



FINANCIAL MANAGEMENT

TRAINING PROGRAMME ● ● ● ● ●

TRAINING DESCRIPTION

Basic Financial Management





TRAINING PROGRAMME ● ● ● ● ●

COURSE NAME

Basic Financial Management

DURATION

5 days

FOR WHOM

- Board of Directors and Supervisory Board
- Finance Managers and Staff



***Cooperative business development & farmer entrepreneurship
Advice – Training – Exchange***

Agriterra professionalises ambitious farmer cooperatives and organisations worldwide. Cooperative expertise and peer-to-peer advice from the Dutch agri- & food top sector are key principles; advice, training and exchange are the key methodologies.

Agriterra developed a range of practical training products for cooperatives and agricultural organisations in emerging economies.

BASIC FINANCIAL MANAGEMENT TRAINING FOR AGRICULTURAL COOPERATIVES

Objective

Financial management is a critical part of any organisation. Everyone who works towards achieving the objectives of an Agricultural Cooperative plays an important role in assuring the effective and appropriate use of its financial resources. However, basic financial management capacities are usually limited, and consequently, financial management is often excluded from carrying out the operating plans of these cooperatives.

This training programme is designed to strengthen an organisation's financial management capacity and comprehension and build the confidence of those individuals involved so they can:

- Adopt financial management systems suitable for running the organisation.
- Manage and control financial resources efficiently and effectively.
- Promote transparency and the good faith of the entire staff.

**Improved basic financial management skills for Board members and
improved communication skills of the financial staff**



Who is this programme for?

This training is mainly directed at the staff of agricultural cooperatives with a high level of responsibility, either technical or political, within the organisation.

Specifically, this programme is designed for:

- Non-finance staff and members of the Board of Directors and Supervisory Board who want to increase their knowledge and skills in terms of planning, controlling and preparing financial reports. The programme is also designed for reinforcing internal control mechanisms and transparency within organisations.

Therefore, prior experience or training in financial management is not a requirement to partake in this training.

This course is for managers, directors and finance staff interested in reflecting on their financial management capacity and knowledge in view of enhancing their financial systems, and most especially, providing support to the programme staff, whether technical or associative.

Selection of participants

The selection of attendees for any training course is essential for its success. Therefore, to obtain the best results from these sessions, the cooperatives invited to the training course should keep in mind the following criteria when proposing the course to their members:

- Select those members who have (or may hold in the near future) a post of responsibility or belong to a department closely related to the running of the company.
- There should be a mid to long-term commitment between these members and their organisations. Selecting those elected members who have just begun or are only halfway through their term is best. For technical staff, offering the training course to those individuals with a stable contract and a future in the organisation is preferable to offering this programme to those individuals whose contracts may expire in the upcoming months or those who are near retirement.
- Try to respect a gender balance by promoting a balanced male-female representation. This contributes to a strong peer organisation for future decision-making. Also try to involve young members if possible.

Four organisations will be invited to participate. Per organisation, five participants will be invited to participate.

Training Content

The complete content of this training course is the result of a long and laborious process headed and promoted by Agriterra, in collaboration with the British organisation Mango (www.mango.org.uk) and the independent consultant Jaime de Alfonso. The proposal set forth is to provide support and help improve the financial management of agricultural cooperatives. The programme is the result of Agriterra's representation in Peru through Bas Prins and different training experiences with agricultural cooperatives in different parts of the world.



The main components of the training are:

- The "what, why, and who" of financial management for agricultural cooperatives
- How to achieve good practices in financial management: the fundamental principles
- Drafting and effective use of budgets, including budgets by departments and consolidated budgets, as well as cash flow forecasts and financing plans
- What accounting records should your cooperative have and why?
- Budgeting and accounting basic expenses of the central administration
- Budget monitoring and control, drafting and using budget monitoring reports
- Interpret the general balance sheet; How to make sense of the annual financial statements?
- Asset protection - Internal control and procedure systems
- Direct the audit process
- Strengthen the Board of Directors and Supervisory Board

Financial Health Check

The training includes a "Financial Health Check". The purpose of including this health check in the training programme is to help organisation's representatives to reflect on the situation together (and also compare with the practice of other organisations) and share their knowledge and experience once they return to their own cooperatives. This will facilitate change and improvement, given that the participants initiate an assessment process of the organisation's financial management using this health check as a tool.

The health check has five sections, each one corresponding to the content for each day of the training programme. At the end of each day, participants will join together with the fellow colleagues of their cooperatives and will use the corresponding "Financial Health Check" to review what they have learned that day.

One of the sections corresponds to interpreting your financial statements, specifically the Balance Sheet and Profits and Loss Statement. We ask that, at least one representative of each cooperative, bring the latest copy of both cooperative documents.

By the end of day 5, members will merge together again and will perform an overall revision of the organisation.

All participants will have the support of an Agriterra representative and a facilitator to make the use of this tool easier and faster so they can benefit from how it works.

Training Results

After the completion of the programme, the participants will:

- Do:**
- Budgets by project as well as consolidated budgets through the budgeting technique based on activities
 - Prepare and use a cash flow forecast
 - Reconcile an accounting record
 - Use a simple financial monitoring report
 - Analyse financial statements and budgeting monitoring reports to evaluate the organisation's performance
 - Assess the strengths and weaknesses of their agricultural cooperative's internal control system



- How to describe the pillars of good governance and the important role they play in achieving good governance practices in their organisation
- To describe how good governance works and the different responsibilities of the Annual General Meeting, the members of the Board of Directors, the Supervisory Board and the Manager

Know:

- How to explain the key components and simple accounting system language
- How to explain the relation between budgets, accounting records and financial reports
- How to learn the main fiscal obligations for an agricultural cooperative

Understand:

- That financial management is for everyone
- That the main role of financial management is valuable in achieving the objectives of an agricultural cooperative
- That the importance of accountability is valued as is the need to reinforce the Supervisory Board's capacity to make sure they fulfil their responsibility

Training methodology

The training methodology is very practical, calls for everyone's participation and quite often, is very fun! It is based on real questions, in line with the reality of the participants. This qualifies them to apply proven techniques instead of just theoretically talk about them. We work creatively with the aim of understanding the financial concepts to take the fear out of finance.

Training is carried out in small groups so that the individual needs of all participants are met. Various learning methods are used to stimulate interest and to grasp the different learning styles of the participants, including illustrated presentations, group exercises and debates, practical case studies and practical problem solving activities. Training is backed by lots of material that participants can take with them and use after the course, including the detailed course manual.