

# Summary of FIRST+II Scale-Up:

An integrated ecosystem development program to increase dignified jobs and well being among youth

March 2025



## Partners



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**“Manage your spending by creating and sticking to a budget.”**

**Alexa Von Tobel**







## **Planning and Budgeting for Ghana Coperative Susu Collectors Association(GCSCA)**

**Facilitator: Ebenezer Quartey (Esq)**

### **Pre-Training Assessment (True or False)**

- 1.Planning and budgeting are only relevant for large businesses, not small business groups.**
- 2.A well-structured budget helps in financial sustainability and growth.**
- 3.Susu operators do not need to set financial goals as they only collect money.**
- 4.Monitoring and evaluation are unnecessary once a budget has been created.**
- 5.A financial plan should include projected income, expenses, and savings mobilisation.**
- 6 Financial management means having enough resources to operate in the long term.**
- 7.Record-keeping is optional for susu businesses since transactions are small and frequent.**
- 8.Only external funding sources contribute to the sustainability of a susu business.**
- 9.Risk management is not an important aspect of financial planning for susu operators.**
- 10.An effective budget should be flexible and adjustable to changing financial conditions.**

## Pre-Training Assessment (True or False)

### FIRST+II

1.Planning and budgeting are only relevant for large businesses, not small business groups.

*(False)*

2.A well-structured budget helps in financial sustainability and growth. *(True)*

3.Susu operators do not need to set financial goals as they only collect money. *(False)*

4.Monitoring and evaluation are unnecessary once a budget has been created. *(False)*

5.A financial plan should include projected income, expenses, and savings mobilisation. *(True)*

6. Financial management means having enough resources to operate in the long term. *(True)*

7.Record-keeping is optional for susu businesses since transactions are small and frequent.

*(False)*

8.Only external funding sources contribute to the sustainability of a susu business. *(False)*

9.Risk management is not an important aspect of financial planning for susu operators. *(False)*

10.An effective budget should be flexible and adjustable to changing financial conditions. *(True)*

- FIRST+II** 11.Short-term financial planning is more important than long-term financial sustainability.
- 12.Cash flow management is critical for maintaining the operations of a susu business.
- 13.A financial plan should be reviewed at least once a year.
- 14.Budget variances should be ignored since they do not affect long-term financial plans.
- 15.Business growth can be achieved without financial planning and budgeting.
- 16.Savings should be a key part of a susu operator's financial strategy.
- 17.Understanding financial reports is not necessary for susu operators.
- 18.Contingency planning helps businesses handle unexpected financial challenges.
- 19.Proper financial planning helps susu operators access credit and external funding.
- 20.Strategic planning is irrelevant to the success of susu businesses.

**FIRST+II 11.Short-term financial planning is more important than long-term financial sustainability.**

***(False)***

**12.Cash flow management is critical for maintaining the operations of a susu business.**

***(True)***

**13.A financial plan should be reviewed at least once a year. *(True)***

**14.Budget variances should be ignored since they do not affect long-term financial plans.**

***(False)***

**15.Business growth can be achieved without financial planning and budgeting. *(False)***

**16.Savings should be a key part of a susu operator's financial strategy. *(True)***

**17.Understanding financial reports is not necessary for susu operators. *(False)***

**18.Contingency planning helps businesses handle unexpected financial challenges. *(True)***

**19.Proper financial planning helps susu operators access credit and external funding. *(True)***

**20.Strategic planning is irrelevant to the success of susu businesses. *(False)***



# **CRITICAL QUESTIONS TO PONDER ABOUT/ THE CASE FOR PLANNING AND BUDGETING.**

**Q 1. HOW MUCH SUSU SAVINGS DEPOSITS HAVE YOU PLANNED TO MOBILISE TO SUSTAIN THE BUSINESS FOR THE YEAR?**

**Q 2. WHAT IS YOUR EXPECTED COMMISSION AND OTHER INCOME (.i.e. Registration fees, Passbook Fees, MoMo Commission, Interest Received from Bank, Interest Received from Investment etc. for the year) FROM THE MOBILISATIONS MADE?**

