

# **FINANCIAL MANAGEMENT TRAINING MODULE**

**Training Title** : **FINANCIAL MANAGEMENT TRAINING**

**No. of Days/Hours** : **3 days or 24 hours (extended hours maybe required considering activities that might lengthen the conduct of the sessions such as workshop groups / case transactions)**

**Rationale:**

Institutions (businesses, NGOs, CBOs, POs, associations, co-operatives) and other organizations are governed, run & managed by their officers, staff and/or owners. One of their major functions is to ensure that the institutions' financial resources are managed effectively and efficiently based on its programs and projects.

As such, to be able to achieve an efficient program implementation and financially sustainable institutions, these organizations' key people must acquire the basic competencies/skills financial recording and management including but not limited to understanding the how, what, and why of financial reports (analyzing financial statements) and implementation of financial controls to protect and safeguard their financial resources.

Simple bookkeeping involves the recording on a regular basis, of an organizations'/company's financial transactions. Bookkeepers and Accountants are individuals who manage all financial data for organizations. By using this financial information, the owners / officers can accurately draw conclusions about the financial security / stability of the business.

Bookkeeping and financial management are interrelated. One cannot do a good financial management unless the financial report generated is complete, accurate and timely. Good financial decision making is a result of a good financial bookkeeping.

Financial Management covers the basic competencies required of a manager, officers, leaders, staff, business owners & key people in generating their financial reports and ensure that their financial resources are effectively and efficiently managed.

**Course Objectives**

**General Objective:**

The 3-day training will cover the basic competencies of the participants in overseeing the financial resources of the institution they are supervising or managing. The knowledge and skills acquired from this training will enable them to understand the operations of their institutions to make them fully implement their tasks in financial planning, controlling and financial decision-making.

### **Specific Objectives:**

After the training, the participants will be able to:

- ✧ Understand and explain the basic concepts of financial management.
- ✧ Learn the importance of the Accounting System, Internal Control System and the Financial Reporting system in the efficient and effective management of the financial resources of the organization.
- ✧ Learn and understand the basic concepts of risks & risks assessment on both financial and operational risks and identify risk management strategies.
- ✧ Interpret, understand the use, and analyze the basic financial statements of their institutions.

### **Topics/Sessions:**

The training on financial management covers five (5) major sessions (topics) using a combination of methodologies for the participants to fully understand, comprehend and apply the learning through group workshops during the training. These methodologies include simulated learning exercises (SLEs), case studies relevant to CLO operations, group workshops and exercise to encourage active participation and fun learning to the participants.

#### ✧ Session 1: Understanding Financial Management

This topic introduces the basic concepts of Financial Management and how it can be applied to their specific organization. It talks about the what, why and how of financial management as well as the organization and operating structure which defines the roles and responsibilities of persons involved.

Topics:

- a) The What, Why and How of Financial Management (Definition and Characteristics
- b) The Scope of Financial Management
- c) The Financial Managers of the Organization, who does what?

#### ✧ Session 2: Sources and Uses of Funds

Under this topic, the participants will be led to have an overview and understand the sources and uses of funds of the organization. Likewise, by identifying these sources and usage of funds, they will also learn of the different strategies to mobilize fund generation and its utilization to maximize earnings and benefits earned from these funds.

✧ Session 3: The Accounting System, Financial Reporting System, and Internal Control: Its importance to Financial Management

Finance is the bloodline of an organization regardless of the nature of the services it offers. As such, it is very important to put in place structure and internal control systems and procedures in order for an organization to run smoothly, efficiently and sustainably.

This topic covers the following sub-topics:

- Accounting Flow – A Review
- Internal Control System - An orientation
- The Financial Reports – A Review

✧ Session 4: Financial Analysis

Financial information is useless unless these are organized, processed and analyzed. This topic will discuss the importance why financial information is analyzed and how will this affect the operation of the organization.

Relevant financial analysis tools will be discussed under this topic, such as:

- Vertical Analysis
- Horizontal Analysis
- Financial Ratios

❖ Session 5: Risk and Risk Management: Financial and Operating Risk

Crucial to financial management is the understanding of risk that organizations experienced and may experience in the future. The conscious effort of identifying these risks will enable the leadership and staff to strategize risk management processes to overcome these risks.

This is a vital topic in risk management because this allows people in the organization to address potential threats to their financial health, reputation and operational efficiency.

Participants will go into a workshop session in risk identification, risk assessment & analysis, risk prioritization and risk management activities which are applicable and implementable to their respective organizations.

