

Glossary of Financial Management Terms for Community-Based Organisations

	Term	Definition
1	Financial Management System	A Financial Management System is how your group manages, tracks, and plans its money.
2	Budget	A financial plan that outlines projected income and expenses over a set period.
3	Variance Report	A comparison between budgeted and actual figures to monitor financial performance.
4	Internal Controls	Procedures that help safeguard assets, ensure accurate reporting, and prevent misuse of funds.
5	Restricted Funds	Funds designated by a donor for a specific project or purpose.
6	Unrestricted Funds	Funds that can be used at the organisation's discretion for general needs.
7	Procurement Policy	A document that outlines how the organization acquires goods and services in a transparent and cost-effective manner.
8	Audit-Ready	A state where financial records and documentation are complete, up-to-date, and organised for external review.
9	Financial Reporting	The preparation and presentation of financial information for stakeholders and funders.
10	Cash Flow	The movement of money in and out of the organization.
11	Chart of Accounts	A structured list of all financial transactions completed during a specific period.
12	Segregated Funds	The practice of separating donor or project funds from general operating funds, either through accounting or bank accounts.
13	Donor Compliance	Adhering to donor rules, including reporting timelines, use of funds, and documentation.
14	Grant Management	The overall administration of grant funds, from planning through implementation and reporting.
15	Results-Based Reporting	Reporting that links financial spending with measurable project outcomes or impacts.
16	Transparency	Operating in an open and honest manner with clear documentation and communication.
17	Formal Banking Arrangements	Formal Banking Arrangements mean setting up official bank accounts for an organisation to safely hold, manage, and track its money.
18	Asset Management	Formal Banking Arrangements mean setting up official bank accounts for an organization to safely hold, manage, and track its money.
19	Accountability	Taking responsibility for decisions and financial practices, supported by records and oversight.
20	Key Performance Indicators (KPI)	Key Performance Indicators (KPIs) are specific measurements that help you track progress toward important goals. They show if you are on the right path or if changes are needed to improve results.
21	Sustainability	Sustainability means using resources carefully so that they last a long time and support people, the environment, and the future.
22	Bankable	Bankable means that a person, group, or project is strong and organised enough that a bank or investor would feel confident giving them money.