**Q 3. WHAT IS YOUR TOTAL EXPECTED EXPENDITURE TO BE INCURRED TO DO THE MOBILISATIONS IN ORDER TO GENERATE THE INCOME FOR THE YEAR ?**

**Q 4. WHAT IS YOUR EXPECTED PROFIT YOU WISH TO BAG HOME BEFORE AND AFTER TAX FOR THE YEAR?**

**Q 5. WHAT ARE THE SOURCE(S), COST AND TIMING OF SUCH FUNDS?**

**Q 6. WHAT IS YOUR AVERAGE MOBILISATION SIZE TO INVEST IN 91 DAY T. BILLS, KEEP OR RESERVE IN SAVINGS ACCOUNT AND MOMO WALLETS TO GENERATE INCOME FOR THE YEAR TO SUSTAIN OPERATIONS?**



DGGGGGGGGRR

**G1. MENTION AND EXPLAIN FIVE (5) EFFECTS OF HOW THE ABSENCE OF PLANNING AND BUDGETTING WOULD HAVE ON YOUR SUSU INSTITUTIONS?**

**G2. STATE AND EXPLAIN SEVEN (7) REASONS WHY A SUSU OPERATOR NEEDS TO PLAN AND HAVE A BUDGET?**

**G3. LIST SIX (6) CHALLENGES THAT PREVENTS SUSU OPERATORS FROM PLANNING AND BUDGETTING?**



## HAND VOTE AND DEBATE



How many of you think that the proprietor of a Susu Institution have the primary responsibility for planning and budgeting?

## **RULES OF ENGAGEMENT**

### **“Don’t Forget”**

**1.All questions are good questions.**

**There are no bad questions except the one that goes unasked.**

**2. Everyone needs to participate in order to make the training successful( you are well experienced and would respectfully encourage you to share your rich experiences).**

**3.Respectfully, respect everyone’s contribution or view.**

**4. Kindly make it a point to learn from each other- all have knowledge to share.**



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## TRAINING OBJECTIVES AND EXPECTATIONS

### ☐ Enhance Financial Planning Skills

**By the end of the training, participants should be able to develop a basic financial plan for their susu business, including income projections, expense estimates, and the yearly susu mobilisation goals and targets.**

### ☐ Improve Budgeting Practices

**Participants should be able to implement a monthly budget review, tracking income and expenses and cash flow against actual performance to identify variances to ensure budgetary control and sustainability.**

### ☐ Strengthen Record-Keeping and Accountability

**By the end of the training, participants should be able to record daily financial transactions using a simple ledger or digital tool, ensuring accurate tracking of financial activities.**



## TRAINING OBJECTIVES AND EXPECTATIONS



### ☐ Enhance Cash Flow and Risk Management

Participants should be able to demonstrate improved cash flow management by maintaining a positive balance and setting aside reserve funds for emergencies.

### ☐ Increase Financial Sustainability Awareness

By the end of the training, participants should accurately identify three key strategies to enhance the financial sustainability of their susu business, including cost reduction, setting aside reserve funds for emergencies, and revenue diversification.

# **Foundations of Planning and Budgeting for Sustainability**

## **Session 1: Introduction to Planning and Budgeting for Susu Operators**

### **Definition of Planning and Budgeting in Susu Operations**

- **Planning refers to the process of setting business objectives, identifying the steps needed to achieve them, and allocating resources effectively to meet financial sustainability goals.**
- **Budgeting is the process of creating a structured financial plan that estimates income, expenses, and cash flow over a specific period.**
- **In Susu operations, planning ensures that financial goals align with business growth, while budgeting helps manage cash flow, reduce wasteful expenses, and improve profitability.**

## **Why Budgeting is Critical for Financial Sustainability?**

- **Ensures financial discipline by guiding spending and investments.**
- **Helps in identifying potential risks and setting contingency plans.**
- **Facilitates better decision-making regarding managing clients susu funds and maintaining cash reserves for seasonal and emergency withdrawals.**
- **Enhances accountability and transparency in managing operational costs.**
- **Supports long-term business expansion by projecting future growth and resource allocation.**
- **Prevents over-spending and financial mismanagement that could lead to business failure.**



# The Impact of Poor Planning and Budgeting on Susu Business Growth

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**FIRST+I** It leads to cash flow shortages, making it difficult to pay clients on time.

