was then standardised with support from Dr. E.M. Sreejit and streamlined with support from a team at SAATHII, led by Pawan Dhall. This process included inputs from Sudha Jha, Anupam Hazra, Somen Acharya, Shantanu Pyne, Moyazzam Hossain, Amitava Sarkar, and Debjyoti Ghosh Dhall from SAATHII; Cairo Araijo, Vaibhav Saria, Dr. E.M. Sreejit, Jhuma Basak, and Vahista Dastoor, Consultants; Olga Aaron from SIAAP; and Harjyot Khosa and Chaitanya Bhatt from India HIV/AIDS Alliance.

From the start, the Government of India’s National AIDS Control Organisation has been a key partner of Pehchan. In particular, Madam Aradhana Johri, Additional Secretary, NACO, has provided strong leadership and steady guidance to our work. The team from NACO’s Targeted Intervention (TI) Division has been a constant friend and resource to Pehchan, notably Dr. Neeraj Dhingra, Deputy Director General (TI); Manilal N. Raghvan, Programme Officer (TI); and Mridu, Technical Officer (TI). As the programme has moved from concept to scale-up, Pehchan has repeatedly benefitted from the encouragement and wisdom of NACO Directors General, past and present, including Madam Sujata Rao, Shri K. Chandramouli, and Shri Lov Verma.

Pehchan is implemented by a consortium of committed organisations that bring passion, experience, and vision to this work. The programme’s partners have been actively engaged in developing the training curriculum. We are grateful for the many contributions of Anupam Hazra and Pawan Dhall from SAATHII; Hemangi, Pallav Patnaik, Vivek Anand and Ashok Row Kavi from the Humsafar Trust; Olga Aaron and Indumati from SIAAP; Vijay Nair from Alliance India Andhra Pradesh; and Manohar from Sangama. Each contributed above and beyond the call of duty, helping to create a vibrant training programme while scaling up the programme across 17 states.
India HIV/AIDS Alliance’s Pehchan team has been untiring in its contributions to this curriculum, including Abhina Aher, Jonathan Ripley, Yadvendra (Rahul) Singh, Simran Shaikh, Yashwinder Singh, Rohit Sarkar, Chaitanya Bhatt, Nunthuk Vunghoithkim, Ramesh Tiwari, Sarbeshwar Patnaik, Ankita Bhalla, Dr. Ravi Kanth, Sophia Lonappan, Rajan Mani, Shaleen Rakesh, and James Robertson. A special thank-you to Sonal Mehta and Harjyot Khosa for their hard work, patience and persistence in bringing this curriculum to life.

Through it all, the Global Fund to Fight AIDS, Tuberculosis and Malaria has provided us both funding and guidance, setting clear standards and giving us enough flexibility to ensure the programme’s successful evolution and growth. We are deeply grateful for this support.

Pehchan’s Training Curriculum is the result of more than two years of work by many stakeholders. If any names have been omitted, please accept our apologies. We are grateful to all who have helped us reach this milestone.

The Pehchan Training Curriculum is dedicated to MSM, transgender and hijra communities in India who for years, have been true examples of strength and leadership by affirming their pehchán.
Module Acknowledgements: Resource Mobilisation and Financial Management

Each component of the Pehchan Training Curriculum has a number of contributors who have provided specific inputs. For this component, the following are acknowledged:

Primary Author
SAFRG, New Delhi

Compilation
Dr. E. M. Sreejit, Consultant

Technical Input
Shantanu Pyne, SAATHII; Thomas Joseph, The HumSafar Trust; Chaitanya Bhatt, India HIV/AIDS Alliance

Coordination and Development
Vahista Dastoor, C4D Consultant
Pawan Dhall, SAATHII

References
Part 1

Resource Mobilisation
Part 1: About the Resource Mobilisation Module

<table>
<thead>
<tr>
<th>No.</th>
<th>A3</th>
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</thead>
<tbody>
<tr>
<td>Name</td>
<td>Resource Mobilisation and Financial Management</td>
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</tbody>
</table>
| Pehchan Trainees | • Project Directors  
• Project Managers/Project Officers  
• Administrative and Finance Officers |
| Pehchan CBO Type | Pre-Ti, Ti Plus |
| Training Objectives | By the end of the module, the participants will:  
• Develop an understanding on what are the key resources for any organisation;  
• Understand what is resource mobilisation and articulate its importance;  
• Understand the various sustainable techniques and methods for resource mobilisation; and  
• Develop an agenda/strategy on resource mobilisation for their organisation. |
| Total Duration | One day. A day’s training typically covers 8 hours. |

Module Reference Materials

All the reference material required to facilitate this module has been provided in this document and in relevant digital files provided with the Pehchan Training Curriculum. Please familiarise yourself with the content before the training session.

Attention: Please do not change the names of file or folders, or move files from one folder to another, as some of the files are linked to each other. If you rename files or change their location on your computer, the hyperlinks to these documents in the Facilitator Guide will not work correctly.

If you are reading this module on a computer screen, you can click the hyperlinks to open files. If you are reading a printed copy of this module, the following list will help you locate the files you need.

| Audio-visual Support | PowerPoint presentation on ‘Training on Resource Mobilisation’ |
| Annexures | Annexure 1a on ‘Case Studies’.  
Annexure 1b on ‘Case Studies of Successful Resource Mobilisation’  
Annexure 1d on ‘World Bank Document on Resource Mobilisation’ available on digital file |
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<thead>
<tr>
<th>No.</th>
<th>Activity Name</th>
<th>Time</th>
<th>Material¹</th>
<th>Audio-visual Resources</th>
<th>Take-home material</th>
</tr>
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<tbody>
<tr>
<td>1a</td>
<td>Introduction to Module</td>
<td>30 minutes</td>
<td>N/A</td>
<td>Refer to the slides titled ‘Introduction to Module’ from the PowerPoint presentation ‘Training on Resource Mobilisation’</td>
<td>N/A</td>
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<tr>
<td>1b</td>
<td>Definition of ‘Resources’ and ‘Resource Mobilisation’</td>
<td>45 minutes</td>
<td>Annexure 1a on ‘Case Studies’</td>
<td>Refer to the slides titled ‘Definitions of Terms’ from the PowerPoint presentation ‘Training on Resource Mobilisation’</td>
<td>N/A</td>
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<tr>
<td>1c</td>
<td>Importance of Resource Mobilisation for a CBO</td>
<td>45 minutes</td>
<td>N/A</td>
<td>Refer to the slides titled ‘Importance of Resource Mobilisation’ from the PowerPoint presentation ‘Training on Resource Mobilisation’</td>
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<tr>
<td>1d</td>
<td>CBO’s Role in Resource Mobilisation and Challenges of Fund-raising</td>
<td>45 minutes</td>
<td>N/A</td>
<td>Refer to the slides titled ‘Ways to Mobilise Funds and Resources’ from the PowerPoint presentation ‘Training on Resource Mobilisation’</td>
<td>N/A</td>
</tr>
<tr>
<td>1e</td>
<td>Types of Resources and Resource Providers</td>
<td>45 minutes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>1f</td>
<td>Sustainable Techniques and Methods of Resource Mobilisation</td>
<td>1 hour 30 minutes</td>
<td>Annexure 1b on ‘Case Studies of Successful Resource Mobilisation’</td>
<td>Refer to the slides titled ‘Sustainable Techniques of Resource Mobilisation’ from the PowerPoint presentation ‘Training on Resource Mobilisation’</td>
<td>N/A</td>
</tr>
<tr>
<td>1g</td>
<td>Strategic Planning for Resource Mobilisation</td>
<td>1 hour 30 minutes</td>
<td>N/A</td>
<td>Refer to the slides titled ‘Strategic Planning for Resource Mobilisation’ from the PowerPoint presentation ‘Training on Resource Mobilisation’</td>
<td>Annexure 1d ‘World Bank Document on Resource Mobilisation’</td>
</tr>
</tbody>
</table>

¹ Overhead projector, laptop, sound system and whiteboard should be provided at every training.
Activity 1a: Introduction to Resource Mobilisation

<table>
<thead>
<tr>
<th>Time</th>
<th>30 minutes</th>
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<tbody>
<tr>
<td>Learning Outcomes</td>
<td>By the end of this module, the participants will:</td>
</tr>
<tr>
<td></td>
<td>• Be able to articulate the objectives of the training module.</td>
</tr>
<tr>
<td>Materials</td>
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</tr>
<tr>
<td>Audio-visual Support</td>
<td>Refer to the slides titled ‘Introduction to Module’ from the PowerPoint presentation ‘Training on Resource Mobilisation’.</td>
</tr>
<tr>
<td>Take-home Material</td>
<td>N/A</td>
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</tbody>
</table>

Methodology

Divide the participants into groups based on their organisation and tell them that they will be playing a game called ‘Resource Collection’. Tell the participants that in three minutes they are to move around the training room and make a list on a sheet of paper the objects available in the training room that they consider as resources for their organisation. Tell them that the group that lists the maximum number of resources will receive a reward in the end.

Once the participants return to their group, ask them to introduce themselves and read out the resources they have listed.

Count the number of resources listed by each group. Declare the group that has the longest list of resources (such as money, watch, books, pens, paper and so on, whatever the participants can think of as a resource) as the winner of the game. Do remember to discount articles such as beads, costume jewellery and other items which have ornamental value and cannot be mobilised as a resource for an organisation.

Ask the participants to share their experiences while playing the game, and why they considered the items they listed as resources. Ask them to answer the following questions:

• What do you think of the game?
• What were your learnings?
• How and where can this learning be used?
• What is the relation between this game and the training?

Relate the experiences of the participants to the topic ‘Resource Mobilisation’, and list the day’s training objectives. Point out that while resource mobilisation is a concern for all non-profit organisations, the emphasis of the day’s activities will be on how to mobilise resources for NGOs and CBOs.
Activity 1b: Definition of Resources and Resource Mobilisation

Time | 45 minutes
---|---
Learning Outcomes | By the end of the activities, the participants will:
- Understand the meaning of ‘Resources’ and ‘Resource Mobilisation’;
- Relate this understanding to their own working conditions.

Materials | Annexure 1a on ‘Case Studies’.
Audio-visual Support | Refer to the slides titled ‘Definitions of Terms’ from the PowerPoint presentation ‘Training on Resource Mobilisation’.
Take-home Material | N/A

Methodology

Using the PowerPoint presentation explain the definitions of the terms ‘Resource’ and ‘Resource Mobilisation’. Divide the participants into three groups and give each group one of the case studies from Annexure 1a. Each case study has questions that the group should discuss and find answers in 15 minutes.

Ask each group to present their case and provide the answers to the questions therein. Encourage other participants to ask question to each group based on their findings.

Ask participants to re-group with members of their own organisation and discuss the three cases, making a list of similarities and dissimilarities of the organisations in the case study with their own organisation. Invite each organisation to share its findings for analysis in the larger group.

Background Information

(Chiam, 2011)

What is a Resource?

Resource is anything that is essential for attaining the goal of an organisation. Anything that does not contribute to achieving an organisation’s vision and mission cannot be regarded as a ‘Resource’. If any individual is not contributing to the vision and mission of the organisation, they cannot be regarded as a human resource for the organisation.

Human resources in an organisation include its staff, governing body members, volunteers and advisors. The information, skills, and knowledge of these individuals is what constitutes as a resource.

Other important resources for an organisation are money, infrastructure, equipment, materials, books, other learning aids, vehicles, and so on.

An important resource, often not well understood, is the technical support (free or paid) from other agencies as well as from partnership or collaborative arrangements which may or may not include monetary considerations.
What is Resource Mobilisation?

Resource mobilisation is a process, which helps in identifying and raising the resources essential for development, implementation and continuation of work in achieving an organisation’s mission. Resource mobilisation means interaction, rapport-building and expansion of relations (goodwill) with those who may provide the resources; these resources can be in the form of information, skills, knowledge, materials or money.

Resource mobilisation is not limited to fund-raising. It also means seeking new sources of resource and how it can be optimally, ethically and legally-used.

Different approaches need to be developed to expand relations with resource providers like government bodies, private sector agencies, international or Indian NGOs, and even CBOs. These approaches usually begin with looking out for a prospective funder, networking (in person during conferences and one-to-one meetings) and sharing required information about the organisation’s activities, accomplishments, and administrative and financial systems to convince the funder about the way forward.

These steps may lead to discussing a project or an activity by one’s organisation that also matches the resource-provider’s agenda, eventually leading to the submission of a detailed project proposal which includes information on implementation, monitoring and reporting mechanisms of the project. If the relationship between the organisation and resource providers is successful, then this can turn into a long-term relationship.

The essence of resource mobilisation becomes more meaningful when the leadership in an organisation goes beyond implementing only donor’s programme, and envisages a larger and long-term sustainability of the organisation through planned and systematic resource mobilisation.
Activity 1c: Importance of Resource Mobilisation for a CBO

<table>
<thead>
<tr>
<th>Time</th>
<th>45 minutes</th>
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<tbody>
<tr>
<td>Learning Outcomes</td>
<td>By the end of this activity, the participants will:</td>
</tr>
<tr>
<td></td>
<td>• Understand the importance of mobilising various resources for their CBO.</td>
</tr>
<tr>
<td>Materials</td>
<td>N/A</td>
</tr>
<tr>
<td>Audio-visual Support</td>
<td>Refer to the slides titled ‘Importance of Resource Mobilisation’ from the PowerPoint presentation ‘Training on Resource Mobilisation’.</td>
</tr>
<tr>
<td>Take-home Material</td>
<td>N/A</td>
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</tbody>
</table>

Methodology

Ask the participants why they think resource mobilisation is important for CBOs. List the participants’ responses on a flip-chart and elaborate on them if needed. After that, discuss the slides titled ‘Importance of Resource Mobilisation’.

