**ASSIGNMENT**

1. **Highlight with examples the key challenges facing NGOs in preparing and implementing budgetary programmes/policies in Africa**
2. Lack of Community Participation. In the rural areas the high level of illiteracy and poverty rate is an impediment to proper implementation of programmes in Africa. There is aslo no access to information and therefore the community is not able to do much.
3. Unskilled manpower. Some organizations are headed by people who do not possess the right managerial and leadership skills and training them is seen as an expense rather than an investment.
4. There is a lack of dynamic structures to accommodate the changing environment and complexities.The management is required to adapt new structural practices.
5. Assessments of how well objectives are met depend on how realistic these objectives were from the start. Non-governmental organizations spend too much time ensuring calculations and formulas are correct, as well as addressing the mechanical details of rolling up and consolidating department and organization unit budgets to ensure that the budget is consistent with their strategic objectives

**2. Define accounting standards and explain their purpose in the modern accounting practice**.

Accounting Standards: These are a set of principles standards and procedures that define the basis of financial accounting policies and practices.

1. They improve the transparency of financial reporting in all countries .They outline the specific procedures required to produce consistent and functional reports.
2. They improve the quality and usefulness of the financial statements
3. They allow Accountants to provide information through financial statements in a manner that can be understood by important people in the organization e.g shareholders, investors, management and board of directors.
4. Provide guidance to accountants to ensure a steady operation of business. With the accounting standards followed properly, the accountant is able to provide financial information that is relevant, reliable, neutral and comparable.

**3. Define Budgeting. Give five functions of a budget.**

Budgeting is the process of creating a plan on how to spend money by prioritizing the most important things. It is a way of balancing your expenses with income so that you don’t overspend.

**Functions of a Budget**

1. A budget estimates revenues, plans expenditure and restricts any spending that is not part of the plan.
2. Budgeting helps one ensure that money is allocated to things that support the strategic objectives of the business.
3. A well communicated budget helps everyone understand the priorities of the business.
4. The process of creating a budget provides opportunities to involve staff, resulting in them sharing the organization’s vision.
5. Engage the team in reviewing and comparing the budget with the actuals can provide information that highlights the strengths and weaknesses.

**4. Discuss the importance of cash management (cash flow forecasts)**

1. Cash management assists in planning for capital expenditures and forthcoming projects.
2. It ensures that cash outflows that are obligatory are met when they fall due e.g taxes, rents and salaries.
3. With the forecast and planning, organizations are able to take advantage of discounts, special purchases and business opportunities.
4. Organizations are able to invest the surplus cash for short term or long term periods so that there is no money lying around idle.
5. Cash management that the organization has sufficient cash during the peak times for purchases and other purposes.

**5. What are the contents of Balance Sheet? Differentiate between a Balance sheet and Trial**

**Balance**.

The Balance Sheet contains the company’s assets, liabilities, and shareholder’s equity at a given time. It is also referred to as a statement of Financial Position.

**Differences**

1. The trial balance includes the opening stock while the balance sheet includes the closing stock.
2. The Trial Balance is prepared after posting onto ledger while the Balance sheet is prepared after the Trading Profit and loss is done.
3. The Trial Balance mainly checks the arithmetic accuracy in recordings and postings while the Balance Sheet is prepared to determine the financial position of the company at the end of the accounting period.
4. The Trail balance is prepared monthly, quarterly and half yearly while the Balance sheet is prepared at the end of the month.

**6. Why is financial committee essential in Grant Management?**

1. A financial committee helps the board fulfill its fiduciary responsibility
2. It protects the board from legal challenges and liability.
3. It acts as the board’s eyes and ears in financial operations.
4. It helps catch both intentional and unintentional mismanagement of funds.
5. It evaluates both financial operation and people in charge of it from a position of knowledge.
6. It helps hiring fiscal staff.
7. The committee interprets the audit done for the company to the rest of the board.