

FINANCIAL MANAGEMENT - EXERCISE

REVISING THE BIG 3 STATEMENTS

Where is your money placed?

A man called James W. Frick was quoted saying *“Don’t tell me where your priorities are. Show me where you spend your money and I’ll tell you what they are.”*

When was the last time you reviewed the financial statements of your organisation? Where is your money placed? Does this distribution follow what you claim your priorities are? If you do not do this exercise regularly you might be losing on important opportunities, you could be working unrelentlessly on something you do not believe in, or even worse, you could be putting your institution at risk for mismanagement of financial resources.

Reviewing your financial statements

Find the latest version of the following three documents: Balance Sheet, Profit and Loss Accounts (also called Income Statement), and the Cash Flow Statement.

Try to understand them by analysing the main items in each of them. If you have a Chief Financial Officer (CFO) in your organisation tell him to explain to you their structure and their key elements. If you do not have a CFO or an expert on financial matters, read first the input document of this section or read this [Beginners’ Guide](#)

FROM REFLECTION TO ACTION

Reflection

Have you ever gone through the process of recognizing, enduring, and overcoming your fears of being poor and powerless? The First Companions said: *“since we have learned from experience that a life as far removed as possible from every taint of avarice and as close as possible to evangelical poverty is more joyful, more pure, and more appropriate for the edification of neighbor and since we know that our Lord Jesus Christ will provide what is necessary for food and clothing for His servants seeking only the Kingdom of God. ...”* How does this make me feel? Am I letting the Lord deal with my resistances to being poor?

Action

We suggest you try short-term experiences of a poor life. This is not an easy task. Young Jesuits do pilgrimages without any money to learn about this way of life. Are you willing to give it a try? Maybe just being in touch with poorer realities is an eye-widening experience.

ADDITIONAL EXERCISES

1. See and complete the “Internal financial control for charities [checklist](#)”. It is focused on NGO’s with trustees but this checklist can help any institution.