**Financial Management Guidance**

*Precursor for inclusion on the front of the website*

Financial Management involves planning, organising, controlling, and monitoring financial resources in order for the NGB to achieve its organisational objectives. Financial management is more than keeping accounting records; it is an essential part of the management of the NGB and should not be seen as a separate task that should be left for finance alone.

**What makes good financial Management?**

1. A clear finance strategy
2. A clear plan for generating income
3. clearly defined roles and responsibilities
4. robust financial management processes and procedures

Whilst there may not be one recommended set approach to adopt when implementing financial management systems; it is helpful to identify principles that will act as a guide for your Board/Trustees and managers when making decisions.

* **Consistency:** financial policies and procedures must remain consistent over time.
* **Accountability:** you must be able to explain and demonstrate to all stakeholders how you have used your resources and what you have achieved.
* **Transparency:** the NGB must be open about its work and its finances ensuring information is available to its stakeholders.
* **Financial stewardship:** the NGB must take good care of the financial resources it has and ensure they are used for the purposes intended.
* **Accounting standards:** the NGB’s systems for keeping financial records and documentation must observe accepted external accounting standards applicable to the Governing Body (e.g. 2015 Charity SORP, UK Generally Accepted Accounting Practice, Financial Reporting Standard for Smaller Entities).

You can only achieve effective Financial Management if your NGB has a sound plan. A plan in this context means having set objectives and having agreed, developed and evaluated policies, strategies and procedures that help you to achieve these objectives. Sound financial management therefore will require long-term strategic planning and short-term operational planning. Financial planning should become part of the NGB’s ongoing processes