Background Information

(Chiam, 2011)

Reasons for Requirement of Resources in an Organisation

• To start an organisation.
• To continue with its work and achieve the targets.
• To begin or plan for new work.
• To enhance or maintain relationships with the communities served, individual well-wishers and advisors, government organisations, private and donor agencies, and others.

Importance of Resource Mobilisation as a Process

• To build ownership towards one’s organisation.
• To bring together members of the communities served by the organisation, build their capacity and strengthen their communities.
• To build social capital.
• To enrich the organisation with useful resources of various types.
• To advocate for programmes that address the community needs.
• To ensure independence and sustainability of the organisation.
• To enhance the reputation of one’s organisation.
Activity 1d: CBO’s Role in Resource Mobilisation and Challenges to Fund-raising

<table>
<thead>
<tr>
<th>Time</th>
<th>45 minutes</th>
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<tbody>
<tr>
<td>Learning Outcomes</td>
<td>By the end of this activity, the participants will:</td>
</tr>
<tr>
<td></td>
<td>• Be able to identify the ways in which a CBO can mobilise funds and resources; and</td>
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<tr>
<td></td>
<td>• Understand the challenges in resource mobilisation.</td>
</tr>
<tr>
<td>Materials</td>
<td>N/A</td>
</tr>
<tr>
<td>Audio-visual Support</td>
<td>Refer to the slides titled ‘Ways to Mobilise Funds and Resources’ from the PowerPoint presentation ‘Training on Resource Mobilisation’.</td>
</tr>
<tr>
<td>Take-home Material</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Methodology

Divide participants into smaller groups and ask them to list the activities that need to be done by a CBO to raise funds and other resources. For each activity, they should also mention a benefit and a challenge.

After they have completed the exercise, ask each group to present their findings. When all the ideas have been shared, discuss the slides ‘Ways to Mobilise Funds and Resource’.

Background Information

(The Resource Alliance, 2007)

Organisation’s Role in Resource Mobilisation

An organisation must ‘promote’ its work and experience to be able to mobilise more resources. This can be done in one or more ways listed below:

• Innovative visiting cards for sharing with key stakeholders.
• Making inquiries and follow-up through phone calls: telephone is extremely important and often an under-utilised tool for fund-raising.
• Writing letters or e-mails to people you know: writing a good letter or an e-mail is an art that a fund-raiser should master. Formal language and presentation is a must in such letters and e-mails.
• Publishing an annual report: every organisation has to produce an annual report. In some cases it is also a legal requirement. This can be an extremely useful publication as it promotes the organisation and highlights its importance.
• Distribution of brochures, leaflets, appeals: production of effective fund-raising and publicity literature is one of the most important tasks in fund-raising. Effective fund-raising ideas cannot be fruitful if you are using poorly written and designed material.
• Putting up posters, banners and hoardings in strategic locations: using these as resources is one of the most effective ways to get publicity, especially for events and campaigns.
• Using the internet (social networking): there are many innovative ways to raise funds using the internet, including websites, blogs, Facebook, and e-forums.
• PowerPoint Presentations for formal audiences.
• Newsletter is a good way to keep in touch with your donors, well-wishers and even beneficiaries. Every time they hear from you, the chances that your work remains in their radar increase.
• Organising a campaign: it is a good way to generate publicity and even funds.
• Media interaction: getting publicity in mass media is important to help drive public awareness of fund-raising activities. You can use newspapers, magazines, radio and television to get coverage or advertise in media.
• Tapping all available resources: financial and in-kind contributions from individuals, community members within and outside the country, business houses, national trusts and foundations.
• Involving local communities.
• Getting government support and recognition.
• Regularly updating and communicating with your donor.

Explore More Fund-raising Methods

• Events: Such as fund-raiser parties, cause-based marathons or runs, ‘Joy of Giving’ weeks, ‘7 Days-7 Gifts’ events, etc.
• Donation boxes in shops and homes.
• Collection drives in homes and schools: tickets, coupons.
• Option to donate one’s pay.
• Running income-generation programs (IGPs) and self-help groups (SHGs): these help individuals associated with the IGPs and SHGs to raise their personal incomes and thereby contribute more to their NGO/CBO.
• Selling products created by community members (this needs to be clarified with organisation’s auditors).

Challenges to Fund-raising

• Public at large and key stakeholders are unaware of social issues and needs and of the role played by NGOs/CBOs in addressing them.
• Public are skeptical about work of some NGOs/CBOs.
• An organisation’s governing body and leadership may have a non-committal attitude toward fund-raising, often stemming from dependence on a single source of income.
• Equipping staff with professional fund-raising skills.
• Legal barriers: NGOs/CBOs in some cases may not be legally allowed to raise resources through certain methods; for example, through sale of products and services, which may be deemed as a commercial activity, not in keeping with an NGO or CBO’s charitable status.
Activity 1e: Types of Resources and Resource Providers

<table>
<thead>
<tr>
<th>Time</th>
<th>45 minutes</th>
</tr>
</thead>
</table>
| Learning Outcomes | By the end of this activity, the participants will:  
  - Identify different kinds of resources and resource providers; and  
  - Evaluate the current state of resources in their organisation. |
| Materials | N/A |
| Audio-visual support | N/A |
| Take-home Material | N/A |

Methodology

Ask the participants how many kinds of resources are there, and list their responses on a flip-chart. Tell the participants to form groups with members of their own organisation and list the resources being used in their organisation. They should categorise their responses under the following heads:

- Physical goods;
- Human resources;
- Money;
- Free services and facilities; and
- Technical cooperation.

Further ask the participants to discuss the following questions:

- From which resource provider their organisation has received resources till date?
- What is the percentage of financial assistance received from these providers?
- Which resources have been tapped maximum and minimum in their organisation?
- What strategies have adopted in order to keep a steady flow of the resources to the organisation?
- Which resource providers need to be targeted in the future to achieve the vision and mission of their organisation?

Background Information

(The Resource Alliance, 2007)

Types of Resources

‘Resource’ is generally understood as materials, goods or services that help fulfill the organisation’s needs. Materials, money, people and time are resources that are used by community groups, organisations and individuals to fulfill their goals and objectives. Resources are required by all organisation to fulfill its goals.

Examples

Physical goods:
- Office equipment.
- Training material.
- Vehicles.
- Furniture.
- Raw materials.

Human resources:
- Senior Management.
- Staff.
- Volunteers.
- Consultants.
- Advisors.

Money:
- Grants.
- Donations.
- Membership fee.
- Loans.

Free service and facilities:
- Office space.
- Tools.
- Training facilities.
- Transportation.
- Publications.

Technical cooperation:
- Trainings.
- Contributions to projects.
- Contributions for organisational development.
- Support from experts.
- Scholarships.
It is essential to know the type of resource, its availability, and estimated cost to attain it in order to carry out works as per the desired goals, objectives and activities of the organisation. On the basis of this information, the primary plans of resource-mobilisation should be established.

The various types of resources can be classified as below.

**Money/Cash**

Money/cash is essential in order to run the existing programs, to pay the cost of goods and services, including salaries, and to carry out new work.

Money/cash can be increased through various means: organisational membership fee, grants received, local funds, donations, and from various other sources such as NGOs, International NGOs, etc.

**Technical Assistance/Cooperation**

Every organisation may not have people with desired skill set for carrying out various types of activities, project and programmes. They may also not have the necessary funds to appoint qualified and experienced employees.

Technical cooperation between organisations occurs when one of them provides the financial support for appointing experienced employees for a special project, or its employees help-out for a fixed time-frame.

Sometimes this arrangement may be pro bono (free of cost). Some organisations provide technical cooperation through training, mentoring and handholding.

**Human Resources**

Every type of organisation requires people/personnel to ensure that it is able to fulfil its set targets. It makes provisions to have the bare essential human resources. Therefore, the organisation might appoint some employees in permanent role, while others may come in when required.

The permanent employees are taken as internal resources of the organisation while employees appointed for a specific time-period are regarded as external resources. Many organisations also utilise volunteers in order to fulfill its man-power need.

**Physical Goods**

This refers to the physical resources that an organisation is dependent on and therefore must acquire, whether through financial payment or other valid means. Examples of physical goods include office tools, furniture, training tools, raw goods, vehicles and other machines.

**Free Services and Facilities**

Some individuals and organisations (often corporate bodies) give physical goods, services and facilities at zero or minimum cost to non-profit organisations. Provisions for free services in a project or an organisation can also be made through community support.

The resources in kind will differ and change as per the phases of the project in an organisation. For instance, during the preliminary phases, active participation from all its members may be essential for leadership and management. Later, maintenance services will be essential for the infrastructure and equipment involved. The need for human resources also changes as the project progresses.
The organisation should first develop a resource-mobilisation strategy for these changing needs.

**Types of Resource-providers**

- Government bodies at district, state and national level (ministries, departments, municipalities)
- United Nations Organisations (UNICEF, ILO, UNAIDS, UNDP, WHO)
- The World Bank
- Bilateral organisations (AUSAID, USAID, DFID, GIZ)
- International non-governmental organisations (INGOs)
- National NGOs/CBOs, networks, civil society federations and foundations
- International institutions (universities, research organisations)
- International religious institutions (churches, religious boards)
- International volunteer agencies (VSO, Peace Corps)
- Professional groups/associations (bar associations, medical associations)
- Neighbouring friendly countries (embassies, high-commissions)
- Hospitals and social welfare institutions
- Private companies
- Academies (foreign/domestic), schools, trusts, fellowship or scholarship providers
- Banks (savings and fixed deposits, funding schemes, support for IGPs and SHGs)
- Individuals

Most resource-providers have their own preferences or mandates for which they provide resources. It is important to have an understanding of this aspect before attempting to access any resources from them. Such information can be obtained from resource-provider profiles, websites and annual reports. Many donor agencies publish such information in public domain and send out calls for proposals and grants.
Activity 1f: Sustainable Techniques and Methods for Resource Mobilisation

**Time** | **1 hour 30 minutes**
---|---
**Learning Outcomes** | By the end of this activity the participants will:
- Understand various techniques for resource mobilisation; and
- Learn to choose from a range of techniques that suit their organisations needs the best.
**Materials** | Annexure 1b on ‘Case Studies of Successful Resource Mobilisation’
**Audio-visual Support** | Refer to the slides titled ‘Sustainable Techniques of Resource Mobilisation’ from the PowerPoint presentation ‘Training on Resource Mobilisation’.
**Take-home Material** | N/A

**Methodology**

Using the slides titled ‘Sustainable Techniques of Resource Mobilisation’, discuss the various mechanisms through which CBOs can build their resources. Divide the participants into four groups, giving each group a case from Annexure 1b on ‘Case Studies of Successful Resource Mobilisation’. Ask each group to deliberate on the case study and:

- Identify the techniques used by the organisations to mobilise resources;
- Identify the challenges in resource mobilisation, and how the organisations overcame those challenges;
- Identify whether the technique used was sustainable or not. If sustainable, what are the factors that made it sustainable? If not, then what could the organisation have done differently?; and
- What other techniques the organisation could have used?

**Background Information**

*(IDRC, 2010)*

**Sustainable Techniques of Resource Mobilisation**

In order to mobilise resources, organisations have to decide where and how they would be investing their energies. The types and mechanisms of resource mobilisation depend on the nature of required resources. Some techniques are discussed here which may be relevant for NGOs/CBOs.

**Building Corporate Partnership**

Identifying types of potential companies which may provide support. This can be done through:

- Personal contacts (ask governing body, staff for references);
- Trade directories, company magazines and business listings;
- Websites, newspapers, television;
• PR agencies (does your organisation fit the corporate image strategy of their client?); and
• Start with companies in your locality or region.

Things to find out about a company:
• The right person to contact.
• The decision-making process.
• Its social responsibility policy.
• Past involvement with philanthropy.
• Causes supported.
• Its branding and products.
• Its credibility – will an association reflect on your credibility?
• One has to match one’s needs with the company’s priorities and profile.

**Payroll Giving**

**What is ‘payroll giving’?**

‘Payroll giving’ is an effective and efficient method used by corporates through which they encourage employees to voluntarily make small but regular donations from their salary to a cause of their choice.

**Why payroll giving?**

• Provides regular and often general income.
• Life-long donors tend to continue giving for a long time, unless they change jobs, even then they may continue, even better, they may introduce you to their new company.
• Low cost per donor acquired: by signing on one company, you sign on several individual donors.
• Ability to attract new donors: existing donors will often motivate their peers to give.
• Easy to implement: establish a pattern and run with it every month.

**Advantages of payroll giving**

• Builds team-spirit through a common cause.
• Involves minimum paper work and processing.
• Takes a one-time decision.
• Creates goodwill with employees, shareholders and the public.
• Provides tax relief.

**Simple steps to start payroll giving**

• Start in your own organisation: get staff in your own organisation to voluntarily contribute. Then look to establish payroll giving in other organisations.
• Get management support: management creates enthusiasm among employees. The company can even make a matching donation.
• Form a working committee: these are people within the company who will work with you to implement the programmes.
• Establish accounting and auditing procedures: decide with the administration and finance department methods to ensure monthly deductions from salaries and agree what reports and materials you will provide to employees.
• Determine a campaign approach: make a list of things to do and allocate responsibility for every activity, such as distributing fliers, putting-up posters and making presentations to groups of employees.
• Identify other companies: personal contacts, directories, magazines, websites, media, PR agencies, local, and regional companies.
• Follow-up: say thank you, send individuals your annual report through the company, encourage employees to visit your work, get your organisation featured in their newsletter.
• Measure and report results: evaluate periodically and discuss ways to improve.

