

# **The Role Of Financial Managers In Maintaining Records Of Business Expenses**

As the demands on businesses increase and operations become more complex, so does the need for financial management. For those who wish to remain competitive, staying up-to-date with their business expenses is critical.

Gone are the days of relying solely on paperwork and manual logs to track spending. Today's businesses require efficient and reliable methods of monitoring cash flow and budgeting correctly. Financial managers play a key role in maintaining this information, ensuring that records are accurate and up-to-date.

The success of your business depends on your financial management. Having a financial manager who can manage your business's actual and forecast flows is essential for the survival of your business.

Financial management refers to the strategic planning, organisation, direction and control of business cash flow. It involves the management of your financial resources and other activities. It also includes the application of management principles to financial assets while playing a vital role in tax management in business.

The financial activities of a business are one of the most important and complex activities of running a business. Therefore in order to take care of these activities a financial manager performs all the financial activities. First, let's start with the basic.

# **Who is a Financial Manager?**

A financial manager is a person who takes care of all the important financial functions of the business. The financial manager is in charge of maintaining a far-sightedness in order to ensure that the funds are utilized in the most efficient manner for the development of the business.

## **The role of financial managers in maintaining records of business expenses**

A financial manager plays a major role in offering financial advice, auditing accounts, and keeping authentic information on maintaining records of business expenses, keeping books and researching cost-cutting financial managers to provide financial advice, accountants will provide a vertical array of services and help keep your business financially great.

1. Identifying all the business transactions
2. Recording in the journal
3. Posting to ledger
4. Balancing of accounts
5. Preparing a financial statement
6. Interpreting the financial statements
7. Communicating it to stakeholders

## **What does a financial manager do?**

## **1) Taxes**

Your financial manager shows you all the possibilities for saving on your business taxes. Informed about all the reforms in terms of VAT declaration, and help you complete your tax declarations. And advise you on the different types of taxes you need to pay according to your venture.

## **2) Expense management**

Your financial manager analyses your business's financial statements and expenses to ensure that you have efficient funds as possible. Besides verifying your accounts, this professional also designs strategies that can help improve the financial situation of your business.

## **3) Accounting**

He /she helps you keep records of your company's financial transactions. He regularly updates the purchase ledger, the sales ledger, the receipt ledger and the payment ledger and should prepare the income statements with absolute transparency.

## **4) Helps to make financial decisions**

The financial manager helps you in your decision-making in the investment and financing of your business.

## **5) Advice**

One of the main roles of a financial manager is to give reliable advice, which includes investments, tax legislation and insurance decisions. It will summarize your current financial situation and structure the most effective financial plans best for your business.

# Why Is Finance Management Important For Companies?

Financial Management is vital for businesses as it lays the right pathway to achieve business financial goals and aims. Here are some key reason why financial management is important in a business:

- Helps you in Financial Planning
- Assists in acquiring and managing funds of companies
- Provides insights to make critical financial decisions for companies
- Helps cut down financial costs
- Makes business aware of financial savings and investments
- Helps in planning the future
- Helps in achieving economic business stability

## Skills required to become a financial manager



## 1) Analytical

Having an analytical mindset is extremely important for a finance manager. When hiring a Finance Manager, look for a person who can provide an example of their analytical skills.

You must be able to spot potential financial risks and counsel a company from making huge financial mistakes. A balance of creativity and robust financial knowledge resolves possible problems.

## 2) Leadership

A Finance Manager functions as a team leader who can motivate the team. You should be comfortable delegating tasks and identifying the key strengths of your team members.

Your company's Finance team can only function to its full potential if you are able to supervise, provide constructive feedback and motivate the finance team members to do their best work.

### **3) Good Communication**

It is important that you should communicate effectively with your team members, cross-functional teams and with leadership whether it is explaining various tasks to team members or presenting to seniors.

Beyond understanding the numbers, they must ideally possess strong written, verbal and presentation skills. Being able to break down complex financial data in simpler and more understandable language is a key skill.

### **4) Budgeting**

One of the key skills of a Finance Manager is budgeting. Finance Managers must be able to offer reasonable insights into the current budgets and workable solutions based on your business's past performance. You should be able to determine whether your company is headed in the right direction based on your knowledge.

### **5) Project Management**

A Finance Manager's job is to be an expert in time and project management. Whether it is managing schedules and deadlines or ensuring the team has everything, finance Managers must keep everything in check.

## **Salary of a Financial Manager in India**

Companies rely on finance managers to manage all their financial matters and help them accomplish their business economic goals. Thus, they play an essential role in an organisation's success.

Financial managers are in demand in different industries, such

as banks, asset firms, insurance companies, healthcare, EdTech, and many more. Some of the top companies for a finance job are KPMG, HDFC, Barclays, State Bank of India, Morgan Stanley, McKinsey & Co etc.

The salary of a financial manager depends upon

- Location
- Experience
- Education Qualification

## How To Become a Finance Manager



If you are planning to become a finance manager, here are the five steps.

### Step 1: Acquire a bachelor's degree in finance

To start your career as a finance manager, you need a bachelor's degree. Thus, pursuing a four-year bachelor's degree in economics, accounting, business administration,

finance, or another related finance field is required.

## **Step 2: Do an Internship**

A degree will educate you with theoretical knowledge. To start your professional experience, a finance-related internship would be helpful best in your career. You can enroll in internships while pursuing your degree.

## **Step 3: Get Certified**

It is not compulsory, but a certificate in particular areas of finance can be an added advantage to a career. Certifications help increase your expertise in a particular subject, further showcasing your preparation for a career in finance.

## **Step 4: Earn a master's degree**

You can proceed with your professional career with a bachelor's degree but some companies prefer to go with one having a master's degree. You can opt for a master's degree in finance, economics, accounting, etc.

## **Step 5: Upskilling**

Taking financial courses to gain extra knowledge can improve your chances of getting a job as a financial manager.

## **Summary**

Finance involves money management. The financial manager must decide how much funds are needed and when, how best to use the available funds, and how to get the needs of financing.

The financial manager's responsibilities are financial planning, investing, and financing. Maximising the value of the company is the primary goal of the financial manager, whose decisions often have long-term effects.



# FAQ's:

Must read articles:

- [How To Start A Wholesale Business From Scratch \(2023\)](#)
- [7 Types of Managers: Which One Are You?](#)
- [15 Best Business-Related Podcasts Must Watch](#)