- Increases the risk of defaults of clients susu savings withdrawals and operational inefficiencies.
- Results in inconsistent income due to poor financial forecasting.
- It creates difficulty in business expansion, as financial projections are unclear or even absent.
- It leads to excessive expenditure spending with no proper income generation strategies to match the expense and make reasonable profit.
- It weakens stakeholder trust, including clients and financial partners

# Session Summary:

- **A Budget is an estimated financial plan that shows your income and expenditure for the coming year( .i.e. cash in and cash out).**
- **Budgeting is a management tool and is the process of planning, monitoring and controlling the cash inflows and outflows of a business.**
- **A Budget helps Susu Institutions to determine the cash needed to absorb or cover the cost or expenditure in running the business.**
- **It helps to monitor expected income and expenditure in order to control and manage cash.**

# MAIN BUDGETS NEEDED BY SUSU BUSINESSES

**BUDGETED PROFIT AND LOSS ACCOUNT/  
INCOME STATEMENT**

**CASH BUDGET**

**BUDGETED BALANCE SHEET/ FINANCIAL  
POSITION**



# **STEPS IN PREPARING A BUDGET**



**STEP 1. DETERMINE YOUR PROFIT PLAN**

**STEP 2. DETERMINE YOUR EXPENDITURE PLAN**

**STEP 3. DETERMINE YOUR INCOME FORECAST/ESTIMATE**

**STEP 4. HUNT FOR SOURCE OF FUNDS(.i.e. MOBILISATIONS)**

**STEP 5. OTHER RESOURCES NEEDED TO REALISE THE EXPECTED PROFIT**

# TERM CLARIFICATION?


$$\begin{array}{r} \text{Cost} \\ + \text{Profit} \\ \hline \text{Selling Price} \end{array}$$

1. **PROFIT = REVENUE/INCOME MINUS EXPENSES**
2. **Since profit is revenue minus expenses, then Revenue**
3. **REVENUE/INCOME = EXPENSES + PROFIT**
4. **REVENUE/INCOME = COSTS OF RUNNING BUSINESS + PROFIT**
5. **REVENUE/SELLING PRICE = COST PRICE + PROFIT**
6. **COMM. AND OTHER INCOME/ REVENUE = COSTS OF RUNNING BUSINESS + PROFIT**

## STEP 1. WHAT TO DO TO DETERMINE YOUR PROFIT PLAN?



- ❑ A profit plan is a deliberate effort and steps taken by a Susu operator to achieve an expected, desired, target, planned profit for specified period.
- ❑ Determine the budget period of your profit plan for we plan for a period and until you set a period you are planning for , you can never plan.
- ❑ Example monthly, quarterly, half yearly, and yearly/annually.
- ❑ Determine your profit goal(.i.e. basically how much target, desired, expected PROFIT you want to get end of the period)
- ❑ The profit goal should however be **REALISTIC AND ACHIEVABLE** in order to be achieved.
- ❑ Tax implications should be considered as well in setting the profit goal.

- 1. Determine the expected, targeted or desired profit after tax you want to take home end of day. Example Ghs 40,000 end of year.**
- 2. Determine the applicable tax rate from GRA. Example 20%**
- 3. Remember that GRA is taking 20% of the expected profit, so the remaining profit would be 80%.**
- 4. Determine your profit before tax of 20% by GRA**

**Formula = Profit after tax/% of Take Home Profit**

**= Ghs 40,000/0.8**

**=Ghs 50,000**

**5. Take Home Profit= Profit Before Tax less Corporation /Income Tax**

**Thus Ghs 50,000- 10,000**

**Ghs 40,000**

# DETERMINE YOUR EXPENDITURE PLAN



**This is the costs you must incur in order to generate the income and without it no income can be generated and obtain the expected, desired, target and planned profit.**