**Direct Mail**

What is direct mail?
• One person writing to another person about a particular programme/strategy that both care about. It is an opportunity for both the writer and the potential donor, for it allows both the chance to do something personally to help.

Why direct mail?
• It is personalised and reaches specific and targeted donors.
• Has the potential to produce a measurable response.
• Reaches out to a large number of people (for instance, you can send 100,000 mailers at a time).
• Can be tested repeatedly. One can vary the letter, the timing or the mailing list to test which letter, time or list gets the better response.
• Builds constituency: a fair percentage of donors go on to support the cause in the long-term.

Disadvantage
• Needs investment but can start small.

The direct mail process
• Identify support agencies: advertisement and market research agencies, mailing list providers, freelance writers and designers, printers, packagers, and mailers.
• Get permission from the nearest post office.
• Identifying mailing lists.
• Put in place response systems.
• Develop and print the direct mailer.
• Timing of the mailer.
• Package and mail.
• Track donations.
• Constant testing.
• Report back to donors.

**Face-to-Face Resource Mobilisation**

Participants should clearly understand the difference between warm visits (to people who know your organisation) and cold calling (to people who don’t know your organisation).
Warm visits
- An organisation may have – as part of its regular resource mobilisation – a process of periodically visiting well-wishers, donors and other supporters to update them on their organisation’s programmes and funding needs.
- An organisation may run a time-bound focused campaign for a specific purpose such as construction of its building. Towards this, it may conduct face-to-face meetings with potential donors.

Cold visits
- Door-to-door collections, donation boxes.
- Cold visits to people’s homes and offices.
- Direct dialogue on the streets.
- Presentations to groups of people such as Rotary Clubs.

Making Your Website Fund-raising Friendly
Include key features like the following:
- Basic information.
- Branding.
- Statement of work, vision and mission.
- Brief information on programmes.
- Contact addresses.
- Other contact details – telephone number, fax, email.
- Organisation registration status.
- Tax exemption details.

Information to build credibility and engage visitors
- Success stories.
- Statement of achievements.
- Statistics about your issue.
- Quotes from people.
- Thanking supporters.
- Annual reports (including financial details).
- Profiles of governing body members.
- Multiple options for visitors to support the organisations: volunteering, donations, skills, in kind contributions, campaign supports.
- Donation amounts and what they will achieve.

Writing Grant Proposals
Important points to remember for a project proposal to be submitted to a donor agency.
- Provide an interesting title and cover page.
- Provide an executive summary.
- Introduce your organisation (who are you, what you do, how you accomplish targets, why you are qualified for a project, etc.).
- State the problem (the need, the scale, any particular reasons).
- State what you plan to do (project goal and objectives, working methods, short- and long-term operational plans, support of local communities, any collaborations, volunteers, handling of key issues through policies and strategies).
• Elaborate on how you will measure the success (expected outcomes, achievements, monitoring progress, evaluating success).
• State what resources and how much of each you need (provide a clear budget, justify all expenditures).
• State how you plan to raise money (sources of funds identified, what percentage you want from the grant maker, how and when).
• Look ahead (how you plan to sustain the work after the grant stops).
• Tell donors why they might be interested (tie your plans to their interests and priorities).

Organising Special Events

These events are ways of receiving money, which are carried out by organisations relating to the field or community they work with. These occasions are held in order to celebrate, say, a community festival or to mark an important day. The events may or may not be related to the organisation’s programmes. Examples of events related to programmes: rallies, film festivals, seminars. Examples of events not related to programmes: cultural events, exhibitions, fund-raiser parties and dinners.

Special events are those that create awareness about:
• your cause and your organisation;
• your organisation or community needs; and
• people associated with your organisation who add to your credibility.

Get your ideas together to organise a special event
• Clarify the objective of the event.
• Brainstorm for ideas on types of event and evaluate each idea.
• Get a clear picture of the audiences: age, gender, income.
• Establish a core committee of staff and volunteers.
• Put in place a budget: add internal and external resource costs, calculate expected revenue.
• Reduce the risk involved.
• Put in place a marketing plan.
• Put in place an action plan.
• Decide on the right time – take into account the weather, get enough time to prepare, avoid clash with other events, especially those organised by partners or other friendly agencies.

Special events can include fund-raising events such as:
• Musical/ theatre/cultural shows, where the entrance fee and sponsorships bring income.
• Events planned by other organisations where part of the income is donated to your organisation.
• Events involving the sale of products donated by an artist or a manufacturer (legal implications need to be clarified with the organisation’s auditors on whether an NGO/CBO can sell products or must receive the sale proceeds as ‘donations’ from the artist or manufacturer).
• Events requiring participation by a large number of people and raising resources through participation fee (competitions and festivals).
Other Fundraising Techniques

Self-contributions
The most effective tool of resource mobilisation is self-contribution. Before collecting resources from other sources, it is a sound practice for every organisation to start some project from self-contributions. An organisation beginning with self-contributions can win the trust of other resource providers quickly. So it is appropriate to abandon the tradition of starting any work after receiving resources from others, and begin with self-contributions!

Internal mobilisation
Organisations in ownership of spare meeting spaces and equipment (photocopiers, telephones, fax machines, projectors and computers) can give them out on rent and make appropriate use of the available resources.

Applying for donations
These are requests for donation or hand-over of funds or other valuable items from various organisations like cottage industries, trading agencies, private institutions, and individual philanthropists (both national and international).

Membership campaign
Membership campaigns are an important mechanism of resource mobilisation. By increasing its membership, the organisation can expand its relations with membership from people with different capacities, and can mobilise many resources available with the members for the organisation.

Publishing the history of the organisation
Publishing good practices, case studies and achievements which will have an impact on the resource provider. Resource mobilisation is courageous work. No one will provide resources easily. In this connection, it is said that instead of hoping for anyone to give you resources, you need to fully prepare yourself for receiving resources. Rather than thinking of getting resources by asking for it, resources can be received by marketing your organisation’s good practices, work and history.

Expanding relations
There is a saying in the resource mobilisation sector: ‘Resource mobilisation is not only to receive resources but also to receive friends’. Expanding relations is an important mechanism of resource mobilisation. The more an organisation expands its relations the more resources it may mobilise. So, it is said that the organisation with a successful resource mobilisation strategy ‘receives resources from friends’.

Personal meetings
If receiving a resource is to receive a friend, then personal meetings play an important role in receiving resources. You have to hold personal meetings with friends and resource providers, invite them to social occasions, and accept their invitations as well. Meeting and building links with influential people often helps.

Formal tea parties and dinners
Personal contact and get-togethers are an effective mechanism of resource mobilisation. An organisation looking for resources can host special High-tea (receptions) for local and external resource providers on the occasion of a special event/festival of the local area, or the country. Such occasions will be of a big help in expanding relations and contacts. Resource providers should be felicitated at such functions or local distinguished persons should be called upon to hand small gifts to the resource providers. But if such functions are held frequently, their utility may gradually disappear.
Partnership

Partnership is another mechanism of resource mobilisation. Partnerships help exchange the resources between two or more organisations. Especially if new or small organisations join hands with similar organisations, there will be a possibility of extensive mobilisation of resources at the local and international levels. Without resources, an organisation cannot build its image and without a good image an organisation cannot mobilise resources. As a result, skills and knowledge of resource mobilisation alone is not enough; the main thing essential for a partnership is a meaningful concept.

Technical assistance fee

An organisation can also raise funds by marketing its technical skills and expertise to other organisations, such as becoming a resource person of a training, raising a fee from visitors to your organisation, and raising a fee from individuals or organisations coming to your organisation for research. The organisation can spend such resources as per its wish. Again, clarification may be needed with the organisation’s auditors as to the validity of such a mode of fund-raising for NGOs/CBOs.

Producing print and audio-visual material

Many NGOs have been carrying out resource mobilisation by developing information, education and communication (IEC) materials as per the requirements of other NGOs and even government bodies. Such organisations publish or produce reports, guidelines, posters, leaflets and audio-visual material for the benefit of other organisations.

Use of media

The world today is a network of information and communication. For resource mobilisation every organisation should take the support of various forms of media to talk about its achievements, future plans and expansion of relations. In recent times, some of the most successful fund-raising achievements have been community-based and utilised social media like Facebook.

For instance, Mumbai-based filmmakers Anti Clock Films funded their film ‘I Am’ almost entirely from donations raised through word of mouth and publicity on Facebook. Donors were individuals and organisations of all kinds, from different walks of life. Of course, their credibility was high because of past work, but the idea was novel, worth a try and gave them the independence to produce a film without depending on commercial sources.

Other Points to Keep in Mind

Determination of resource providers

There are many resource providers who have their own targets and objectives. It is important for an organisation to understand the interest and needs of the resource providers, and see with whom and where there is a match. Resources should be sought accordingly, and attempts should be made to develop linkages with diverse resource providers.

Details of contributions

Presentation of details of existing contributions and their sources can be effective in mobilising both internal and external resources. Organisations working in a transparent manner with resource providers, beneficiary groups and other stakeholders can quickly win the trust of resource providers.

Mobilisation of local resources

An organisation can attempt to use local resources extensively by involving the beneficiary communities in every phase of the program. This will require some level of micro-planning at the community level, which can be an effective method to build trust and programme ownership by the communities.
Constitution of a resource mobilisation committee
It may serve an organisation well to constitute a resource mobilisation committee for dedicated and effective resource mobilisation. The committee can have individuals from all fields of the organisation’s functioning – administrative, financial, human resources development, and other technical areas of work.

Programmes should be based on genuine needs of communities
Even if an organisation uses all the mechanisms of resource mobilisation, these will not be effective in the long-run if its programme/s design/s do not reflect genuine community needs.

Advocacy
Advocacy is an important part of resource mobilisation. A far-sighted organisation skilled in resource mobilisation raises resources by advocating well with donor agencies and other sources.

List of resource providers
A list or directory of resource providers at the local, regional, national and international levels is an important tool in resource mobilisation.

Enhancement of internal capacity
Internal capacity-building is necessary for resource mobilisation. As resource mobilisation is a continuous process, the organisation should enhance the capacity of its office bearers in areas like proposal writing, public relations, advocacy, and financial management. There should also be an internal policy and regulations that provide the legal and ethical do’s and don’ts of resource mobilisation.
Activity 1g: Strategic Planning for Resource Mobilisation

<table>
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<tr>
<th>Time</th>
<th>1 hour 30 minutes</th>
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<tbody>
<tr>
<td>Learning Outcomes</td>
<td>By the end of the activity the participants will: • Learn how to give strategic direction for resource mobilisation; and • Develop an action plan on resource mobilisation.</td>
</tr>
<tr>
<td>Materials</td>
<td>N/A</td>
</tr>
<tr>
<td>Audio-visual Support</td>
<td>Refer to the slides titled ‘Strategic Planning for Resource Mobilisation’ from the PowerPoint presentation ‘Training on Resource Mobilisation’.</td>
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</tbody>
</table>

Methodology

Using the slide titled ‘Strategic Planning for Resource Mobilisation’; describe the first stage i.e steps in planning.

Divide the participants into groups based on the organisation they belong to, and ask them to create a strategic plan for resource mobilisation for their CBO. Once they have developed these plans, ask each group to present their findings, and conduct an interactive discussion on the feasibility of their plans.

Close the day’s proceedings by fielding queries from the participants. If you feel it necessary, conduct a small quiz to ensure that all participants have understood the key points made during the day.

Distribute copies of ‘World Bank Document on Resource Mobilisation’ as take home material to each participant.

Background Information

(Chiam, 2011)

Fund-raising/Mobilisation Strategy

A strategy is a long-term plan of action designed to achieve a particular goal. Fund-raising strategy is a long term plan of action designed to achieve a particular fund-raising goal.

Steps in fund-raising strategy

- Knowing the fund-raising goal.
- Conducting SWOT analysis of the fund-raising goal.
- Identifying those who can give: • government, bilateral, central, state, local bodies; and • institutions, multilateral agencies, funding agencies, foundations, other NGOs, networks, clubs, corporations.
- Individuals – major donors, group of individuals, small donors.
• Broadly, how can we reach them?
  • Government and institutional bodies.
    — Search request for proposals.
    — Apply for grant.
    — Presentations and project visits.
    — Answer queries.
    — Implementation.
    — Reporting.
  • Corporations.
    — Sponsorship.
    — Cause-related marketing options.
  • Individuals.
    — Direct mail.
    — Telephone.
    — Face to face meetings.
    — Direct response advertising.
    — Social media and events.
  • Who will raise funds?
    — Organisational leaders (governing body) and top management.
    — Other staff.
    — Fund-raising team or committee.
    — Consultants.
    — Volunteers.
• What are the timelines? For instance if the goal is to raise Rs 15,00,000 in five years!
  — Fund-raising core group: first two months.
  — Institutional fund-raising: within first quarter.
  — Individual fund-raising: Year 2 beginning.
  — Large-scale event mid-term . . . and so on.
• Why do we need this timeline?
  — Provides a long-term blueprint.
  — Provides a monitoring framework.
  — Defines roles.
  — Involves all stakeholders.
  — A flexible plan that can be revisited.

