**Assignment 3: Leadership & Management**

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Leadership & Management.

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# Introduction

An effective performance management system has a lot of moving parts, and the process requires effort from multiple people and departments to ensure its success. In other terms, managing for results means managing for performance. This involves developing a high-performance culture and high-performance work systems for the organization as a whole, and managing the performance of individuals and teams. Employees are required to work towards achieving their individual goals, which in turn helps the organization reach its corporate objectives. They should also be taking responsibility for their own career development. The manager plays a pivotal role in performance management and the outcome of any performance management system relies on managers doing their part effectively. They need to make time for their employees, deliver frequent feedback, encourage and recognize good performance and check in regularly on goal progress. The essential elements for this presentation is focused on managing for performances and management skills. The limitations of our research are based on: what are the functions of a donor in financial management? Why are internal controls important in any organization? Why monitoring as well as evaluation are very important aspects in grants management? What type of system should be implemented for important financial management in an organization? What is the process of procurement for goods and services in an organization for project implementation? In addition, what is the disbursement procedure? Two types of the analytical techniques are used: (1) Definition- setting down the precise of a word or phrase and showing why the distinctions implied the definition are necessary by expanding on particular elements that may be sources of confusion or misunderstanding. In addition, (2) Explanation – clarifying by the use of explanation, model and example.

# At times the donor may appoint a financial management agent to supervise the funds that are provided for a particular project. What are the functions of such an agency?

Financial management is an integral part of overall management. It is concerned with the duties of the financial managers in the business firm. Financial Management means planning, organizing, directing and controlling the financial activities such as procurement and utilization of funds of the company. It means applying general management principles to financial resources of the enterprise/organization. The term financial management has been defined by **Solomon**, “*It is concerned with the efficient use of an important economic resource namely, capital funds*”. The most popular and acceptable definition of financial management as **given by S.C. Kuchal** is that “*Financial Management deals with procurement of funds and their effective utilization in the business*”.

Finance function is one of the major parts of business organization, which involves the permanent and continuous process of the business concern. Finance is one of the interrelated functions, which deal with personal function, marketing function, production function, research, and development activities of the business concern. At present, every business concern concentrates more on the field of finance because, it is a very emerging part which reflects the entire operational and profit ability position of the concern.

Finance manager is one of the important role players in the field of finance function. He must have entire knowledge in the area of accounting, finance, economics and management. His position is highly critical and analytical to solve various problems related to finance. A person who deals finance related activities may be called finance manager.

Finance is one of the important and integral part of business concerns, hence, it plays a major role in every part of the business activities. It is used in all the area of the activities under the different names. Finance can be classified into two major parts:

1. Private Finance, which includes the Individual, Firms, Business or Corporate Financial activities to meet the requirements.
2. Public Finance which concerns with revenue and disbursement of Government such as Central Government, State Government and Semi-Government Financial matters.

A person who deals finance related activities may be called finance manager. Finance manager performs the following major functions:

1. **Forecasting Financial Requirements**

It is the primary function of the Finance Manager. He is responsible to estimate the financial requirement of the business concern. He should estimate, how much finances required to acquire fixed assets and forecast the amount needed to meet the working capital requirements in future.

1. **Acquiring Necessary Capital**

After deciding the financial requirement, the finance manager should concentrate how the finance is mobilized and where it will be available. It is also highly critical in nature.

1. **Investment Decision**

The finance manager must carefully select best investment alternatives and consider the reasonable and stable return from the investment. He must be well versed in the field of capital budgeting techniques to determine the effective utilization of investment. The finance manager must concentrate to principles of safety, liquidity and profitability while investing capital.

1. **Cash Management**

Present days cash management plays a major role in the area of finance because proper cash management is not only essential for effective utilization of cash but it also helps to meet the short-term liquidity position of the concern.

1. **Interrelation with Other Departments**

Finance manager deals with various functional departments such as marketing, production, personal, system, research, and development. Finance manager should have sound knowledge not only in finance related area but also well versed in other areas. He must maintain a good relationship with all the functional departments of the business organization.