Relevant topics:

- Understanding Risks and Risks Management
- Financial and Operational Risks in relation to Financial Management
- Risk Mitigation Processes

## ✧ Session 6: Financial Planning and Budgeting

Part of good financial management is the proper financial planning and budgeting. This will guide the decision-makers of the organization to understand and learn the importance of financial planning and budgeting, identify various steps in the financial planning / budgeting process, and learn the difference between financial planning and budgeting.

**Prerequisite Requirement:** The participants should be familiar with financial reports / reporting or have undergone a training on Simple Bookkeeping or Accounting for Non-Accountants.

Financial Management Training should be conducted after Simple Bookkeeping training with the same participants for continuity purposes.

### **SESSION DESIGN:**

This part details the training plan for financial management. Each topic was well-thought of in such a way that learning flow will be smooth and comprehensible particularly to target participants. Financial Management is very technical in nature, and it is very difficult to conduct this training if the participants have zero knowledge in finance. Hence, the design is meticulously planned to include the accompanying exercises and games for the participants to easily understand the topics presented and keep the whole training enjoyable and meaningful.

For an effective implementation of the training, the training team shall assign topics which the concerned member is most familiar and comfortable with. It is best that the whole team should familiarize all the topics as well as the flow to support each other during the conduct of the training.

Date/ Time	Topic	Learning Objectives	Methodology	Logistics
<b>Day 1</b>				
9:00 - 10:30 (1.5 hour)	Opening Activities <ul style="list-style-type: none"> <li>❖ Prayer</li> <li>❖ National Anthem</li> <li>❖ Opening/Welcome Remarks</li> <li>❖ Introduction of participants, facilitators, and support staff</li> <li>❖ Expectation Check</li> <li>❖ Training Orientation, course objectives</li> </ul>	<ul style="list-style-type: none"> <li>❖ come-up and level off participants' expectations on the training.</li> <li>❖ Orient the participants on the rationale, objectives of the activity.</li> <li>❖ level up with administrative concerns (host teams, schedules</li> <li>❖ To establish base line knowledge of the participants at</li> </ul>	<ul style="list-style-type: none"> <li>❖ workshop / group work</li> <li>❖ discussion</li> <li>❖ grouping</li> <li>❖ game/workshop</li> <li>❖ individual work</li> </ul>	<ul style="list-style-type: none"> <li>❖ meta cards</li> <li>❖ manila paper</li> <li>❖ pentel pens</li> <li>❖ power point presentation</li> <li>❖ laptop</li> <li>❖ projector/LCD screen</li> <li>❖ audio system</li> <li>❖ pre-test form</li> </ul> <p>Powerpoint Presentation #1</p>

Date/ Time	Topic	Learning Objectives	Methodology	Logistics
	<ul style="list-style-type: none"> <li>❖ Administrative and schedules</li> <li>❖ Pre-test</li> </ul>	the start of the training		
<b>10:30 am – 10:45 Break</b>				
10:45 – 11:30 (45 min)	<ul style="list-style-type: none"> <li>❖ Issues and concerns discussion – Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>❖ Gather issues and concerns of the participants regarding financial management.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Discussion</li> <li>❖ Q &amp; A/Workshop</li> </ul>	<ul style="list-style-type: none"> <li>❖ Metacards</li> <li>❖ Manila paper</li> <li>❖ Pentel pens</li> </ul>
11:30 to 12:00	<ul style="list-style-type: none"> <li>❖ Session 1: Understanding Financial Management:</li> <li>❖ What, Why and How of Financial Management <ul style="list-style-type: none"> <li>○ Definition</li> <li>○ Characteristics</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>❖ Learn the basic concepts of Financial Management and how it can be applied to their specific organization.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Workshop</li> <li>❖ Lecture/ Discussion</li> <li>❖ Q &amp; A</li> </ul>	<ul style="list-style-type: none"> <li>❖ Meta card</li> <li>❖ Manila paper</li> <li>❖ Laptop / projector</li> <li>❖ Masking tape</li> <li>❖ Pentel pens</li> <li>❖ White board/ whiteboard pens</li> </ul> <p>Power Point Presentation #1</p>
<b>12:00 to 1:00 pm (Lunch break)</b>				
1:00 – 1:15	<ul style="list-style-type: none"> <li>❖ Post lunch activity</li> </ul>	<ul style="list-style-type: none"> <li>❖ To set an atmosphere for the afternoon sessions</li> </ul>	<ul style="list-style-type: none"> <li>❖ Game/exercise</li> </ul>	<ul style="list-style-type: none"> <li>❖ Host team</li> </ul>
1:15 to 3:00	<ul style="list-style-type: none"> <li>❖ Understanding Financial Management (continuation) <ul style="list-style-type: none"> <li>○ Importance</li> <li>○ Objectives</li> <li>○ Scope/Component of FinMgt</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>❖ To understand and learn knowledge on how financial management can enhance their management of their financial resources</li> </ul>		Power Point 1
<b>3:00 – 3:15 coffee/tea break</b>				
3:00 – 4:00	<ul style="list-style-type: none"> <li>❖ The Organizational Structure: Roles in Financial Management <ul style="list-style-type: none"> <li>○ Who does What?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>❖ To understand the role of everyone in the organizational structure in the Financial Management Activity.</li> <li>❖ To learn who are the financial</li> </ul>	<ul style="list-style-type: none"> <li>❖ Group Activity (Orgl structure - game)</li> <li>❖ Lecture Discussion</li> <li>❖ Q and A</li> </ul>	Power Point 1