Proposed strategy for CBOs
Procedures to follow for building a fund-raising alliance by CBOs.
• Identifying suitable partners with common objectives.
• Signing a Memorandum of Understanding (MoU).
• Registration of the body.
• Contribution of cost by each partner.
• Division of money raised.
• Requirement of human resources.
• Allocation of funds for direct investment in fund-raising.
Part 2

Financial Management
Part 2: About the Financial Management Module

No. | Name | Pehchan Trainees | Pehchan CBO Type | Training Objectives | Total Duration |
---|---|---|---|---|---|
A4 | Financial Management | • Project Directors  
• Programme Managers / Programme Officers  
• Finance Officers | Pre-TI, TI Plus | By the end of this module, the participants will:  
• Understand the steps of book-keeping and financial management for a CBO;  
• Know the statutory compliances to be followed;  
• Learn how to prepare a work-plan and a budget; and  
• Be able to articulate the roles and responsibilities of the administration and finance personnel. | Half-a-day. |

Module Reference Materials

All the reference material required to facilitate this module has been provided in this document and in relevant digital files provided with the Pehchan Training Curriculum. Please familiarise yourself with the content before the training session.

Attention: Do not change the names of file or folders, or move files from one folder to another, as some of the files are linked to each other. If you rename files or change their location on your computer, the hyperlinks to these documents in the Facilitator Guide will not work correctly.

If you are reading this module on a computer screen, you can click the hyperlinks to open files. If you are reading a printed copy of this module, the following list will help you locate the files you need.

Audio-visual Support | PowerPoint presentation on ‘Financial Management’.  
Annexure 2b on ‘Financial Management Reference Material’.  
Annexure 2c on ‘Case Studies’.  
Annexure 2d on ‘Resource Mobilisation and Financial Management’.  
Annexure 2e on ‘The Organisational Development Cycle’.  

# Activity Index

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity Name</th>
<th>Time</th>
<th>Material²</th>
<th>Audio-visual Resources</th>
<th>Take-home material</th>
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<tbody>
<tr>
<td>2a</td>
<td>Introduction to Module</td>
<td>30 minutes</td>
<td>N/A</td>
<td>Refer to the slides titled ‘Objectives of the module’ from the PowerPoint presentation ‘Resource Mobilisation and Financial Management’</td>
<td>N/A</td>
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<td>2c</td>
<td>Statutory Compliances for CBOs</td>
<td>30 minutes</td>
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<td>Refer to the slides titled ‘Statutory Compliances for CBOs’ from the PowerPoint presentation ‘Resource Mobilisation and Financial Management’</td>
<td>N/A</td>
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<tr>
<td>2e</td>
<td>Preparation of Work-plan and Budget</td>
<td>45 minutes</td>
<td>Annexure 2c on ‘Case Studies’</td>
<td>NA</td>
<td>N/A</td>
</tr>
<tr>
<td>2f</td>
<td>Roles and Responsibilities of the Administrative and Finance Officer</td>
<td>15 minutes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2g</td>
<td>The Organisational Development Cycle</td>
<td>15 minutes</td>
<td>Annexure 2d on ‘Resource Mobilisation and Financial Management’ and Annexure 2e on ‘The Organisational Development Cycle’</td>
<td>Refer to the slides titled ‘Organisational Development Cycle’ from the PowerPoint presentation ‘Resource Mobilisation and Financial Management’</td>
<td>Annexure 2d on ‘Resource Mobilisation and Financial Management’ and Annexure 2e on ‘The Organisational Development Cycle’</td>
</tr>
</tbody>
</table>

2 Overhead projector, laptop, sound system and whiteboard should be provided at every training.
Activity 2a: Introduction to Financial Management Module

<table>
<thead>
<tr>
<th>Time</th>
<th>30 minutes</th>
</tr>
</thead>
</table>
| Learning Outcomes     | By the end of this activity, the participants will:  
• Be able to articulate the objectives of the training module. |
| Materials             | N/A        |
| Audio-visual Support  | Refer to the slides titled ‘Objectives of the Module’ from the PowerPoint presentation ‘Resource Mobilisation and Financial Management’. |
| Take-home Material    | N/A        |

Methodology

Tell the participants that this module is a continuation of the Resource Mobilisation module, in which they will be learning how to manage the financial resources they garner for their organisation.

Ask the participants to introduce themselves and their roles and responsibilities in the organisation they represent. It will also be useful to gauge the participants’ knowledge on financial management, and you can do so by either asking them to state their level of knowledge or experience on the subject or by conducting a short informal quiz asking a mix of basic and advanced questions to test their knowledge. However, reassure them that a lack of knowledge of the subject will not be a deterrent to understanding and enjoying the rest of the day’s activities.

Ask the participants what they expect to learn from this session. Ensure that all participants get a chance to respond and list their responses on a flip-chart. After all the participants have responded, use the slide ‘Objectives of the module’ from the PowerPoint presentation ‘Financial Management’ to read out what the participants can expect from this session. Match their expectations to these objectives and explain the scope and nature of the day’s training.
Activity 2b: Strengthening Financial Systems – An Overview

<table>
<thead>
<tr>
<th>Time</th>
<th>30 minutes</th>
</tr>
</thead>
</table>
| Learning Outcomes | By the end of this activity, the participants will:  
• Be able to articulate the steps involved in strengthening Financial Systems in a CBO. |
| Materials | N/A        |

Methodology

Using the Annexure on ‘Financial Systems Strengthening Guide’, lead the participants through the critical steps that CBOs need to follow to ensure that their financial management systems adhere to standard financial norms and practices. Briefly elaborate on each step, telling the participants that you will be giving more details on these steps later in the module.
Activity 2c: Statutory Compliances for CBOs

<table>
<thead>
<tr>
<th>Time</th>
<th>30 minutes</th>
</tr>
</thead>
</table>
| Learning Outcomes     | By the end of this activity, the participants will:  
|                       | • Be able to list the statutory compliances for CBOs and the steps involved in adhering to them. |
| Materials             | N/A        |
| Audio-visual Support  | Refer to the slides titled ‘Statutory Compliances for CBOs’ from the PowerPoint presentation ‘Resource Mobilisation and Financial Management’. |
| Take-home Material    | N/A        |

**Methodology**

Write the words ‘Statutory’ and ‘Compliance’ on a flip-chart and ask participants to think of adjectives to describe each term. As they respond, write their responses under the appropriate heading.

Explain that ‘statutory’ means ‘of or related to statutes’, or what we normally call laws or regulations. Compliance just means to comply with or adhere to. Therefore ‘statutory compliance’ means that one is following the laws on a given issue.

Using the slides titled ‘Statutory Compliances for CBOs’ give the participants a detailed explanation on the following.

- Annual Returns to Income Tax Department
- Tax Deducted at Source
- Foreign Contribution Regulation Act, 1976
Activity 2d: Financial Management Systems

Time | 2 hours 30 minutes
---|---

**Learning Outcomes**

By the end of this activity, the participants will:

- Understand the importance of adhering to financial management systems to run their organisations.

**Materials**

N/A

**Audio-visual Support**


**Take-home Material**

Annexure 2b on ‘Financial Management Reference Material’.

**Methodology**

Discuss the below topics in detail. To ensure that the session does not become a didactic one-way communication, invite participants to share their knowledge on each of these topics and encourage them to ask questions and clarify doubts. You can distribute copies of Annexure on ‘Financial Management Reference Material’ either before the session begins or at the end.

- Maintaining books of accounts
- Types of accounts
- Registers to be maintained
- Resource mobilisation policies
- Cash transactions, including physical control of cash and its monitoring
- Bank transactions
- General accounting
- Program/work advances
- Bank reconciliation statement
- Salary payment system
- Vehicle log book maintenance
- Hiring vehicle from external agencies
- Expenses reimbursement systems
- Computerised accounting system
- Purchase control (both for fixed assets and general purchases)
- Budget and budgetary control
- Internal control
Activity 2e: Preparation of Work-plan and Budget

<table>
<thead>
<tr>
<th>Time</th>
<th>45 minutes</th>
</tr>
</thead>
</table>
| Learning Outcomes | By the end of this activity, the participants will:  
• Learn how to prepare a work-plan and budget for an activity. |
| Materials     | Annexure 2c on ‘Case Studies’. |
| Audio-visual Support | N/A |
| Take-home Material | N/A |

Methodology

Divide the participants into three groups and give each group a printout of one of the Annexure 2c on ‘Case Studies’. Tell each group to discuss the case study at length, and prepare a work-plan and budget based on the information provided in the case study.

After 30 minutes, ask each group to present its work-plan and budget. Allow the participants from other groups to give feedback and ask questions to the presenting group. Support the learning through observations of your own.

After all the groups have presented their material, sum up the discussion to ensure that participants understand the concepts and steps involved in budgetary compliance.
Activity 2f: Administrative and Finance Officer: Roles and Responsibilities

<table>
<thead>
<tr>
<th>Time</th>
<th>15 minutes</th>
</tr>
</thead>
</table>
| Learning Outcomes | By the end of this activity, the participants will:  
• Understand the specific roles and responsibilities of Administrative and Finance Officer in a CBO. |
| Materials | N/A |
| Audio-visual Support | N/A |
| Take-home Material | N/A |

**Methodology**

Sum up all the activities discussed above in the module. Explain to the participants that each of the roles discussed in this module are the responsibilities of an Administrative and Finance Officer in a CBO. Participants should be encouraged to brainstorm roles and responsibilities further under the following heads:

• Strengthening Financial Systems.  
• Statutory Compliances for CBOs.  
• Systems of Financial Management.  
• Preparation of Work-plan and Budget.

Session should be concluded by drawing a consensus among participants, based on the discussion on the above mentioned points.
### Activity 2g: Understanding Organisational Development Cycle

<table>
<thead>
<tr>
<th>Time</th>
<th>15 minutes</th>
</tr>
</thead>
</table>
| **Learning Outcomes** | By the end of the activity, the participants will:  
• Name the steps in the Organisational Development Cycle; and  
• Relate these steps to their learning from Module A. |
| **Materials** | Annexure 2d on ‘Resource Mobilisation and Financial Management’.  
Annexure 2e on ‘The Organisational Development Cycle’. |
| **Audio-visual Support** | Refer to the slides titled ‘Organisational Development Cycle’ from the PowerPoint presentation ‘Resource Mobilisation and Financial Management’. |
| **Take-home Material** | Annexure 2d on ‘Resource Mobilisation and Financial Management’.  
Annexure 2e on ‘The Organisational Development Cycle’. |

### Methodology

- Ask for 12 volunteers, and randomly, hand each volunteer one of the placards containing a component of the Organisational Development Cycle.
- Tell the volunteers they have three minutes to order themselves into the sequence they believe is correct for the process of organisational development. They should arrange themselves in such a manner that they face the other participants in the correct order.
- When three minutes are up, or if they have already arranged themselves in a sequence, ask the other participants to comment on the correctness of the sequence. If they suggest changes, ask them why they are suggesting a change. If they feel that the arrangement is correct, ask them to explain why they feel this sequence is logical.
- While debriefing the participants, ask them whether the process of organisational development is strictly linear, or would it be a cyclical process with reviews, revisions and revisiting of the problem statement.
- In this context explain that the ‘strategy’ or ‘strategising’ component of the Organisational Development Cycle is the most crucial component. It takes into account all components that precede it as well as those that follow it, and in fact, is the process that helps operationalise the Organisational Development Cycle. A typical strategy development session for organisational development will assess all the ‘concept oriented’ components that precede it (using SWOT analysis and other tools discussed earlier in Module A training), and then plan for the subsequent components which are all “action oriented”.
- Using the slides titled ‘Organisational Development Cycle’, explain the cyclical process and summarise the key concepts of Module A’s training content.

### Note to Facilitator

The Organisational Development Cycle partially condenses some of the earlier concepts discussed in Module A. For example, instead of ‘vision’, ‘mission’, ‘goals’ and ‘objectives’, it equates ‘vision’ to ‘goals’ and ‘mission’ to ‘objectives’. You can take either approach as long as you are able to explain the essential concepts involved.
Annexure 1a: Case Studies

Case Study A: Jhakaas Sangam

The community-based organisation (CBO) Jhakaas Sangam is a legally registered, 11-year old trust that works in three districts in Gujarat. The organisation has a 10,000-strong membership of men who have sex with men (MSM).

The CBO is getting some support from the State AIDS Control Society. As most of the total budget of Jhakaas Sangam is received from a single donor agency, the members of the organisation have not been too concerned about financial sources. Last year, however, the funding agency decided to cut down the budget for the foreseeable future. This has created a big problem for Jhakaas Sangam.

The leadership of the organisation lacks individuals with skills for resource mobilisation. The organisation never thought of the possibility of such a problem. Whenever someone would ask about making the organisation sustainable, they would give a very easy answer, "It will remain sustainable until the donor gives it funds!"

As a result of the decision of the donor agency, a dispute has occurred in the working committee over who should leave and who should continue in Jhakaas Sangam.

Questions

1. What are the problems faced by Jhakaas Sangam?
2. Why have the problems arisen?
3. From the resource mobilisation point of view, what could have the organisation done to avoid such problems?
4. What are the similarities between your organisation and Jhakaas Sangam? Make a list.

Case Study B: Hocus Pocus Foundation

Rajnikant who, until few years back used to teach at a local primary school, is the Chairperson of the Hocus Pocus Foundation. The Hocus Pocus Foundation was founded with health- and income-generation as its mission.

Presently, Rajnikant runs counselling centres, health education centres, HIV service centres for TG and MSM people with the support of a donor agency. Though monthly savings are being generated after formation of self-help groups (SHGs) for income-generation, programmes have not been carried out for the skill-development of women due to lack of the required capital.

The working committee of the Hocus Pocus Foundation has 11 members, but due to lack of skill and knowledge of organisational development and resource mobilisation, Rajnikant has not been able to achieve anything much toward development, other than the HIV health programme granted by the donor agency.
A majority of the SHG members are inactive while some have stopped building savings because they have not been able to use the savings made in their SHG for income-generation. Rajnikant always pressurises one of the members to write a project proposal and go to meet a donor agency.

