

In sub-grant relationships, a key financial management aim is to ensure that partners achieve adequate compliance with donor requirements. This presents a different set of issues to directly implemented projects. Different skills and attitudes are also needed to negotiate with and support partners. Some of the key issues include:

- Be flexible. Many of CARE's financial practices are self-imposed. If there is room to relax requirements and be flexible within donor and audit rules, it is worth discussing this internally in the course of contract negotiations.
- Include a finance staff in the field team. This can help to ensure that programme and finance issues are handled in a 'joined-up' way, and ensure smoother processing of reports, better monitoring and hands-on technical assistance.
- Provide training and TA to partner finance managers. Where possible, make plans to train and assist partners based on capacity assessments. Certainly consider training on reporting, where formats are determined together.
- Finance staff should help with monitoring. This should not just be limited to formal activities, but can include keeping in contact with counterparts by making field visits and phone conversations to check progress and offer assistance.
- Avoid superior attitudes. It is normal for local agencies to have less-developed financial systems, and inappropriate to expect them to replicate CARE's bulky systems. Rather than forcing new procedures on partners, focus instead on helping them to achieve adequate financial accountability using their own.
- Use (and budget for) external auditors where possible, or at least ensure that audits are conducted by financial staff not involved in managing partners.

**See also** [Chapter 17 Finance](#).