# Why are internal controls important in any organization?

Internal control is defined as a process determined by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the objectives in the following areas:

* Effectiveness and efficiency of operations
* Reliability of financial reporting
* Compliance with applicable laws and regulations

Internal controls assure that the processes companies want to happen will and things they do not want to happen will not.

The overall purpose of internal control is to help a department achieve its mission and accomplish certain goals and objectives. An effective internal control system helps an organization to:

* Promote orderly, economical, efficient and effective operations
* Produce quality products and services consistent with the organization’s mission
* Safeguard resources against loss due to waste, abuse, mismanagement, errors and fraud.
* Promote adherence to statutes, regulations, bulletins and procedures
* Develop and maintain reliable financial and management data, and accurately report that data in a timely manner.

Internal control enhances the reliability of financial reporting and helps to ensure that financial statements are free from major misstatements. This is important because stakeholders such as business owners, investors and lenders all rely on financial reports to make decisions. Without internal control, businesses face an array of exposures that can drastically alter revenue-generating capability.

Management is ultimately responsible and should assume ownership of the system; leadership and direction, should be provided by the management team. In addition, each department is responsible for specific internal control policies and procedures. All employees have some responsibility as it is developed by people to guide people with a means of accountability.

# Monitoring as well as evaluation are very important aspects in grants management. Substantiate the statement above, supported by examples and relevant scholarly literature

Grant monitoring is the process by which an organization reviews and measures programmatic and financial performance over the grant implementation period. While the grant evaluation is the assessment that examine how well programmatic themes are being addressed. Grant monitoring should assess progress, identify risks as well as corresponding mitigating measures, ensure that funds are used as intended, and that organization programs achieve impact. Therefore, there grant evaluation provides benefits to: (i) the funder when refining grant-making strategies, (ii) the grantee, who can apply lessons learned to future work, and (iii) other organizations that can learn from the project’s successes and failures.

Although monitoring and evaluation grants are viewed as related, they are distinct functions. Grant Monitoring is viewed as a process that provides information and ensures the use of such information by management to assess project effects – both intentional and unintentional – and their impact. It aims at determining whether or not the intended objectives have been met.

While the grant evaluation draws on the data and information generated by the monitoring system as a way of analyzing the trends in effects and impact of the project. In some cases, it should be noted that monitoring data might reveal significant departure from the project expectations, which may warrant the undertaking of an evaluation to examine the assumptions and premises on which the project design is based.

Monitoring and evaluation, when carried out correctly and at the right time and place are two of the most important aspects of ensuring the success of many grant managements.

# For important financial management in an organization, what type of system should be implemented?

Financial management is an integral part of overall management. It is concerned with the duties of the financial managers in the business firm. The term financial management has been defined by Solomon, “It is concerned with the efficient use of an important economic resource namely, capital funds”. The most popular and acceptable definition of financial management as given by S.C. Kuchal is that “Financial Management deals with procurement of funds and their effective utilization in the business”. Thus, Financial Management is mainly concerned with the effective funds management in the business.

An organization requires financial management for various activities. One of the essential primary types of financial management decision is to build and increase the valuation of an organization. A great financial report of any organization mostly depends on how various types of financial management decisions are undertaken. It is wisely said that a well financial managed company will always have a solid balance sheets and great books of accounts which you might like to revisit it multiple times. Three types of financial management decisions which every company need to take it seriously and every action requires a perfect timing to take place.