Date/ Time	Topic	Learning Objectives	Methodology	Logistics
		managers of the organization.		
4:00 to 5:15	<ul style="list-style-type: none"> <li>❖ Session 2: Sources and Uses of Funds</li> <li>❖ The Cash Flow Statement in Relation to Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>❖ To understand the sources and uses of funds of the organization.</li> <li>❖ Come up with strategies to mobilize fund generation and its utilization to maximize earnings and benefits earned from these funds</li> </ul>	<ul style="list-style-type: none"> <li>❖ Group discussion/works hop</li> <li>❖ Lecture Discussion</li> <li>❖ Q and A</li> </ul>	<ul style="list-style-type: none"> <li>❖ Meta cards</li> <li>❖ Manila paper</li> <li>❖ Laptop / projector</li> <li>❖ Masking tape</li> <li>❖ Pentel pens</li> <li>❖ White board/ whiteboard pens</li> </ul> <p>Power Point Presentation #1</p>
5:15 – 5:30	<ul style="list-style-type: none"> <li>❖ Synthesis and Closing of Day's session</li> </ul>	<ul style="list-style-type: none"> <li>❖ Review of Day's</li> <li>❖ Activity Daily Evaluation</li> </ul>		<ul style="list-style-type: none"> <li>❖ Daily Evaluation Form</li> <li>❖ Synthesis Presentation</li> </ul>
<b>Day 2</b>				
8:00 – 8:30	<ul style="list-style-type: none"> <li>❖ PEC – Prayer, Energizer, Course Recap</li> </ul>			<ul style="list-style-type: none"> <li>❖ Host Team</li> </ul>
8:30 to 10:30 am	<ul style="list-style-type: none"> <li>❖ Session 3: Outlining the Accounting system (A Review) <ul style="list-style-type: none"> <li>o Accounting Flow Review</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>❖ Review and clarify the existing financial system of POs and roles of participants in the system.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Lecture / Discussion</li> <li>❖ Q and A (Mix and Match)</li> <li>❖ Group workshop</li> </ul>	<ul style="list-style-type: none"> <li>❖ Meta card</li> <li>❖ Manila paper</li> <li>❖ Laptop / projector</li> <li>❖ Masking tape</li> <li>❖ Pentel pens</li> <li>❖ White board/ whiteboard pens</li> </ul> <p>Power Point Presentation #2</p>
<b>10:00 – 10:15 Tea/Coffee Break</b>				
10:30 to– 12:00	<ul style="list-style-type: none"> <li>❖ The Internal Control System Overview</li> </ul>	<ul style="list-style-type: none"> <li>❖ To learn and understand the basics of internal</li> </ul>	<ul style="list-style-type: none"> <li>❖ Workshop</li> <li>❖ Lecture/ Discussion</li> </ul>	<ul style="list-style-type: none"> <li>❖ Same</li> </ul> <p>Power Point #2</p>