Questions

1. What are the problems faced by the organisation?
2. What should have Rajnikant done to avoid such problems?
3. What are the similarities between Hocus Pocus Foundation and your organisation? Make a list.
4. From the resource mobilisation perspective, what should Rajnikant now do to improve the organisation?

Case Study C: Maharathi Organisation

Maharathi is a CBO founded in 1998 with the objective to work for the upliftment of the TG community. The CBO has its own structure. The Executive Committee of the CBO is represented by individuals with skilled leadership qualities, as a result of which it has been receiving resources from various sectors. Under its Executive Committee (or Working Committee) is a Sub-Committee for Resource Mobilisation. The Sub-Committee works at the local and national level to expand relations with various organisations and collect resources.

The CBO runs programmes in two districts. Local government, private sector and international agencies have been providing financial, technical and other cooperation to the CBO. Starting this year, the CBO is running an adult-care program and income-generating programs for the community, in addition to partnering two other big CBOs in four districts.

With the cooperation of local volunteers, it runs a social awakening campaign against prevailing harmful traditions, health issues, HIV issues and takes up cases where legal services may be required. The CBO also runs counselling centres, health-education centres, and cultural centres with wide participation of local volunteers.

Maharathi has its own policies and regulations and good governance is strong. It has been running programmes as per its target. The CBO's work has been respected at the national and international levels. Other small organisations take Maharathi as their model.

Questions

1. What are the good practices of Maharathi?
2. What are the types of resource providers that Maharathi collects sources from?
3. What is the difference between your organisation and Maharathi?
4. What will you do to make your organisation like Maharathi?
5. On the basis of analysis of Maharathi, what do resource and resource mobilisation mean?
Annexure 1b: Case Studies of Successful Resource Mobilisation

Case I: Sex Workers turn Entrepreneurs

For sex workers, fighting social stigma and discrimination is a big challenge. Unlike in the old days when society accepted them as part of the social structure and gave them a respected place, sex workers today are harassed and looked down upon and, more often than not, exploited. Ashodaya Samithi, an organisation of female, male and transgender sex workers in Karnataka, is addressing the issue of social stigma and discrimination towards HIV positive sex workers and sex workers in general by promoting entrepreneurship among them. Its efforts towards this have given shape to an innovative and sustainable project—a community kitchen in Mysore.

Around 150 organised sex workers are today selling thalis or meals at Rs 7 each, at their centre. They sell about 150 meals a day. What began as an experimental proposition has turned into a business model for them. Their joint effort has won their organisation, Ashodaya, a World Bank grant as well. Development Marketplace (DM) is a competitive grant programme administered by the World Bank and supported by various partners. It identifies and funds innovative, small-scale development projects with good potential for expansion that can be replicated and which could have development impact.

The sex workers’ organisation has won the grant from among 1,000 competing proposals. The 75 shortlisted finalists from among the 1,000, were invited to Mumbai to set up a stall, exhibit and explain their proposal to a team of jurors and convince them on their proposal. A sex worker and Ashodaya secretary, Bhagyalakshmi did the promotional work. She convinced the jurors on the innovativeness, replication and sustainability of their project and made Ashodaya qualify to receive the World Bank grant of $40,000 in Mumbai from actor and UNICEF envoy Shabana Azmi.

The grant aims are: reducing the social stigma that sex workers face, by undertaking healthcare measures, training speakers and promoting positive living, developing business initiative, and documenting each episode of discrimination and to address them.

Sushena Rezapaul, head of Disha project, which provides technical backing to Ashodaya, told Business Standard, ‘Ashodaya plans to expand the community kitchen project to other districts, encouraged by its success’. As these marginalised women become ‘kitchen managers’, discrimination and stigma will take a backseat.

Ashodaya emerged from a need among Mysore’s sex workers to group themselves into an organisation. Those who came for treatment at the Emanuel Hospital Association (EHA), which is running an HIV prevention project in Mysore and Mandya districts, decided to group into Ashodaya organisation. Besides running the kitchen, Ashodaya, headed by its president Rathnamma, has put up two stalls at the Urban Haath, a handicraft centre in Mysore, where they sell clothes. They plan to promote a community laundry and cater to IT companies, hospitals and major firms, Rezapaul said. Rathnamma acknowledges the increasing awareness towards the inherent capacity of the marginalised and hopes that they will scale greater heights in HIV prevention, care and support through their joint effort.
Case II: Dream-A-Dream Gets a Slice of the Earnings

Dream-a-Dream has joined hands with selected restaurants in Bangalore to create a ‘Dream Table’. From each order given by customers at the ‘dream table’, a portion of the bill goes to Dream-a-Dream. This builds an opportunity for corporate social responsibility (CSR) into the hospitality industry.

The objective of Dream-a-Dream Bangalore is to promote leadership in children from diverse backgrounds.

Case III: Sristisankula

Sristisankula is a registered community-based organisation (CBO), working with men who have sex with men (MSM) in Gadag district of Karnataka. It is part of a state-level MSM CBO federation called Sarathya. Sarathya presently covers 20 districts of the state and is encouraging MSM communities in remaining districts to form CBOs and be part of the federation. This federation was formed with the support of Karnataka Health Promotion Trust (KHPT); being part of the federation, the CBOs receive knowledge support and information about funding opportunities.

Mr Arif, Secretary of the federation, is also the founder of Sristisankula. In 2002, Mr Arif started working in Gadag district with Samraksha, a partner voluntary organisation of KHPT, towards prevention of HIV and ensured care and medical facilities for those affected. The main objective of Sristisankula is ensuring that MSM, transgender and other sexual minority communities become part of mainstream society.

According to Mr Arif, the National AIDS Control Organisation (NACO) provides direct financial support to MSM CBOs which are more than two years old, under its targeted intervention (TI) programs. Being just a year old, Sristisankula cannot receive support directly from NACO, so it receives financial support from NACO through another CBO Rakshane. Rakshane is a five-year old CBO which works with female sex workers (FSWs). It approached NACO on behalf of Sristisankula and has received an annual grant of Rs 11 lakh. Next year Sristisankula will approach NACO and has already started building relations with the Joint Director and Programme Director of Karnataka State AIDS Control Society (KSACS).

Mr Arif is also planning to organise events across the district like antakshari competitions, cooking competitions and cultural nights during the year to raise financial support from the local communities. He has approached and presented Sristisankula to local Members of the Legislative Assembly (MLAs) and visiting dignitaries. He also keeps the district administration officials informed of Sristisankula activities. He is hopeful of receiving their individual contributions and later their support under various government schemes. Sristisankula charges Rs. 20 as an annual membership fee from its members for the support it provides.

Sristisankula though just a year-old, looks for opportunities for support from individuals, government institutions and other grant-making agencies, whenever and wherever there is an opportunity.

The members of Sristisankula and other CBOs like Aaptamitra and Sanjeevani in Raichur district have started to provide meals to Karnataka State AIDS Control Society (KSACS) training programmes, as part of their income-generating programme. The profits from
this service are ploughed back into the CBO. Sristisankula is also exploring the possibility of conducting training courses like tailoring for the community.

**Case IV: Samartya**

Samartya, a six-month old CBO, is also part of the MSM federation Sarathy. Being part of the federation, Samartya receives technical knowledge of running and maintaining the CBO which includes exploring self-generated income opportunities.

Samartya is unique in its work in that it links the MSM, transgender and other sexual minorities to various government schemes, such as Aarogyashree (Health Card) and an old age pension scheme.

Being a six-month old CBO, Samartya hopes to receive support from KSACS next year for its work. In the meantime, it is exploring opportunities with KHPT officials for income-generating activities for its members. It will be conducting feasibility studies for manufacturing and selling of handicrafts and other products. It is also working with other CBOs that work with women, Dalits and the handicapped. Samartya is also exploring other income-generating opportunities, such as operating telephone booths.

Samartya approaches and receives individual donations from local MLAs, small businessmen and district administration officials. An annual membership fee of Rs 50 is charged and it constitutes a part of self-generated income.

The interesting thing about all of these CBOs is that they have received considerable encouragement and support from partner agencies of grant-making organisations, such as the Bill & Melinda Gates Foundation, NACO and KSACS. These CBOs have received training in how to generate funds locally. It is the partner agencies like Sangama, Samraksha and others that are facing a resource crunch and are finding it difficult to sustain their work.
Annexure 1c: PowerPoint Presentation – Resource Mobilisation
Objectives of the Module

By the end of this module, you will:

- Develop an understanding on what are resources (for a CBO) and what is resource mobilisation;
- Be able to articulate the importance of resource mobilisation;
- Understand the various sustainable techniques and methods for resource mobilisation; and
- Develop an agenda/strategy on resource mobilisation for your CBO.

Resource Mobilisation

Definition of Terms

What is a Resource?

A resource is a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organisation in order to function.
What is Resource Mobilisation?

Resource mobilisation is a process which identifies resources essential for the development, implementation and continuation of work for achieving an organisation’s vision and mission.

Resource Mobilisation

Ways to Mobilise Funds and Resources

Brainstorming Exercise

- Run a campaign?
- Money, money everywhere: But we don’t know how to find it!
- Meet a funder?
- How do I introduce our work?
- Will the government give money for the NTH community?
Resource Mobilisation

Sustainable Techniques

Some Techniques

- Corporate partnerships
- Payroll giving
- Direct mail
- Face-to-face resource mobilisation
- Making your website fund-raising friendly
- Writing grant proposals
- Organising special events

Other Fundraising Techniques

- Self-contributions
- Internal mobilisation
- Applying for donations
- Membership campaigns
- Publishing the history of the organisation
- Expanding relations
- Personal meetings
- Formal tea parties and dinners
- Partnerships
- Technical assistance fee
- Producing audio-visual materials
- Use of media
- Determination of resource providers
- Details of contributions
- Mobilisation of local resources
- Resource mobilisation committee
- Programmes should reflect genuine community needs
- Advocacy
- List of resource providers
- Enhancement of internal capacity
Resource Mobilisation

Strategic Planning

Preparing an Action Plan

Taking Action

- Identifying timelines
- Identifying who will do the fund-raising
- Identifying how to reach them
- Identifying those who can give
- Knowing the fund-raising goals

References


Annexure 2a: Pehchan – Financial Systems Strengthening Guide for CBOs

- Generating transactions (through incomes and expenditures)
- Basic book-keeping and maintaining the records of incomes and expenditures
- Planning and budgeting
- Maintaining book of accounts
- Registration as a Society/Trust/Non-profit Company
- Opening of a bank account
- Applications to Income Tax Authorities for:
  - Permanent Account Number (PAN)
  - Tax-deduction Account Number (TAN)
  - Getting charitable status under Sections 12AA and 80G of the Income Tax Act
- Auditing of accounts by appointing an external auditor
- Preparation of annual report of the organisation
- Submission of annual returns to the Registrar of Societies/Registrar of Companies
- Submission of annual returns to the Income Tax authorities
- Application for FCRA registration (after completion of 3 years) + Opening of separate bank account
- Submission of FCRA annual returns

Source: SAATHI
Annexure 2b: Financial Management Reference Material

1. Book-Keeping and Accountancy

1.1 Maintenance of Books of Accounts

Accounting is a basic management tool which, if used properly, will enable the organisation's management and/or any other person, related or unrelated to the organisation, to determine the fair financial status of the organisation.

- The books of account shall be maintained in computerised accounts generally in Tally software.
- The organisation shall maintain separate sets of books of accounts for all grants received (non-FC/local and foreign contributions).

1.2 Types of Accounting

There are different types of accounting; two important types are the Cash System and the Mercantile System.

- Under the Cash System, an entry is recorded on the basis of the amount being paid or received, whether or not the payment or receipt was due at that point of time.
- Under the Mercantile System (Accrual System), an entry is recorded on the basis of any amount which has become due for payment or receipt, even if the payment or receipt is actually made at a later stage. This system of accounting is generally used by all the organisations since it depicts the actual assets and liabilities of the organisation.

Books of Accounts/Registers to be Maintained

2. Cash Book – Tally-based accounting
4. Different Ledgers – Tally-based accounting
5. Different Journals – Tally-based accounting
6. Advance Payment Register – Computerised
7. Fixed Assets Register – Manual/Computerised
8. Stock Register – Manual/Computerised
10. Investment Register – Manual/Computerised
11. Cheque Control Register – Manual
12. Movement Register – Manual
13. Asset Movement Register – Manual/Computerised
14. Donation Register – Manual/Computerised
15. Despatch Register – Manual/Computerised
16. Membership Register – Manual/Computerised
1.3 Resource Mobilisation Policies

Grants

Receipt of a grant
The following processes should be ensured during the receipt of a grant.

- Treatment of grant as FCRA/domestic as per the direction of funder.
- The grant received is for the achievement of the objectives mentioned in the grant agreement.
- The grant received is not of a business nature and satisfies the provisions of Section 2(15) of the Income Tax Act.

Grants and accounting
Grants received by the organisation could be of the following types.

- Grants received in support of specified projects or activities mutually agreed upon by the organisation and the donor (restricted grant).
- Grants received which the organisation may freely use for whatever purpose as per its defined objectives (unrestricted grant).

Grants should be recognised as revenues only upon or until the conditions have been substantially met or explicitly waived. A grant with a condition should be accounted for as a liability until the conditions have been substantially met or waived by the donor.

It is also to be noted that revenues received from foreign sources are to be reported to the Ministry of Home Affairs, Government of India, on cash basis as a requirement of FCRA.