1. **Treasury and Capital Budget Management:** Capital budgeting is the planning procedure used to decide if a company’s fixed assets, for example, new plant, new machinery; new research projects are worth of allocating funds through the organization capitalization structure (equity, debt or profit earnings). Numerous formal strategies are utilized in capital budgeting, For example: Profitability index, Payback period, Net present value, Real options valuation, accounting rate of return, internal rate of return, Equivalent annual cost and more. These management teams are likewise accountable for raising funds and investing funds. In the event that an organization merge with another organization or expands, team will facilitate the financial needs for merger or expansion.
2. **Capital Structure Management:** In corporate finance, capital structure is the manner in which a company finances through a mix of debt or equity securities. Debt financing comes as bond issues, while equity comes from retained earnings or as a stock. Short-term debt financing, for example, working capital necessities is likewise viewed as a major aspect of the capital structure. Here financial management team is responsible for capital structure of a company’s short-term debts, long-term debts, equities, preferred stocks and more. At the point when team refer to capital structure, they are probably considering a company’s debt-to-equity ratio, which gives understanding into how healthy organization is financially or how risky organization is financially.
3. **Working Capital Management:** Working capital management of an organization refers to managing bookkeeping methodology and accounting strategies intended to keep track of current assets, current liabilities, cash flow, inventory turnover ratio, working capital ratio and much more. The basic role of working capital management is to ensure the organization dependably keeps up adequate liquid cash to meet its short-term debts and operational cost. This is one of the types of financial management where team need to maintain working capital management to smoother company’s operational cycle, and also to improve the company’s earnings.

Nowadays financial management is also popularly known as business finance or corporate finances. The business concern or corporate sectors cannot function without the importance of the financial management.

# Enumerate the process of procurement for goods and services in an organization for project implementation

Procuring goods and services from external suppliers can be a critical path for many projects. Often, the performance of the supplier will reflect on the performance of the overall project team. It's therefore crucial that you manage your suppliers performance carefully, to ensure that they produce deliverables which meet your expectations.

Procurement and purchasing activities refer to the aspects of project management regarding acquiring goods and services from outside companies to provide a project team with all necessary inventories to produce the product of a project. Procurement process management refers not only to internal units of an organization involved in project management activities but also to external suppliers and vendors.

A Procurement Management Process, or Procurement Process, is a method by which items are purchased from external suppliers. The procurement management process involves managing the ordering, receipt, review and approval of items from suppliers. A procurement process also specifies how the supplier relationships will be managed, to ensure a high level of service is received. This is a critical task in Procurement Management. In essence, the procurement process helps you "get what you have paid for".

The project procurement cycle reflects the procurement activities from the decision to purchase the material or service through to the payment of bills and closing of procurement contracts.

After the decision has been made to purchase goods or outsource services, the procurement team develops a plan that includes the following:

1. The procurement plan includes determining the category of materials or services, choosing the type of contractual relationship, soliciting bids, selecting bidders, managing the work, and closing the contracts.
2. The decisions made when selecting the type of contract are based on whether the materials can be provided by suppliers, vendors, or partners; how well defined the work is; how the risk will be shared; the importance of the task to the schedule; and the need for certainty of the cost.
3. Companies that bid on contracts are evaluated on past performance and current financial status. RFQs and RFPs are sent to those companies. RFQs are evaluated on price and RFPs are evaluated on price and method.
4. Long lead time items are identified and monitored. Items that are critical to the schedule or delayed are assigned to an expediter. The logistics of handling delivery, storage, and transportation are determined. Work and materials are inspected for quality.

Depending on the complexity level of the project, each of these steps can take either hours or sometimes weeks of work to complete. Each of these steps is also included in the project master schedule. The time involved in the procurement cycle can influence the scheduling of critical activities, including the decision to self-perform the work or contract the work to others. The equipment and materials delivery dates and completion of contracted work dates are placed on the project schedule and any procurement activities that create a project delay or fall on the project critical path may require special attention.

This procurement process will help to: identify the goods and services to procure; complete Purchase Orders and issue to suppliers; agree on delivery timeframes and methods; receive goods and services from suppliers; review and accept the items procured; and approve supplier payments.

This Procurement Management Process will enable to: identify supplier contract milestones; review supplier performance against contract; identify and resolve supplier performance issues; and communicate the status to management.

