Financial management-related jobs are one of the tiring works because you have to deal with finances that require a lot of paper works and processes. As part of accounting team, you must be skillful in handling finances, consolidating reports, handling records and keeping track of all the transactions that involve money because the way you accomplish these tasks will reflect on how capable you are to perform the job in this department. However, aside from these routinary works, one must also master cash management which is one of the crucial duties of some who works at financial department.

According to Will Kenton (2018), “cash management is the corporate process of collecting and managing cash, as well as using it for short-term investing and it is a key component of a company’s financial stability and solvency.” Kenton also added that wisely managing cash enables a company to meet unexpected expenses, and to handle regularly occurring events such as payroll.

This practice avoids any institution from financial risks such as unreported or unliquidated expenses and debts. It requires focus because such errors may result into complications that may affect other processes in the accounting. Also, monetary issues are sensitive to deal with and you cannot get away from questions that are to be asked to you if ever you fail to manage the finances properly.

Steven Batie also said that better financial understanding can be achieved when measurable financial goals are set, the effects of decisions understood, and results reviewed. He also advised that in order to assess current financial circumstances and develop a comprehensive plan customized for a particular institution, then those people who work in the finance need some sort of financial advisor. The advisor could be anyone who is a senior, someone from a higher department or a friend and not necessarily someone that will be hired to give financial advice.
Aside from these, financial planning could also be a great step to avoid financial risks. Having an annual or even quarterly plan is a best way to manage and control the cash flow. The expenses included in the plan must be followed in order to keep track of the outlays and avoid overspending that can affect the budget of the institution and can possibly cause debts. Financial planning is one of the things that everyone in financial department must master because this is the sole of a good cash management and financial duties.

Therefore, strict planning and well-established cash management are two practices that workers must consider to have a smooth cash flow, excellent job performance, being a trustworthy employee and most all, free from negative monetary issues that may affect one’s credibility. We must always remember that wise planning and desirable management techniques can define how well we perform as employees and how credible and reliable are we in this work related to financial management.

References:
https://www.investopedia.com/terms/c/cash-management.asp