Date/ Time	Topic	Learning Objectives	Methodology	Logistics
	❖ Importance of Internal Control to Financial Management	control and its importance to financial Management. ❖ Identify some important internal controls that could be applied to their operations to safeguard and protect their resources.		
<b>12:00 – 1:00 pm Lunch Break</b>				
1:00 to 1:15		❖ To set an atmosphere for afternoon session	❖	❖ Host team
1:15 – 2:15	❖ The Financial Statement: A Review <ul style="list-style-type: none"> <li>Income Statement</li> <li>Balance Sheet</li> <li>Cash Flow Statement</li> </ul>	❖ Review the Financial Statement of their organization and identify its importance to Financial Management	❖ Workshop ❖ Case Study ❖ Lecture / Discussion	❖ Power point presentation ❖ Computer ❖ LCD projector ❖ Financial Statement Sample Power Point #2
<b>3:00 – 3:15 afternoon break</b>				
2:15 – 5:15	❖ Session 4: The Financial Analysis <ul style="list-style-type: none"> <li>Tools</li> <li>Importance <ul style="list-style-type: none"> <li>Horizontal Analysis</li> <li>Vertical Analysis</li> <li>Ratios</li> </ul> </li> </ul>	❖ To learn and acquire skills in to analyze the financial operation and status of the organization.	❖ Group workshop ❖ Case transactions ❖ Group Presentation ❖ Lecture/ Discussion ❖ Q and A	❖ Case Financial Statement ❖ Calculators ❖ Manila paper ❖ Pentel pens ❖ Laptop ❖ Projector ❖ Power Point #3
5:15	❖ Synthesis ❖ End of Day	To recap and synthesize the day's activity. To conduct daily evaluation	❖ Q and A ❖ Power point presentation	❖ Daily Evaluation Form
<b>Day 3</b>				
8:00 to 8:30	❖ PEC Prayer, Energizer, Daily Recap			❖ Host Team
8:30 to 10:00	Session 5: Risk and Risk Management	Understand risks and risk management concepts	Group workshop Case transactions Group Presentation Lecture/Discussion	❖ Manila paper ❖ Pentel pens ❖ Laptop ❖ Projector

Date/ Time	Topic	Learning Objectives	Methodology	Logistics
	<ul style="list-style-type: none"> <li>❖ Understanding Risk and Risk Management</li> <li>❖ Financial &amp; Operational Risk</li> <li>❖ Risk Mitigation Processes</li> </ul>	<p>Understand various operational &amp; financial risk faced by their organization.</p> <p>Learn and discuss various risk mitigation strategies application to their institution</p>	<ul style="list-style-type: none"> <li>❖ Q and A</li> </ul>	Power Point #5
<b>10:00 to 10:15 am break</b>				
10:15 to 12:00	<p>Session 5: Risk and Risk Management</p> <ul style="list-style-type: none"> <li>o (continuation)</li> </ul>			
<b>12:00 – 1:15 Lunch Break</b>				
1:00 to 1:15	<ul style="list-style-type: none"> <li>❖ Afternoon Session</li> </ul>		<ul style="list-style-type: none"> <li>❖ Games/Exercises</li> </ul>	<ul style="list-style-type: none"> <li>❖ Host Team</li> </ul>
1:15 to 3:00	<ul style="list-style-type: none"> <li>❖ Session 6: Financial Planning and Budgeting</li> </ul>	<ul style="list-style-type: none"> <li>❖ To understand and learn the importance of financial planning and budgeting.</li> <li>❖ To identify various steps in the financial planning / budgeting process</li> <li>❖ To learn the difference between financial planning and budgeting.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Q and A</li> <li>❖ Lecture / Discussion</li> <li>❖ Presentation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Power point presentation</li> <li>❖ Computer</li> <li>❖ LCD projector</li> <li>❖ Financial Plan sample</li> <li>❖ Budget Sample</li> </ul> <p>Power Point # 6</p>
<b>3:00 – 3:15 afternoon break</b>				
4:00 to 5:00	<ul style="list-style-type: none"> <li>❖ Processing of Learnings</li> <li>❖ Question and Answers</li> <li>❖ Recap and Synthesis</li> <li>❖ Re-entry Planning</li> <li>❖ Post Test</li> <li>❖ Course Evaluation</li> <li>❖ Graduation</li> </ul>	<ul style="list-style-type: none"> <li>❖ To summarize and clarify issues in relation to the training inputs.</li> <li>❖ To review and recap the training activity and their learnings.</li> <li>❖ To measure individual learnings acquired during the 3-days sessions.</li> <li>❖ To come-up with a re-entry plan to be</li> </ul>	<ul style="list-style-type: none"> <li>❖ Q and A</li> <li>❖ Workshop (per association)</li> <li>❖ Individual Test</li> <li>❖ Lecture/discussion for the recap</li> </ul>	<ul style="list-style-type: none"> <li>❖ Course Evaluation Form</li> <li>❖ Power Point presentation #6</li> <li>❖ Re-entry plan format</li> <li>❖ Post test exam form</li> <li>❖ *Host team for the</li> </ul>

Date/ Time	Topic	Learning Objectives	Methodology	Logistics
		implemented when they go back to their respective organizations		graduation activity

### **Requirements/Profile of the Target Participants:**

Financial management training is anchored on the purpose of development and enhancing the skills towards the effective management of the financial resources of the organization. As such, officers, and staff, specifically those who are involved in recording financial transactions and financial decision making are the target participants of this training.

