



Peace Corps

Peace Corps Small Grants Program

Financial Management and Capacity Building Assessment Tool

How does the community organization/group plan and manage its finances and budget? (Circle ONE relevant box for each question)

Question		Capacity Score			
		0	1	2	3
Finances	<i>Does your organization keep written accounting of income and expenses that can be presented on demand?</i>	No accounts kept	Records kept of money received and spent, but difficult to know how much money is held at any one time	Accounts kept up-to-date and balances and statements are prepared at the end of the year	Balances and statements prepared quarterly. At year end, presented to external stakeholders for review and possible approval
Bank Account	<i>Does your community organization/group have a bank account to hold its funds?</i>	No bank account, all funds managed in cash	Someone's personal account used for any funds	Bank account registered in org's name, which requires authorized check signatories	Manual record of all payments (cashbook) is kept and compared with all bank statements
Financial Control	<i>Who is responsible for approving expenditure and issuing cash?</i>	One person	Two people	Two people with oversight from another person	Two or more people with oversight from several people
Budget and cash flow planning	<i>Does your organization prepare, monitor, and review a budget?</i>	Budgets are prepared for every funding proposal but not used for anything else	Budgets are set to decide how much to spend on all project and organization costs to ensure there is money for future plans	Budgets are presented annually for approval to a board or representative group of members	Every six months budgets are compared to money already spent and planned cash flows
Reporting requirement	<i>Do you provide accurate financial reports on time to donors?</i>	No experience of having to submit donor reports	Reports are submitted but always late and with incomplete information	Some reports get submitted on time but are often incomplete or get queried by the donor	Reports always submitted on time and always meet all donor requirements
Profit	<i>What increase in profit have you had over the last year?</i>	None	Up to 10%	10–20%	More than 20%

Score	1	2	3	4	5	6	Total
Section							

Score	Project Design Action
0-6	Volunteer should work to strengthen capacity of the community organization or group prior to designing a small grant project; work with the community to establish a bank account with several signatories; discuss and practice budget planning and project management; ensure counterparts attend PDM workshop; and community may not be directly responsible for managing funds
7-12	Volunteer should ensure counterparts attend PDM workshops; community may not be directly responsible for managing funds; Volunteer may need to assist in direct fund and project management
13-18	Volunteer's community is prepared and adequately trained to help manage Peace Corps Small Grants funds and successfully implement a small grant project; Volunteer may proceed with project design and determine which community counterpart will assist with managing funds