# How are travel imp rests supposed to be treated

An imprest is a cash account that a business uses to pay for small, routine expenses. A fixed balance is maintained in the account, and it is replenished routinely to maintain that balance. Alternatively, an imprest can refer to a monetary advance given to a person for a specific purpose.

he most well-known type of imprest is a petty cash account. Petty cash is used for transactions for which it doesn't make sense to go through the hassle of writing a check. It is typically a set amount of cash held on-site that a business can use to reimburse employees and pay for small expenses. Petty cash funds are typically handled by a custodian, who monitors the account and hands out cash to employees in exchange for business-related receipts.

The imprest system was developed to track and document cash expenses and how they are used, following a general process:

* A petty cash fund is established, with a set amount of cash. This is recorded in the company's ledger.
* Any expenses paid through the petty cash fund must be documented with receipts.
* The fund is replenished regularly with disbursement receipts to maintain a fixed balance.
* The fund is monitored closely for any discrepancies between expected cash (based on documentation) and actual cash. If any discrepancies exist, they are investigated.

As companies transition to heavier reliance on electronic transactions, the imprest system is falling out of favor. It can be much easier to just use a company credit card than to use an imprest, since the success of the imprest system depends on the accuracy of its documentation. Also, it is important to know and monitor the exact amounts paid through the imprest on a regular basis so that replenishment amounts are sufficient.

# Enumerate the disbursement procedure

The term “disbursement” refers to the withdrawal of proceeds from the financed grant or loan account. Disbursement is the act of paying out or disbursing money. Examples of disbursements include money paid out to run a business, cash expenditures, dividend payments, the amounts that a lawyer might have to pay out on a person's behalf in connection with a transaction. Disbursing money is part of cash flow. If cash flow is negative, meaning that disbursements are higher than revenues, it can be an early warning of potential insolvency.

A disbursement is the actual delivery of funds from a bank account or other funds. It is payment made by a company in cash or cash equivalents during a set time period, such as a quarter or year. A bookkeeper records the transactions and posts them to ledgers, such as the general ledger and accounts payable ledger. Each entry includes the date, payee name, amount debited or credited, payment method, purpose of the payment, and its effect on the firm's overall cash balance. Common accounts in the ledger depend on the business.

Disbursements can become costly in cases involving expert reports for establishing evidence, especially in personal injury cases when serious injuries have long-term effects and must be evaluated immediately.

A loan disbursement can be positive or negative. While a positive disbursement results in a credit to an account, a negative disbursement results in an account debit. Examples of a negative disbursement is evident when funds are withdrawn from a student's account after s/he was overpaid funds for financial aid.

# Conclusion

The strongest performing companies are those that emphasize the importance of performance management, and yet some managers still fail to understand how people management is their responsibility. The performance management conversations give employees a realistic perspective on their current progress and where they can stand to improve. A high-performance strategy focuses on what needs to be done to reach the organization’s goals. The approach to development is therefore based on: (1) an understanding of what those goals are and how people can contribute to their achievement; and (2) assessing what type of performance culture is required. This provides the basis for creating a high-performance work system.

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Contents

[Introduction 2](#_Toc4359145)

[1. At times the donor may appoint a financial management agent to supervise the funds that are provided for a particular project. What are the functions of such an agency? 3](#_Toc4359146)

[2. Why are internal controls important in any organization? 4](#_Toc4359147)

[3. Monitoring as well as evaluation are very important aspects in grants management. Substantiate the statement above, supported by examples and relevant scholarly literature 4](#_Toc4359148)

[4. For important financial management in an organization, what type of system should be implemented? 5](#_Toc4359149)

[5. Enumerate the process of procurement for goods and services in an organization for project implementation 6](#_Toc4359150)

[6. How are travel imp rests supposed to be treated 7](#_Toc4359151)

[7. Enumerate the disbursement procedure 8](#_Toc4359152)

[Conclusion 8](#_Toc4359153)

[References 10](#_Toc4359154)