Management of a grant
The following processes should be ensured during the tenure of a grant.

- Programme reports must be sent within the intervals fixed under the memorandum of understanding (MoU), signed between the donor and grant recipient.
- The programme reports must match the activity calendar as suggested under the MoU.
- The programme reports should match the financial reports for a particular period. Variances if any should be sorted out prior to sending the same to the funder.
- Over-spending and under-spending under various projects, especially the FCRA grants should be properly dealt with.
- Capital and revenue expenses under a particular grant should be properly dealt with.
- Periodic meetings of programme and administration and finance department representatives should be held to keep the expenditures on track as per the budget heads.

Closure of a grant
Like the management of a grant, its closure is an essential part of a project. The following processes should be ensured during the closure of a grant.

- Ensure that all the conditions as per the MoU with the funder have been met.
- Ensure that all the fund-utilisation certificates have been submitted along with the periodic activity reports duly acknowledged by the funder.
• The closure report from the administration and finance department must be in the proper format giving the reconciliation of grant received and utilised, taking into account the interest earned on the said amount.
• The interest earned, if any, should be properly disclosed in the utilisation certificate submitted to the funder and must also be in line with provisions in the MoU.
• Acknowledgement must be received from the funder of ‘NO DUES’, after the submission of final report and total utilisation of funds.

**Contribution in Kind**

This may be in the form of assets or any item that generates revenue. Assets received in kind with an ascertainable value, should be recorded at the value ascertained.

Assets received in kind, the value of which cannot be ascertained, should be valued at a nominal value, say Re. 1/-, for accounting purposes.

**Corpus Fund**

For a charitable organisation corpus funds are of paramount importance. Normally a corpus fund denotes a permanent fund kept for the basic expenditures needed for administration and survival of the organisation. The corpus fund is generally not allowed to be utilised for the attainment of the organisation's purposes, but the interest/dividend accrued on such fund can be utilised as well as accumulated.

Corpus funds are generally created out of corpus donations. A donation will be treated as corpus donation only if it is accompanied by a specific written direction of the donor. In the absence of any written direction of the donor, a contribution or grant cannot be transferred to the corpus fund.

• A corpus fund may be created out of own generation, based on a resolution passed by the governing body.
• Corpus fund received should not be treated as income for computation of income for income tax purposes, as it is a receipt that is capital in nature.
• The corpus fund should be suitably invested and should be disclosed separately in the financial statement.
• Interest on the corpus can be utilised as well as accumulated.

**Endowment Fund**

An endowment fund is similar to a corpus fund but it comes with the restriction of certain specific purposes. There may be two types of endowments.

• Perpetual endowments given in perpetuity, and where the fund principal is never spent or repaid.
• Term endowments that are gifts for which the donor has specified a date or event after which the funds may be spent.

When an endowment fund is created out of internal accruals and unconditional voluntary contributions received, it is known as a ‘designated endowment fund’. The board of an organisation may designate certain funds for long-term activities. The endowment fund so created may be for a fixed period or perpetual in nature.

A designated endowment fund is a discretionary long-term fund created by the governing body of the organisation. Such funds are bound by the norms and regulations approved by the governing body. Generally such funds are also permanent and not available for the general activities of the organisation. But since the designated fund is created by the organisation itself, therefore there is a legal possibility of revocation of such designated
Another kind of endowment fund is the ‘restricted endowment fund’, which is not available for revocation under any circumstances.

Interest revenue out of an endowment fund is accrued at the end of an accounting year. The fund is usually invested in some securities and such investment is valued at cost price. If the income out of such investment is available for unrestricted purposes, it is recognised in the unrestricted fund. On the other hand, if the income is to be used for some specific purpose, it is transferred to that specific fund.

1.4 Cash Transactions

The norms for cash transactions are laid down below.

**Cash Payments**

- Cash payments should be made only if supporting documents are obtained to that effect.
- The Administration and Finance Officer will fill in, on payment voucher(s), the ‘project title’ and the ‘name of programme’ for which the expenses have been incurred and send the same to Authorised Signatory for approval.
- The Authorised Signatory will give approval on payment voucher(s) and support thereof.
- The Administration and Finance Officer will obtain recipient’s signature on cash payment voucher.
- Where cash payment is more than Rs 5,000/-, revenue stamp of Re. 1/- must be affixed and the recipient’s signature should be obtained thereon.
- Cash payment voucher will be entered in Cash Book.
- A serial control number will be given to each payment voucher.
- In case of one-time payment, ensure that cash payment is kept below Rs 20,000 on a single day to a particular person.3
- Follow authorisation norms in case of cash advances to outside parties and staff/workers.
- Advance payment to staff/workers will be done only on the basis of an authorised plan for programme/plan for travels.4

**Cash receipts**

- No cash will be accepted unless the receipt is authorised as per the authorisation procedure.
- Receipts will be pre-numbered at the time of printing.
- The receipt will be printed in duplicate. First copy for donor/party, second copy for accounting and references and records.
- A Receipts Control Register will be maintained to record cash receipts and ready reference.
- A cash receipt voucher will be made for total cash received during the day giving reference of cash receipts and the Receipt Control Register.
- Reference of cash receipt voucher will be given in the Receipt Control Register.
- The Administration and Finance Officer will clearly mention the purpose for which cash has been received.

---

3 Cash payment of more than Rs 20,000 can be made only when the person does not have any bank operating in the locality.

4 Refer to the section ‘Formats for Programme/Travel Plan and Advance Request’
- Cash Book folio will be mentioned on the cash receipt voucher.
- The blank cash receipts will be kept in a safe custody.

**Cash book(s)**
- An organisation should maintain separate cash books for Foreign Currency (FC) funds as well as local funds.
- The Administration and Finance Officer will clearly mention the programme/expenses head with respective project names in the Cash Book.
- Ensure that a brief narration of the nature of transaction is given in each case.
- The Administration and Finance Officer will mention ledger folio against each cash voucher entered in the Cash Book.
- No alteration can be made in the project name, programme/expenses head and amount;
- If the change is inevitable in the Petty Cash Book, do so by clearly striking it off and writing again.
- The Petty Cash Book(s) will be closed every day, mentioning physical balance of cash available. The concerned staff will mention denomination of cash in the Cash Book itself at the close of the day.

**Physical control of cash and monitoring**
- The organisation’s cash will be kept at a secured place.
- No personal cash will be mixed with organisation cash.
- Physical control of cash will be with the Cashier/Administration and Finance Officer of the organisation.
- In no case, will the cash be moved out of the organisation’s premises without corresponding payment voucher and authorisation.
- Deposit cash on the day immediately following the date of cash receipts in designated bank account.
- Withdrawal of cash will be done only when a proper planning for programme or administrative expenses have been approved by the Authorised Signatories.
- Keep cash at the barest minimum.
- Must insure cash-in-safe and cash-in-transit to the extent of necessary volume and safety.
- Periodic physical verification (without any notice to Cashier/Administration and Finance Officer), in a proper format meant for this purpose, will be done by each organisation.
- The persons responsible for physical verification will hold this post in rotation.
- Stern action should be taken in case of discrepancies beyond explanation of the Cashier/Administration and Finance Officer and any other party involved.

### 1.5 Bank Transactions

**Bank Payments**
- Bank payments will mean payment through cheques or direct debits by bank(s) only.
- No authorisation of cheque payment will be made unless supported by a bank payment voucher.
• In case of any advance payment to staff, Advance Request Form⁵ will be attached with the voucher for authorisation.

• In case of payment to outside parties, no bank payment voucher will be entertained unless supported by party’s accounts in the books of the organisation.

• Outside party’s accounts in organisation’s books of accounts will be properly reconciled with all the bills raised and payments made till the date before the same is considered for payment.

• Insist on a Statement of Accounts from outside party, if necessary, for account reconciliation.

• The Administration and Finance Officer will ensure that the payments to parties are done only on or after the due dates.

• The Administration and Finance Officer will check availability of funds in the bank from where cheque will be issued.

• The Administration and Finance Officer will ensure, at the time of obtaining authorisation, that the support documents attached to the bank payment voucher are also signed.

• All the cheques issued will be crossed ‘payee’s account only’ unless they are for internal cash withdrawals.

• Complete detail of cheque issued will be mentioned on the payment voucher.

• The Administration and Finance Officer will fill in, on payment voucher(s), the ‘project title’ and the ‘name of programme’ for which expenses have been incurred.

• The particulars of bank payment voucher will be entered in the Bank Book/Ledger as soon as the cheque is issued.

• The Administration and Finance Officer will obtain recipient’s signature on the payment voucher.

• A serial control number will be given to each payment voucher.

• Where payment is more than Rs 5,000/-, revenue stamp of Re. 1/- must be affixed and recipient’s signature should be obtained thereon.

• The cheque issued will be entered in the Cheque/Draft Issue Control Register⁶.

• In case, the recipient is an outside party, an official receipt will be requested.

Bank Books/Ledger

• Every organisation will maintain separate Bank Books/Ledgers for each project (for foreign currency or FC funds as well as local funds).

• The Administration and Finance Officer will clearly mention the programme/expenses head with respective project name in the Bank Book/account.

• Brief narration of the nature of transaction will also be given in each case.

• The Bank Book/account will be closed everyday and reflect bank balances.

Maintaining chequebooks/deposit slips

• In no case should cheques be kept blank after the signatures of both Authorised Signatories have been obtained on them.

• Cheque books should be kept in the safe meant for keeping cash.

• Avoid giving post-dated cheques unless there is absolute necessity, but not without prior approval within organisational level.

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⁵ Refer ‘Formats’ for Advance request
⁶ Refer ‘Formats’ for Cheque/ Draft Issue Control Register
• Avoid giving bearer cheques.
• Do not leave any blank spaces in cheques between the figures and at the start of the box meant for filling amount in figures. Also, do not leave any spaces when writing amount in figures.
• Strike out the blank spaces after the name and figures in words.
• Preferably, use indelible ink pen for filling cheques.
• In case of cancellation of any cheque, deface the cheque diagonally with a pen and strike off the cheque number.
• If bank payment voucher has been made earlier for the cancelled cheque, prepare a bank receipt voucher and record in Bank Book/account to avoid any confusion in future.
• Mention detail of cheques issued in the cheque counterfoils. This serves as a ready reference and is also useful at the time of preparing Bank Reconciliation.
• Keep all the deposit slips separately and safely till the time bank accounts are reconciled.

1.6 General Accounting

Journal Vouchers
• Journal vouchers will be prepared only for the activities not falling in the category of cash or bank transactions viz. credit purchases, credit sales, depreciation on assets, etc.
• The corresponding effect of these vouchers will be directly taken in the Main Ledger.
• No journal voucher will be accounted for without approval from Authorised Signatory.
• Every journal/adjustment voucher will be required to have adequate supporting documents, unless the same is a transfer entry.
• In case of transfer entry, the previous voucher reference will be given with complete narration.

Maintaining Vouchers
• Ensure that all the particulars required in voucher(s) are properly filled.
• Ensure that all the vouchers bear the ‘project name’ and ‘programme description’.
• All type of vouchers namely, Cash Payments, Cash Receipts, Bank Payments, Bank Receipts and Journals/Adjustments should be separately filed for each project.
• Vouchers should be pre-numbered and filed numerically.
• Proper binding of the vouchers should be done as and when required, depending on the volume of transactions.

Maintaining Ledgers
• Organisations should maintain project-wise ledgers for both FC and local funds.
• A project-wise ledger should contain transactions of that project only.
• Ensure that the date and voucher reference is given in case of each transaction.
• Each entry reflected in the ledger should have a brief about the nature of transaction.
• The balancing of the ledger should be done at the close of every month.
1.7 Program/Work Advance

Obtaining/Authorisation of Advance

- Program/Work Advances should be given only if the request for the same is given in the required format.
- On receiving the request for an advance, the Administration and Finance Officer will check for any unutilised advance lying in the person’s name.
- Outstanding advance (if any), in his/her name will be mentioned on the request form.
- The authorised person will ensure that outstanding advance is settled first and then only the request for more advance is entertained. If it is absolutely necessary to give further advance without settling a previous one, then the reason should be mentioned by the person authorising the advance.

Settlement of Accounts

- The Program/Work Advance should be settled immediately after the end of the program(s). Each organisation should have its own specific timelines to settle advances.
- In no case, however, must the program advance remain unsettled beyond the end of the month; or end of the program(s) whichever is earlier.
- Persons responsible will be required to give complete detail of expenditure on each program/work in the desired format.
- Each expenditure will be supported with adequate bills/receipts/supports/details as the case may be.
- A narrative program report for each program will be prepared and attached to the claim for settlement of program advances.
- Expenses claimed without proper program report/bills/receipts/supporting details should be treated as non-expenditure and reflected as un-utilised in the hands of the person who has taken advance.
- For any expenses claimed and paid without authorisation, both the Administration and Finance Officer and the person who has received the expense, are liable to be penalised to the extent of such amount.
- Any amount remaining unutilised at the end of the program/work will be returned to the accounts department for accounting and depositing back.

1.8 Bank Reconciliation Statements

In normal cases, Bank Book/account maintained by you should match with the bank statements/pass books maintained by the bank on your behalf. There are, however, some cases where both do not match and need reconciliation to arrive at the un-traced entries at both the end.

Following are examples where your Bank Book and bank statement/passbook may not match.

- Cheques issued by you but not presented by party(ies) in bank for payments.
- Cheques deposited by you but still to be credited by bank.
- Bank charges debited by bank on account of issue of cheques, bank draft clearing charges, commission for TT clearance, etc.
- Some deposits directly done in your bank but not accounted for by the Administration and Finance Officer for lack of information.
It is, therefore, necessary to prepare a Bank Reconciliation Statement on a monthly basis where transactions entered into your Bank Book/account are matched with the bank statements/passbooks on a periodical basis.

