

Financial Training

Objectives

- Partners will be better able to communicate the value of a good financial system to the grantees
- Grantees will take less time to receive full financial certification
- Grantees will have fewer audit findings

Course Content

1. What is Financial Training?

Financial Training is training for the grantee that provides information about financial systems best practices and ADF financial policies. (Also commonly referred to as “ADF Required Training” or “Mandatory ADF Training”)

2. Why do Financial Training?

A. Capacity Building

- Complete financial systems improve accountability for funds, reduce loss, and improve efficiency
- Financial reports give a sound basis for organizational decision making
- Well documented systems improve staff management and smooth transitions when hiring new staff.

B. Grant Management

- Knowledge of ADF procedures reduces frustration
- Understanding ADF requirements improves efficiency
- Awareness of ADF rules reduces grant terminations and collections

C. Stewardship of Funds

- ADF is required to ensure the funds are used as intended
- ADF is required to report on how the grant funds are being used

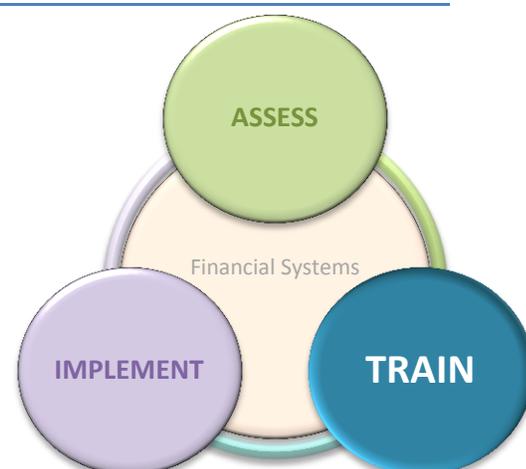
3. When to Train

A. Grant Startup

- Before funds can be disbursed, the grantee must be trained in financial systems and ADF reporting requirements
 - If the grantee has only provisional financial certification, the training and noted improvements must happen in the first few months of the grant.
- #### B. New Staff
- If the grantee has staff turnover in a key position such as manager, accountant, or bookkeeper; the grantee will often need to be retrained in some if not all areas of financial systems and ADF reporting requirements
- #### C. Audits
- If the grantee audit has revealed many weaknesses in their financial systems, then re-training is often required as part of the follow-up action.

4. Who's Involved

- #### A. Partner- The financial officer should be the lead trainer, but the program officer can also assist.
- #### B. Grantee- The grantee should have all staff members involved in financial transactions present for the training. Board members who are tasked with overseeing the organization should also attend training



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sessions relevant to oversight. Grantee attendants should include:

- CEO/Manager
- Accountant
- Sales Manager
- Cashier/Bookkeeper
- Production Manager

5. How To Prepare for a Training

- A. Review results of the Financial Assessment and the project work plan
 - Use that background information to decide which topics to cover in greater depth
- B. Review project documents and recent activity
 - Did they receive a conditions precedent (CP) related to financial systems?
 - Did they receive provisional financial certification? If so, what weaknesses need to be resolved?
- C. Draft an Agenda
 - Review the financial training agenda and if needed modify it to better fit the grantee requirements
 - Decide how much time you need for the visit given the agenda you've set
 - Determine what background information or resources you'll need to complete the objectives (e.g. Do you need any handouts or training materials? Do you have a copy of their QR format to give them? Do you need to bring an example of a budget shift or DR? Etc.)
- D. Schedule the visit with the Grantee and let them know the following:
 - You are coming to conduct the financial training required in their Gant Agreement.
 - Some staff are required to come and must be present on the day of the training, but that other staff and board

members are also welcome to participate.

- Facilities you will need for the training (a meeting room, flip chart, etc.) If the grantee does not have these items consider bringing them or hosting the training off site.
- Ask if there are any concerns or questions they have about the training

6. Training Content

The training must include the following:

1. Overview of ADF financial system requirements
2. ADF Reporting Requirements
3. ADF Disbursement Processes
4. Grant Budget Adherence and Shifts
5. Grant Audit Requirement

For more information see: *Financial Systems Course, Quarterly Report Course, Disbursements Course, Budget and Budget Narrative Course, and Audit Course*



7. Tips for Working with Low Capacity Grantees?

- A. **Explain the rationale and risks-** It will be easier to follow any new policies and procedures if they know why it is a best practice, how it will help them function better as an organization, what risks it will help them avoid, and why it matters to ADF
- B. **Make it relevant-** Discuss how the training topics relate to their current system, what they are doing well and what should be changed
- C. **Provide tools-** Bring or help them create tools to remember new processes and procedures (new journals or receipt books they need, handouts, lining up documents in order on their desk/shelf, etc.)

8. Next Steps

- A. **First DR visit-** After the first disbursement has been received, make a visit to confirm that they have systems in place to correctly handle and report on the ADF funds received.

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- B. **Training Follow-up Visit**- Plan to come back and see how well the grantee is implementing any financial system improvements that were needed. If the grantee has key staff with limited financial education or has weak financial systems, plan multiple follow-up visits.
 - C. **Spot Checks**- Take some time on each regular site visit to take a quick sample of transactions and assess the grantee's adherence to the financial system policies and procedures.
- 9. **Advice from the Experts**
 - Tie the training into the project work plan. Having a better grasp of the details of a good financial system should help the grantee to better understand the improvements they need to make.
 - Consider using the Financial Process Handouts to train the grantees.
 - The grantee will need your help to be successful! Changing habits is difficult especially when it involves applying a lot of new information.

Handouts

Sample Financial Training Agenda
Financial Training Course Notes