

# Some Tips on Financial Planning and Budget Management for NGOs

By [fundsforngos](#)

The golden rule for financial planning and budgeting is to approach it as a strategic process. First of all, it is important to understand that the future of your NGO and its capacity to affect the life of your community depends on your abilities to secure funding in order to develop projects. Bear in mind that all the members of the organisation should co-participate in the planning, organising, and monitoring of the financial resources of the NGO and not only those directly in charge, such as the treasurer.

To be transparent will enhance your credibility in the community and in the eyes of the funding bodies. Secondly, the effectiveness of a financial plan depends on a strong organisational plan. On the one hand, it is crucial to have a long-term strategy and, on the other hand, to develop skills able to manage the budgeting of short-term operations.

Long-term strategies should be written according to the overarching goals of your NGO. As such make sure to clarify what your direction is. For instance, if your NGO is committed to gender equality, draft a long term plan that sets as a goal that of changing the understanding of gender roles and practice in your

community. In order to reach this goal you will design several projects – over many years – tackling different aspects of gender inequality by targeting different groups and layers of your community. Review all the information available and gather statistical data, research, and critically assess strategies already implement by governmental agencies and other members of civil society in order to build a robust rationale for your projects.

Consider compiling lists of agencies and donors who share your interests and draft proposals to secure funding for the implementation of specific initiatives. For instance, you should be aware of annual calls for papers, the existence of national and international networks you should become a member of, and you should also select organisations with whom you could start collaborations. The success of a long-term financial strategy depends upon your abilities to get connected and networked in order to establish several long-term partnerships that will support your basic need of secure funding throughout the years. It is also important to think creatively and evaluate different options.

For instance, you could start a collaboration with organisations whose overarching goal is different from yours, but with whom you could work on short projects combining interests, ideas, and efforts.

Once you secure a budget for a specific project, make sure to monitor the expenses and assess the partial results in relation to the amount of money you need to implement them. Keeping track of the monitoring process will enable you to optimise future funding.

Remember that running an NGO is a learning process and you will become a stronger partner only if you systematically review what you have been doing. Mistakes are precious sources of information. Always be critical about what you do and find ways to imagine how you could have managed your funding better, in order to develop stronger strategies in the future.