

Q231C	<b>FINANCIAL MANAGEMENT PLAN: ANNUAL TEMPLATE</b>
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## Preparation

The following Info sheets provide the background information relevant to resource planning. In preparation for using the kit, it is suggested that you read:

- Info sheet: Income development
- Info sheet: Budget development
- Info sheet: Budget: Costs for projects
- Info sheet: Planning: Resource use

## Using the financial management plan kit

This kit acts as a guide to the process of developing a detailed financial resource plan. There are three basic steps involved:

1. **Assessing the current position**, in terms of the existing financial situation of the organisation, patterns of income and expenditure, and likely factors that will impact on the organisation in the immediate period or short term.
2. **Developing the detailed budget** for the coming year, incorporating all likely changes occurring during the year.
3. **Assessing the impact** of the projected budget on the organisation's financial position at the end of the year.

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### Current position

Complete each of the following with details from your organisation:

Financial position at the end of the financial year just completed:

<i>Information</i>	<i>Source</i>	<i>Result/amount</i>
What funds did the organisation have at the end of the year?	Balance sheet: Total current assets	
What did the organisation owe or need to keep for future costs?	Balance sheet: Total liabilities	
Were any of the funds granted in advance?	Balance sheet: Liabilities	
Did the organisation put funds aside for any other specific purpose?	Balance sheet: Reserves/Liabilities	
Are there any surplus funds available from the year just ended, or do we need to make savings from the coming year to cover liabilities?	Total current assets less Total liabilities	

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Patterns of income and expenditure:

<i>Information</i>	<i>Source</i>	<i>Result/amount</i>
Did the organisation cover costs, break even or make a surplus this year?	Surplus or deficit from total income and expenditure for the year	
Did the organisation cover costs, break even or make a surplus the year before?	Surplus or deficit from total income and expenditure for the year before this	
Are there some parts of the operation that are not covering their costs or are making a surplus?	Summary of surplus or deficit from each project or separate section of the organisation (where relevant)	
Were there any items that distorted the summaries of income and expenditure?	As above	
What are the overall patterns of income and expenditure?	As above	

Factors that will impact on the coming budget period.

Identify any internal or external factors that will affect income or expenditure in this period.

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### Developing the detailed budget

Referring to Info sheet: Budget development and Info sheet: Budget: Costs for projects develop the budget for the coming year, incorporating all likely changes occurring during the year.

### Assessing the impact

To complete the process, assess the impact of the projected budget on the organisation's financial position at the end of the year:

#### Position at beginning of year:

a) Current assets	
b) Total liabilities & reserves	
Available funds (a-b)	

#### Position at end of year:

a) Current assets as at beginning of year + any surplus or - any deficit from projected budget	
b) Total liabilities & reserves (recalculated to take into account changes during the year)	
Available funds (a-b)	