**You need to be very financially disciplined in order to achieve this as Susu business owners.**

**Pen down or simply write all the expenses and attach realistic and achievable values to each based on these factors:**

- 1. History of that particular expenditure based on past records, experience, reports etc.**

## DETERMINE YOUR EXPENDITURE PLAN (CONT'N)



**2. Pay keen attention to Economic Indicators like interest rates, inflation rates, Debt to GDP Ratio etc.**

**No forecast is 100% accurate but by following the above guidelines, you would get about 90% accuracy making room for 10% margin of error.**



EXPENDITUE LIST	PER MONTH	PER YEAR
SSNIT and PAYE	1920	23040
Staff Salaries	6000	72000
Depreciation	1700	20400
Airtime Communication and Internet	170	2040
Rent/Occupancy	400	4800
Utilities/ Bank Charges	400	4800
GCSCA Subscription, Dues & BoG License Renewals	146	1752
Printing and stationery	200	2400
Fuel and Lubricants	800	9600
Repairs and maintenance	260	3120
Cleaning and sanitation	100	1200
Travelling and Transport(T&T) to Staff	240	2880
Staff Canteen	100	1200
GCSCA Meeting Expenses	400	4800
Corporation Tax(20% profit before tax)	-	10,000
<b>EXPENDITURE SUMMARY</b>	<b>12,836</b>	<b>164,032</b>

# DETERMINE YOUR FORECAST INCOME / ESTIMATE

## REVENUE/INCOME EQUATION

REMEMBER THAT:

**EXPENDITURE + PROFIT = REVENUE /INCOME**

**EXPENDITURE..... Ghs 164,032**

**PROFIT.....Ghs 40,000**

**INCOME FORECAST IS THEREFORE.....Ghs204,032 (Ghs164032+40,000)**

## WHAT IS THE SOURCE OF THIS INCOME?

From my experience with Susu Operators about 70% of the income originates from 91 Day T. Bills Investment interest and 30% from other Income(.i.e. Comm. On susu savings, Registration fees, Passbooks, MoMo Commission and Int. on Bank Savings) as shown below:

TYPE OF INCOME	AMOUNT(GHS)	FORMULAR
Investment Income	142,824.50	70% of Ghs 204,032
Other Income(Comm .on Savings, Registration Fees etc.)	61,209.60	30% of Ghs 204,032
Income Summary	204,034 app.	100%

# **RESOURCES NEEDED TO REALISE THE EXPECTED/BUDGETED PROFIT AND WHERE TO HUNT FOR THEM?.**



**Q1. WHAT RESOURCES DOES ABC SUSU ENT. NEED IN ORDER TO ACHIEVE THE EXPECTED/ BUDGETED PROFIT AFTER TAX OF GHS 40,000?**

**ANS: Office space, Cash from susu mobilisations, ICT Equipments, Office Equipments, Transport for Collections and client marketing etc.**

HOW MUCH SUSU MOBILISATION MUST YOU MAKE AND PORTFOLIO TO HANDLE TO GENERATE THE EXPECTED PROFIT OF GHS 40,000?



**Q2. CASH IS NEEDED AS PART OF THE RESOURCES TO REALISE THE EXPECTED PROFIT AFTER TAX OF GHS 40,000.?**

**HOW MUCH SUSU MOBILISATION MUST WE THEREFORE INVEST AT 91- DAY T.BILLS RATE OF 2.08333% PER MONTH AND 25% p.a. TO MAKE THIS POSSIBLE?**



HOW MUCH SUSU MOBILISATION TO MOBILISE AND INVEST TO GENERATE THE EXPECTED T. BILL INVESTMENT INCOME OF Ghs 142,824.50 IN ORDER TO OBTAIN THE PROFIT AFTER TAX OF GHS 40,000?

$$25\% x = \text{Ghs } 142,824.50$$

Meaning of the above...