Your organisation will be required to follow these steps.

- Obtain bank statements or get the bank’s passbook updated immediately after the end of the month.
- Prepare Bank Reconciliation Statement at the end of every month for each bank account you have.
- The reconciliation statement should be filed along with the bank statement for each month.
- Any deviations on the bank’s part should be immediately taken up with the bank and follow-up done periodically.
- Mistakes/deviations on the organisation’s part should be corrected/adjusted immediately before the next month-end.
- The Administration and Finance Officer should obtain bank balance confirmation at the end of each accounting year.

1.9 Salary Payment System

Salary Computation

- The cut-off date should be the 25th of each month for the calculation of salary.
- The Administration and Finance Officer will be responsible to obtain authorised statements for salary payments from respective project heads for their field workers/staff for the previous month latest by the third day of the following month.
- The project heads/directors will be responsible to verify the leave records of each staff/worker before number of days is authenticated for salary payments.
- The leave records for office staff should be maintained at organisation’s main office.
- The Administration and Finance Officer should calculate salary computation sheets on the basis of Project Head’s statements for field staff and office leave records for office staff.
- The salary computation sheet should be authorised by the organisation head/project signatory.
- Salary to all the office-based staff/Project Heads and above would be paid by cheque only.
- Salary to field staff or staff not having bank accounts may be paid in cash, the amount not exceeding Rs 2,000/- per month. If anyone with a salary of more than Rs 2,000/- needs to be paid salary in cash, a justification note/memo should be prepared.

1.10 Vehicle Log book

- All the staff using personal vehicles will also be required to keep and maintain a ‘vehicle log book’.
- The vehicle log book will be updated on a daily basis by the concerned user of the vehicle.
- The Administration and Finance Officer should not entertain any claim for expenses on vehicle use unless the vehicle log book is updated and authorised.
1.11 Hiring Vehicles from External Agencies

- Organisations should explore the possibility of hiring vehicles on contract, after proper analysis of quotations, and to more than one vendor.
- No cash payment should be given to the contractual vendors.
- In case of vehicle-hiring in the field, prior approval will be required as per authorisation norms.
- Further, all the users will sign on the Travel Claim Form and car hire duty slip for such vehicle hiring.
- The Administration and Finance Officer will check the formalities of prior approval in case of vehicle hiring without any fail before final payment is made to claimant.

1.12 Travel Expenses Reimbursements

Request for each travel will be done in the suggested format only. Each person will be required to submit claims for reimbursements/adjustments against advance taken only in the Travel/Program Expense Claim Form along with following supporting documents.

- Original tickets of travel by train/bus.
- Boarding pass along with book copy of the air ticket in case of air travels.
- Original bills for stay at hotel/lodge/guest house.
- Receipts for payments made to hotel/lodge/guest house.
- Bills/receipts for use of hired vehicles for local conveyance.
- Bills/cash memo for in-transit boarding.

1.13 Computerised Accounting system

An organisation should maintain its accounts in Tally ERP version for the uniformity of the accounts and generation of related reports.

Procedure for Maintaining Accounts in Tally

- Organisations must create project-wise companies for all FC funds, local funds and non-grants.
- All manual vouchers will be fed in Tally on a daily basis.
- Accounting entries will be done on a daily basis.
- Backup of accounts from Tally should be taken on daily basis and a back up should be taken on CD/DVD on fortnightly basis.
- Tally accounts should be protected with passwords and the passwords should not be shared with others. Only the Administration and Finance Officer, the organisation’s head and any other key administration and finance staff should know the password.

1.14 Purchases Control

Capital Purchases

- No capital item should be allowed to be purchased if the same has not been budgeted beforehand.
- Subject to the budget (whether under a particular project or from Indian funds), a capital Item justification will be prepared by the organisation and submitted to its Purchase Committee.
• The committee should ask for at least three quotations from the open market for rate and quality comparison. A Vendor Analysis Chart will be prepared by the committee for approval.
• After receiving approval from the committee, the organisation will place a Purchase Order giving full description to the designated vendor.
• The user of the capital item should ensure that the item purchased is properly installed as per the user manual supplied with the asset;
• The Administration and Finance Officer should ensure that all the costs till the time of installation of the capital item have been accounted for and capitalised.
• The Administration and Finance Officer should also ensure that the item so purchased is duly recorded in the Fixed Assets Register giving description of assets, its location and user.
• The assets received as donation/kind should be valued at Re. 1/- for proper accounting.
• No depreciation will be charged on such donated assets.
• The Administration and Finance Officer will also ensure that the asset is comprehensively insured for adequate value (market value).

**Fixed Assets Register**

• Organisation will maintain fixed assets in the prescribed Fixed Assets Register.
• Separate sheet will be used for each asset.
• Every asset/sheet will be given a control/code number in following manner.

<table>
<thead>
<tr>
<th>Name of organisation</th>
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</thead>
<tbody>
<tr>
<td>Name of donor</td>
<td>↓</td>
</tr>
<tr>
<td>Name of asset</td>
<td>↓</td>
</tr>
<tr>
<td>Location of asset</td>
<td>↓</td>
</tr>
<tr>
<td>Financial year of purchase</td>
<td>↓</td>
</tr>
<tr>
<td>Control number</td>
<td></td>
</tr>
</tbody>
</table>

• The Asset Register will be updated for each purchase and sales/disposal.
• In case of relocation of assets, a copy of corresponding fixed asset sheet of the assets will also move along to be incorporated in the recipient’s Fixed Assets Register.

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7 Refer to the section “Fixed Assets Register”
Physical verification of assets
1. Physical verification of assets should be done at least once a year.
2. Organisation should form a special team for physical verification of assets.
3. Any discrepancy in assets as compared to the assets register will be immediately reported to the organisation’s governing body.

Depreciation on assets
- Depreciation on assets will be provided on Written Down Value Method (WDV) as per the rates prescribed under the Income Tax Act.
- The assets depreciated fully will be kept in the books with the value of Re. 1/-.

2. Budgeting and Budgetary Control

2.1 Purpose of Budgeting and Budgetary Control Procedures
The purpose of the budgeting and budgetary control procedure is to accomplish the following.
- Prepare annual and project-wise operational budgets.
- To record budget item-wise daily income and expenditure by the grant recipient.
- To record budget item-wise cumulative expenditure to date.
- To compare and monitor cumulative expenditure by budget item, to the original or revised budget allocations.

These procedures of budget control should satisfy the requirements of the donors funding the project.

Information from the budget book can be used in the budget-monitoring sheet for reporting and also for assisting in controlling expenditure. Ideally, the budget book should be maintained on a computer spreadsheet. This makes it easier to update and amend it. However, the budget book may be maintained and updated manually. Each budget line should be on a separate page.

2.2 Budget and Expenditure Procedures
Principal activities that should be performed.
- Prepare annual work-plan and budget.
- Prepare operational budget.
- Record the original or revised budget for the financial year concerned.
- Post daily expenditure to the budget book.
- Record cumulative expenditure and monitor remaining budget.
- Obtain donor approval in advance for revisions of budget.
3. Internal Control

An Internal Control and Monitoring Mechanism is very essential for an organisation. It is essential for the organisation to have proper controls in place so that money or funds cannot be misused and to prevent corruption in the organisation. Some aspects of Internal Control and Monitoring Mechanism are as follows.

- Keeping cash in a safe place.
- Making sure that all expenditure is properly authorised.
- Following the budget.
- Monitoring how much money has been spent on what every month.
- Employing qualified finance staff.
- Conducting internal audits on monthly or quarterly basis.
- Having a statutory audit every year.
- Carrying out bank reconciliation every month, which means checking that the amount of cash you have in the bank, is the same as the amount that your Bank Book tells you that you ought to have.

Proper Internal Control and Monitoring proves that the amounts recorded in the books of accounts and the reports based on it are accurate.

4. Legal Compliances

4.1 Income Tax Act

Every non-profit organisation having exemption under the Income Tax Act, 1961, must file an annual return on or before 30th September of the calendar year for the fiscal year of March of each year along with the audited financial statements.

**Annual Returns to the Income Tax Department:**

The following documents will be filed along with the returns of income.

- Form 10B
- ITR - V
- Memo of Taxable (Summary of Income and Expenditure Account)
- Balance Sheet – Schedules
- Receipts and Payments – Notes
- Income and Expenditure – Notes
- List of Trustees
- Copy of Section 80G IT Certificate
- Copy of Section 12AA IT Certificate
- Copy of PAN
- Activity Report
- Disclosure of Key Financial Policies
**Tax Deducted At Source (TDS)**

- Organisation should comply with the provisions of Income Tax Act, 1961 while making payment to a person/company whose payment is subject deduction of tax.

- In simple terms, TDS is the tax getting deducted from the person receiving the amount (Employee/Deductee) by the person (Organisation) paying such amount (Employer/Deductor). This is applicable for certain types of payments, as applicable under the Income Tax Act.

- In the process of TDS, deduction of tax is effected at the source when income arises or accrues. Hence where any specified type of income arises or accrues to any one, the Income Tax Act enjoins on the payer (Organisation) of such income to deduct a stipulated percentage of such income by way of Income Tax and pay only the balance amount to the recipient of such income.

- The tax so deducted at source by the payer has to be deposited in the government treasury to the credit of the Central Government by 7th of the succeeding month. The tax so deducted from the income of the recipient is deemed to be payment of Income Tax by the recipient at the time of his assessment.

- Income from several sources is subjected to tax deduction at source viz. salary, interest, dividend, interest on securities, winnings from lottery, horse races, commission and brokerage, rent, fee for professional and technical services, payments to non-residents, etc. It is always considered as an Advance Tax which is paid to the government.

- Prior to making any payment, an organisation needs to ensure that the payee has a valid PAN, or else the tax will be deducted at 20 per cent.

**4.2 Foreign Contribution Regulation Act, 1976**

This is an important legislation which can have far reaching repercussions on an organisation if the provisions are not strictly adhered to. This Act requires the organisation to maintain only one bank account specified in the Certificate of Registration for receipt of funds. However, multiple bank accounts can be opened for utilisation of foreign contributions.

**4.3 Reporting to Ministry of Home Affairs through Annual Report in Form FC-6 (Earlier FC-3)**

The Annual Report in the Form prescribed by the government, viz. Form FC-6 will be prepared for the fiscal year ending on 31st March of every year and will be filed with the Ministry of Home Affairs on or before 31st December after the end of the fiscal year.

The Annual Report stated above will contain the following.

- The Audited Receipts and Payments Account.
- Form FC-6 prescribed by the government signed by the Chief Functionary and certified by the Auditor.
- Audited Balance Sheet.
5. Roles and Responsibilities of Administration and Finance Officer

<table>
<thead>
<tr>
<th>Roles and Responsibilities</th>
<th>Reporting Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>d. Maintain cashbook, ledgers and other documents as defined in various sections of the Finance Manual.</td>
<td>a. Monthly reports by 5th of the following month for the Project Head and Management Committee members of the organisation as mentioned below.</td>
</tr>
<tr>
<td>e. Obtain adequate vouchers as defined in the manual in various sections.</td>
<td>• Monthly Trial Balance.</td>
</tr>
<tr>
<td>f. Do not consider claims for expenses or adjustments based on unauthorised documents.</td>
<td>• Project-wise monthly Receipts and Payments Account, and Income and Expenditure Account.</td>
</tr>
<tr>
<td>g. Ensure proper use of telephone and other equipment of the organisation.</td>
<td>• Utilisation of funds for both FC and Indian funds.</td>
</tr>
<tr>
<td>h. Maintain a Fixed Asset register as per guidance in the manual.</td>
<td>• Finance MIR in the suggested format.</td>
</tr>
<tr>
<td>i. Maintain stocks records as per the guidance in the manual.</td>
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<tr>
<td>j. Liaison with Project Head and organisational Secretary on various issues.</td>
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<td>k. Keep an eye on budget utilisation and management in case of any deviation.</td>
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<td>l. Prepare various documents as required.</td>
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<td>m. Maintain staff records as per the guidelines.</td>
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<tr>
<td>n. Coordinate with programme staff about requirements of support for proper accounting;</td>
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<tr>
<td>o. Prepare Monthly Information Reports(MIR).</td>
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<td></td>
<td>b. Annual Reports by the end of 31st May for each financial year for the Project Head and Secretary of the organisation as mentioned below.</td>
</tr>
<tr>
<td></td>
<td>• Project-wise annual utilisation of funds.</td>
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<tr>
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<td>• Project-wise Balance Sheet for FC and local funds.</td>
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<tr>
<td></td>
<td>• Detail of project-wise unspent grant balances.</td>
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<tr>
<td></td>
<td>• Consolidated Receipts and Payments.</td>
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<td></td>
<td>• Accounts and Income and Expenditure Account for both FC and Local funds.</td>
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<td>c. Any other report as and when required by other project or organisational personnel.</td>
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</table>
6. Formats

6.1 Program/Travel Plan & Advance Request

<table>
<thead>
<tr>
<th>Date</th>
<th>Place(s) to be Visited</th>
<th>Mode of Travel</th>
<th>Brief Description of Activity</th>
<th>Advance Required</th>
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Total Advance Required (in words): Rs

Outstanding Advance (if any): Rs

Prepared by

Program Approved by
Advance Approved for Rs----
----
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Paid Rs-------------------------

Vide

Voucher No. -------------------

Dtd.

