

Financial Management: Checks and Balances for Responsible Management¹

Responsible financial management involves the development of and implementation of built in checks and balances. The following guidelines can be used to develop checks and balances.

- Ensure that all money that comes in and goes out is recorded in a number of places.
 - Ensure that money is never handled or tracked by one person alone. Ensure that people in different positions check on the work done by those in other positions.
- Develop and use formal systems; set up systems for recording funds received and disbursed and make sure everyone uses them.
- Draw clear lines of responsibility. Break down tasks so they are manageable and assign them to appropriate individuals.
- Make available all the information essential for decision-making to those who need it; design systems and written forms so that information is easy to find and understand.
- Always consider contingencies and set aside funds so that financial disasters can be avoided.
- Document all financial activities with detailed records.

¹ Adapted and excerpted from *School-Age Child Care Technical Assistance Paper Number 4: Money Matters: Financial Management of School-Age Child Care Programs*. Commonwealth of Pennsylvania, 1985.