X is the unknown amount(Mobilisation) we have to invest at the rate of 25% 91 day T. Bills p.a.in order to generate a profit AFTER tax of Ghs 40,000.

HOW IS IT DONE?

$$25\% x = \text{Ghs } 142,824.50$$

$$x = \frac{\text{Ghs } 142,824.50}{0.25}$$

$$\checkmark = \text{Ghs } 571,298$$



**SECOND HOW MUCH TOTAL SUSU MOBILISATION TO MOBILISE TO GENERATE THE TOTAL INCOME OF Ghs 204,032 IN ORDER TO OBTAIN THE PROFIT AFTER TAX OF GHS 40,000?**



**1.If the amount( Ghs 571,298) needed for T. Bills Investment is 70% of the mobilisation,**

**Then If 70% of mobilisation = Ghs 571,298**

**What will be 100% mobilisation and it will be equal to what amount = ?**

**1 \* Ghs 571,298/0.7**

**= Ghs 816,140( Total Mobilisation)**

**2. Ghs 816,140 less Treasury Bill Mobilisation of Ghs 571,298**

**= Ghs 244,842**

**3. This Ghs 244,842 is the additional mobilisation that will generate the extra Commission on Deposits, Registration Fees, Passbooks Charges, Bank Savings Interest and MoMo Commissions.**





25 % @ Ghs 571,298(T.Bills Mobilisation).....	142,824.50
Plus Other Income( Comm.On Dep,Registration etc.)	
Mobilisation of Ghs 244,842.....	61,210.50
<div>☐</div> TOTAL INCOME.....	204,032
<div>☐</div> TOTAL EXPENSES.....	164,032
<div>☐</div> PROFIT AFTER TAX.....	40,000



# **CASH NEEDED TO REALISE THE PROFIT PLAN**

**Cash is the live blood that passes through the cells, veins, arteries, capillaries of the business in order to survive.**

**Cash is therefore 'KING'**

**In the business of Susu, the basic item needed to mobilise and invest is CASH, therefore you need CASH to invest.**

**Total Cash Needed = The Expenses for the Period + The Total Assets (including the 91 Day T. Bills Bills Investment , Cash in Savings Accounts, MoMo Wallets and Vault/Safe etc.)**

**= Ghs 164,032 + 816,140**

**= Ghs 980,172**



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**Post-Training Evaluation (True or False)**

- 1.A financial plan should include both expected revenue and anticipated expenses.**
- 2.Susu operators should track daily transactions to ensure financial discipline.**
- 3.Budgeting helps in setting and achieving long-term business goals.**
- 4.A good financial plan does not need to consider risks and uncertainties.**
- 5.Sustainability in financial planning involves reducing operational costs and increasing income.**
- 6.Cash flow projections help in making informed financial decisions.**
- 7.A susu operator should not adjust their budget once it has been finalized.**
- 8.Financial literacy is an essential skill for successful susu operations.**
- 9.Susu businesses should keep financial records for accountability and decision-making.**
- 10.Investing surplus funds wisely can enhance the sustainability of a susu business.**

**FIRST+II**

**Post-Training Evaluation (True or False)**

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- FIRST+II**
- 11.Regular financial reviews help in identifying and addressing financial challenges early.**
  - 12.Understanding financial statements is necessary to assess the financial health of a business.**
  - 13.Debt management strategies should be part of financial planning.**
  - 14.Ignoring financial planning can lead to business failure.**
  - 15.Budget deviations should be analyzed to improve future financial planning.**
  - 16.Susu operators do not need to plan for emergency expenses.**
  - 17.Risk management is a crucial aspect of ensuring financial sustainability.**
  - 18.Maintaining a reserve fund helps in handling unexpected financial shortfalls.**
  - 19.External funding should be the primary source of financial sustainability.**
  - 20.Proper financial planning and budgeting contribute to the growth and stability of susu businesses.**

**FIRST+II 11.Regular financial reviews help in identifying and addressing financial challenges early.**

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# Thank you!

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## Partners



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