

Assignment: Interlinking Organizational Strategic Plan, Multi-Year Financial Plan, and Annual Budget

MODEL FOR ANALYZING INTERLINKAGES BETWEEN STRATEGIC PLAN, MULTI-YEAR FINANCIAL PLAN, AND ANNUAL BUDGET

1. Understanding the Core Documents

- **Organizational Strategic Plan:** Defines the long-term vision, mission, goals, and strategic priorities of the organization (typically covering 3-5 years).
- **Multi-Year Financial Plan (MYFP):** Outlines projected revenues, expenses, and financial strategies aligned with the strategic plan (covering the same period as the strategic plan).
- **Annual Budget:** A detailed financial plan for a specific fiscal year, aligning with both the strategic plan and MYFP.

2. Key Areas of Interlinkage Analysis

Participants should assess the relationship between these documents using the following dimensions:

Dimension	Strategic Plan	Multi-Year Financial Plan	Annual Budget
Vision & Goals	Long-term objectives (3-5 years)	Financial strategies to support long-term goals	Annual financial allocation for each goal
Revenue Projections	Identifies funding needs	Forecasts income from donors, grants, fees, and reserves	Confirms actual revenue streams for the year
Program & Activity Priorities	Defines key programs & projects	Allocates multi-year financial resources to programs	Breaks down costs per project for the year
Operational & Overhead Costs	Defines operational expansion and sustainability plans	Estimates staffing, admin, and fixed costs over multiple years	Allocates resources for immediate operational needs
Risk Management	Identifies external/internal risks affecting growth	Develops financial contingency plans	Allocates reserves and contingency funds

3. Steps for the Assignment

1. Review Each Document Separately

- Identify the main goals and objectives of the Strategic Plan.
- Assess whether the MYFP reflects these goals in terms of resource allocation.
- Check if the Annual Budget provides short-term execution of these plans.

2. Analyze the Alignment

- Compare if budget allocations match priority areas in the Strategic Plan.
- Examine whether revenue projections in the MYFP are realistic and reflected in the Annual Budget.
- Identify any gaps—where strategic goals are not adequately funded.

3. Present Findings in a Summary Table

- Participants should summarize their findings in a structured table like the one above, showing whether their budgets and financial plans fully support their strategic vision.

4. Reflection and Recommendations

- Provide insights on how to strengthen the link between these documents.
- Suggest adjustments in financial planning to better align with strategic priorities.

Expected Outcome

By completing this assignment, participants will develop a clear understanding of how financial planning ensures the successful execution of strategic objectives. It will also highlight gaps that need attention for improved financial sustainability.