Below are the minimum requirements:

### **Requirements in the conduct of the Financial Management Training:**

- The training should be conducted for a minimum of 3 days (and more).
- Sample transactions should be related to the current financial transactions of the organization represented by the training participants.
- The venue of the training should be large enough with facilities for effective conduct of workshop groups and SLEs. Location should be far enough to urban centers to minimize going in and out of the participants during the training session.
- There should be a minimum of 20 participants and a maximum of 25 participants to maximize learnings and interactions.
- For each organization, it is recommended that they could send at four (4) to five (5) participants. The functions handled by these participants are all related to financial decision-making and financial reporting:
  - Chairperson or President of the BOD
  - Manager
  - Treasurer
  - Accountant
  - Bookkeeper

### **Minimum Knowledge Requirement for the Participants:**

- Participation to the Simple Bookkeeping Training is one of the requirements in attending the Financial Management training.
- In case the participant was not able to participate in the Simple Bookkeeping Training, he/she must have a background in basic bookkeeping and accounting (in school or in work).
- Must have a basic understanding of bookkeeping & accounting procedures and processes.
- Must be familiar and understand the three basic Financial Statements: Income Statement, Balance Sheet, and Cash Flows.

- Have been exposed or familiar on the various financial reporting activities of their respective organizations.
- Must have a background in computer software specifically in basic excel.

#### **Other Requirements:**

- Must be willing to learn and appreciate working with numbers.
- With good analytical skills and focused to details.
- Must be patient and consistent in the analysis of data and its implications to the report.
- Willing to ask questions if necessary.
- Willing to attend and have the time to attend in 3-day training in full.
- Must be willing to share and support his/her co-attendees in cases his/her expertise is needed.
- Willing to apply whatever learnings he/she acquired to his/her organization after the training.

#### **Requirements/qualifications of Training Facilitators/Team:**

Facilitators to this training module should have sufficient working knowledge and experience in financial management so that he/she will be able to efficiently impart relevant inputs theoretically and practically to the participants.

The facilitators/training team should also be open to learning in the use of basic technology in training facilitation (laptop/projector, power point and the like) as well as can adopt to manual methodology (manila paper, pentel pens, meta cards) in cases where the methodology could deliver maximum effectiveness in the conduct of the training sessions.

As training facilitators/team, the participants should have the following requirements and qualifications:

- Willing to be trained and learn training facilitation skills and knowledge.
- Right attitude of a facilitator, unbiased and objective in his/her treatment with the participants.
- Has the right mindset and attitude of a facilitator, meaning does not have the monopoly of knowledge but shares ideas and learning and even experiences to the participants.
- Good motivator and encourages participants to participate and learn.
- Use simple and easily understandable language and terms.
- Willing to work as a team and shares information and ideas for the whole team to learn. Good team player. Supports the whole team and works as one, not as an individual.
- Good listening and communication skills. Communicate clearly, audibly both in verbal and non-verbal manner.
- Good organizing skills and open to feedback and constructive criticisms.
- Flexible and ready to adjust based on situations.
- Creative abilities and knowledge to effectively impart ideas and knowledge to the participants.

- Does extra mile to continuously learn and enhance his/her knowledge on the subject matter assigned to him/her.

The training team needs to undergo a Training of Facilitators (ToF) in order to learn the basic principles of training organization and facilitation.

### **Logistical Needs:**

Materials and other logistical needs per session for this training program are as follows:

1. Laptop and LCD projector
2. Public address system (microphone, amplifier, etc.)
3. Boards (whiteboard, blackboard, easel board, cork board)
4. Powerpoint presentation materials
5. Visual Aids
6. Hand-outs (set) - based on the number of participants
7. Final course evaluation forms - based on the number of participants
8. Office supplies:
  - a. manila papers - 20 pcs.
  - b. pentel pens - 12 pcs. (assorted colors)
  - c. whiteboard markers - 6 pcs. (assorted colors)
  - d. masking tapes - 5 rolls
  - e. cutters - 5 pcs.
  - f. scissors - 5 pairs
  - g. crayons - 5 boxes
  - h. pens - based on the number of participants
  - i. notebooks - based on the number of participants
  - j. pencils - based on the number of participants
  - k. metacards - 200 pcs. (assorted colors)
  - l. attendance sheets - 3 sets
  - m. IDs - based on the number of participants
  - n. Certificate of attendance - based on the number of participants

Prepared by:




Mary Jane M. Tuares and Yolanda P. Alim  
Trainers-Facilitators, ICODE