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Accountant
6.2 Travel Program Expenses Claim

<table>
<thead>
<tr>
<th>ORGANISATION’S NAME</th>
<th>ADDRESS</th>
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<tbody>
<tr>
<td>Travel/Program Expenses Claim</td>
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</table>

Name/Designation: Location:

Project Title: Program/Detail:

Part A: Travel Expenses

<table>
<thead>
<tr>
<th>Date</th>
<th>Place(s) Visited From</th>
<th>Mode of Travel</th>
<th>Fares</th>
<th>Boarding &amp; Lodging</th>
<th>Local Conveyance</th>
<th>Other Expenses</th>
<th>Total (A)</th>
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Total Travel Expenses (in words) (A):

continued overleaf
6.2 Travel Program Expenses Claim (continued)

<table>
<thead>
<tr>
<th>Date</th>
<th>Place/Area of Work</th>
<th>Activity/Program</th>
<th>Amount (Rs)</th>
<th>Program Report Ref.</th>
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</tbody>
</table>

Prepared by: Advance taken

( Nr. No._________/ dtd._________

Less Total of Part A & B:

( V No._________/ dtd._________

Payable/Recoverable

( Nr. No._________/ dtd._________

Paid/Recovered Rs ---------------

Vide Voucher No. -------------- dtd.-------------

Travel and Program Expenses Approved by

Accountant | C.E.O. | President/Secretary/Treasurer
6.3 Cheque/Draft/P.O. Issue Control Register

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Cheque/Draft/P.O. No.</th>
<th>Date</th>
<th>Amount (Rs)</th>
<th>Party/Receiver</th>
<th>Bank</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Total Travel Expenses (in words) (A):
### 6.4 Fixed Assets Register (Asset Leaf)

<table>
<thead>
<tr>
<th>ORGANISATION’S NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDRESS</td>
</tr>
</tbody>
</table>

#### Fixed Assets Register (Asset Leaf)

<table>
<thead>
<tr>
<th>Name of Asset</th>
<th>Category of Asset</th>
<th>Vendor/Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor Bill/Challan No./Date:</td>
<td>Project Ref.</td>
<td></td>
</tr>
<tr>
<td>Date of Installation/Capitalization:</td>
<td>Location:</td>
<td></td>
</tr>
<tr>
<td>JV Reference/Date:</td>
<td>User/User Dept.</td>
<td></td>
</tr>
</tbody>
</table>

#### Detail of Costs

<table>
<thead>
<tr>
<th>Nature of Cost</th>
<th>Voucher Ref./Date</th>
<th>Qty.</th>
<th>Amount (Rs)</th>
<th>For Accounts Dept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any other incidental Charges</td>
<td>Year</td>
<td>Opening WDV</td>
<td>Dep.</td>
<td>Closing WDV</td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rate of Depreciation:
6.5 Fixed Assets Register (Control Sheet)

<table>
<thead>
<tr>
<th>Category of Asset:</th>
<th>Location:</th>
</tr>
</thead>
<tbody>
<tr>
<td>User/User Dept.</td>
<td>Pages: from ____________ to ____________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Block</th>
<th>Additions During Year</th>
<th>Sales/Adjustments</th>
<th>Total (2+3-4)</th>
<th>Op. Dep.</th>
<th>Dep. For the Year</th>
<th>Total Dep. (6+7)</th>
<th>Closing WDV (5-8)</th>
<th>Opening WDV (2-6)</th>
</tr>
</thead>
</table>
Annexure 2c: Case Studies

Case Study – 1

ABC Society is a community-based organisation working on HIV, gender, sexuality and SRH issues in West Bengal. As part of its awareness-generation programs, it is planning a day-long film show followed by discussions on gender and sexuality issues on a weekend. Please prepare a work-plan and a budget for the said event.

Case Study – 2

PQR Trust is a CBO working with men who have sex with men (MSM)/ transgender (TG)/ Hijra (MTH) populations in Odisha. As part of a World AIDS Day campaign, it is planning a month-long awareness campaigns in different districts of Odisha. A local funding agency has asked PQR Trust to submit a detailed work-plan and budget for the same. The maximum grant support limit is Rs 3,00,000/-. Please prepare a detailed work-plan and budget for PQR Trust.

Case Study – 3

MNP Society works with TG/Hijra populations in Manipur, and is planning to run an income-generation programme (IGP) for its beneficiary groups. Please prepare a work-plan and budget to initiate an IGP by MNP Society so that it can apply to funding bodies for grant support.
## Annexure 2d: Organisational Development Components

<table>
<thead>
<tr>
<th>Problem Scenario</th>
<th>Community Mobilisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term Vision</td>
<td>Short-term Vision</td>
</tr>
<tr>
<td>Mission Statement</td>
<td>Activities</td>
</tr>
<tr>
<td>Policies</td>
<td>Strategising</td>
</tr>
<tr>
<td>Resource Mobilisation</td>
<td>Budgeting</td>
</tr>
<tr>
<td>Activity Plan</td>
<td>Monitoring &amp; Evaluation</td>
</tr>
</tbody>
</table>
Annexure 2e: The Organisational Development Cycle

The Organisational Development Cycle

- Problem Scenario
- Mission Statement / Objectives
- Short Term Vision / Goal
- Long Term Vision / Goal
- Community Mobilisation
- Activity Plan
- Budgeting
- Resource mobilisation
- Strategising
- Activities
- Policies
Annexure 2f: PowerPoint Presentation – Financial Management

Training on
Financial Management

Objectives of the Module

By the end of this module, you will:

• Be able to articulate the steps of book-keeping and financial management in a CBO;
• Know the statutory compliances to be followed;
• Know how to prepare a work-plan and a budget; and
• Be able to articulate the roles and responsibilities of an administration and finance officer.
Financial Management

Strengthening Financial Systems: An Overview

Financial Systems Strengthening Guide

Generating transactions (through incomes and expenditures)

Basic book-keeping and maintaining income and expenditure records

Planning and budgeting

Maintaining books of accounts

Registration as a society/trust/non-profit organisation

Opening of bank account

Applications to Income Tax Authorities for:
- Permanent Account Number (PAN)
- Tax Deduction Account Number (TAN)
- Getting charitable status under Sections 12A and 80G of the Income Tax Act
Financial Management

Statutory Compliances for CBOs
Annual Returns to Income Tax Department

CBO Completes Annual financial report and supporting documents

Files To Income Tax Department

Supporting documents:
- Form 10B
- ITR-V
- Balance sheet – schedules
- Income & expenditure – notes
- List of trustees
- Copy of section 60D certificate
- Copy of section 12A certificate
- Copy of PAN
- Activity report
- Disclosure of key financial policies

Tax Deduction System

CBO Pays salary, consultancy, professional fees, contractual payments and payments to third parties after deducting tax

Deposits the deducted tax in government treasury

Government

Foreign Contribution Regulations Act 1976

CBO Opens a separate bank account for FCRA transactions

Applies for FCRA permission mentioning the bank account details

Reports to Ministry of Home Affairs annually in Form FC-6 (earlier FC-3)
Financial Management

Systems of Financial Management

Maintenance of Books of Accounts

- Accounting is a basic management tool which if used properly will enable the organisation's management and/or any other person, related or unrelated to the organisation, to determine the fair financial status of the organisation.
- The books of accounts shall be maintained as computerised accounts, generally in Tally software.
- The organisation shall maintain separate sets of books of accounts for all grants received (non-FC/Local and foreign contributions).

Types of Accounts

<table>
<thead>
<tr>
<th>Cash</th>
<th>Mercantile (Accrual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>An entry is recorded on the basis of the amount being paid or received, whether or not the payment or receipt was due at that point of time.</td>
<td>An entry is recorded on the basis of any amount which has become due for payment or receipt, even if the payment or receipt is actually made at a later stage.</td>
</tr>
</tbody>
</table>
Books of Accounts/Registers to be Maintained

<table>
<thead>
<tr>
<th>Books of Accounts/Registers</th>
<th>Manual</th>
<th>Tally-based</th>
<th>Computerised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty cash book</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash book</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Bank book</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Ledgers</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Journals</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Advanced payments register</td>
<td></td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Fixed assets register</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Stock register</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Salary register</td>
<td></td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Investment register</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Cheque control register</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Books of Accounts/Registers to be Maintained

<table>
<thead>
<tr>
<th>Books of Accounts/Registers</th>
<th>Manual</th>
<th>Tally-based</th>
<th>Computerised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Movement register</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset movement register</td>
<td>Y</td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Donation register</td>
<td>Y</td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Dispatch register</td>
<td>Y</td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Membership register</td>
<td>Y</td>
<td></td>
<td>Y</td>
</tr>
</tbody>
</table>

Grants

- Restricted
- Unrestricted

- Receipt
- Accounting method
- Management
- Closure
Contributions in Kind

Contribution in kind  In the form of assets or any revenue item.

Corpus Fund

Corpus fund  Corpus funds are generally created out of corpus donation. A donation will be treated as corpus donation only if it is accompanied by a specific written direction of the donor.

Endowment Fund

Endowment fund

- Perpetual
- Term  An endowment fund is similar to a corpus fund but it comes with the restriction of certain specific purposes.
Cash Transactions

- Cash payments
- Cash receipts

Physical control of cash and monitoring

Bank Transactions

- Bank payments
- Bank receipts

Maintaining cheque book/deposit slips

Activities Not Falling into Cash or Bank Category

- Journal vouchers
- Main ledger

Journal vouchers are prepared only for activities not falling in the category of cash or bank transactions viz; credit purchases, credit sales, depreciation on assets, etc.
Maintaining Vouchers and Ledgers

**Vouchers**
- Should have all particulars filed;
- Should bear project name and description;
- Each type of voucher namely cash payment, cash receipt, bank payment, bank receipt and journal/adjustment should be separately filed for each project – pre-numbered and filed numerically; and
- Proper binding of the vouchers to be done as and when required.

**Ledgers**
- Maintain project-wise ledgers for both FC funds and local funds;
- Project-wise ledgers to contain transactions of that project only;
- Date and voucher reference to be given in case of each transaction;
- Each entry in the ledger to have brief of the nature of transaction; and
- Balancing of ledger to be done at the close of every month.

Program/Work Advance

- Obtaining and authorisation of advance
- Settlement of accounts

Bank Reconciliation

The process through which the balance in the bank book are compared to the balance in the statement issued by the bank.

**When?**
- Cheques are issued by you but not presented by party(ies) in bank for payments;
- Cheques are deposited by you but are still to be credited by bank;
- Bank charges are debited by bank on account of issue of cheques, bank draft clearing charges, commission for TT clearance, etc.; and
- Some deposits are directly done in your bank but not accounted for by the administration and finance officer for lack of information.
Salary Payment System

Salary should be calculated by 25th of each month.

Vehicle Log Book Maintenance

- All the staff using personal vehicles to keep and maintain a vehicle log book;
- Vehicle log book to be updated on a daily basis by the user of the vehicle; and
- The administration and finance officer should not entertain any claim for expenses on vehicle-use unless the vehicle log book is updated and authorised.

Hiring Vehicles from External Agencies

No cash payment should be given to the contractual vendors.
Expense Reimbursement System

Submit claims for reimbursements/adjustments against advance taken only in the form travel/programme expenses claim along with following supporting documents:

- Original tickets of travel by train/bus;
- Boarding pass along with book copy of the air ticket in case of air travels;
- Original bills for stay at hotel/lodge/guesthouse;
- Receipts for payments made to hotel/lodge/guest house;
- Bills/receipts for use of hired vehicles for local conveyances; and
- Bills/cash memos for in-transit boarding.

Computerised Accounting Systems

Tally

Power of Simplicity

Purchase Control

Asset control code: Name of organisation + Name of donor + Name of asset + Location of asset + Financial year of purchase + Control number
Budget and Budgetary Control

- Prepare annual work-plan and budget.
- Prepare operational budget.
- Record the original or revised budget for the financial year concerned.
- Post daily expenditure to the budget book.
- Record cumulative expenditure and monitor remaining budget.
- Obtain donor approval in advance for revisions in budget.

Internal Financial Monitoring Tips

- Keep cash in a safe place.
- Make sure that all expenditure is properly authorised.
- Follow the budget.
- Monitor how much money has been spent on what every month.
- Employ qualified administration and finance staff.
- Conduct internal audit on monthly or quarterly basis.
- Must have a statutory audit every year.
- Carry out a bank reconciliation every month — which means checking that the amount of cash you have in the bank is the same as the amount that your bank book tells you that you ought to have!

Financial Management

The Organisational Development Cycle
Basic Steps

- Problem scenario
- Monitoring & evaluation
- Activity plan
- Budgeting
- Resource mobilisation
- Strategising
- Policies

The Organisational Development Cycle

- Long-term vision/goal
- Short-term vision/goal
- Mission statements/ objectives
- Activities

Problem Scenario

Community Mobilisation
Long-term Vision

Short-term Goal

Mission Statement
Resource Mobilisation

Budgeting

Activity Plan
Notes
Published in March 2013

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www.allianceindia.org

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Pehchan Training Curriculum
MSM, Trangender and Hijra
Community Systems Strengthening

CG Curriculum Guide

module A
A1 Organisational Development
A2 Leadership and Governance
A3 Resource Mobilisation and Financial Management

module B
B Basics of HIV Prevention and Outreach Planning (Pre-TI)

module C
C1 Identity, Gender and Sexuality
C2 Family Support
C3 Mental Health
C4 MSM with Female Partners
C5 Transgender and Hijra Communities

module D
D1 Human and Legal Rights
D2 Trauma and Violence
D3 Positive Living
D4 Community Friendly Services
D5 Community Preparedness for Sustainability
D6 Life Skills Education