

What is good Financial Management?

Audience: It means ensuring that you don't spend more than whatever you get

Audience: How can you spend more than that? It means you don't borrow and spend, but you spend within your means.

Speaker: Exactly! Also you spend according to the heads that have been sanctioned. So it means spending within your means and according to budget. Any other?

Audience: Whatever you decide to spend on has to be cost-effective.

Speaker: Cost effectiveness can be a ticklish issue. Somebody might think holding this workshop in a five star hotel is cost-effective because amongst all five star hotels, you might find a cheap five star hotel. Some might decide that this is a very nice venue for the workshop while some might say holding it in an NGO centre might be more cost-effective. Some might even say hold it in a village, which will be even more cost-effective. Hence, we need to define cost-effectiveness with respect to a particular context.

People believe they are not finance persons but the reality is that everyone here is a finance person. You operate your own bank account, invest your own salaries and use your funds to exist. So, our basic existence is linked to good financial management.