



INTRODUCTION

This finance management manual guidelines is an essential part of organizational management. systems is a series of financial policies and procedures which guide operations and layout how GFO uses and manage its money and awarded grants. It cannot be seen as a separate task to be left to finance staff but it can also as a reference for board members and managers and other staff. GFO adhered to financial policies and procedures, when implemented financial operations and management processes associated and that achieve competence, and integrity which affect satisfaction of donors and Board of Directors to make sound management decisions.

OVERVIEW

Financial management involves planning, organizing, controlling and monitoring financial resources in order to achieve organizational objectives and involves a range of financial tactics.

The minimum standards must be available in the accounting system of the GFO as the following standard tips:

1. Accurate and complete disclosure of the current financial results of all activities of the organization.
2. Records and books determine an adequate sources and uses of funds for the various activities.
3. Effective control over all funds, property and other assets.
4. Comparison of actual budget costs for each activity of the GFO Organization's activities.
5. Written procedures for determining reasonable and allocated to the GFO Organization's and the costs allowed in the light of the laws, regulations and >> agreements signed costs.
6. Accounting records propped/supported up by documents.
7. Key elements of external financial regulations, specific contractual obligations and a comprehensive Chart of Accounts (COA).

General Purposes:

The purposes of this part is the positioning of minimum necessary standards to determine, analysis, measurement, recording, classification, summarization and disclosure of financial transactions and the delivery of the effect of transactions and other events and circumstances of the Organization on the results of its operations and financial position. Sound financial management is one of the most important policy development and monitoring areas of a board of directors' responsibilities to develop financial policy to reflect different roles and responsibilities of 1- governing board and 2- administrative governing board.

Generally the lines of authority can be described as;

1. Line of Authority in policy governing board (Board of Directors)	It is Role	To Who
The governing board	Authorization	Board Chair
Board Chair	Liaise with	Executive Director
Excutive Director	Supervision	Staff
Staff	Implement Board Policy through programs and services	
2. Line of Authority in an administrative governing board	It is Role	To Who
Administrative governing board	Authorizes	Executive Committee
Executive Committee	Monitoring & Supervision	Volunteer and paid staff
Volunteer and paid staff	Implementing Board policy	

1.0 Policies and procedures

Numerous policies of GFO are resulted from it is obligations in managing people. GFO stimulates and adapts a good way of making policies known to new employees, volunteers and trustees, but it systematically protected in a variety of circumstances.

1.1 Policies checklist /Specification

GFO policies and procedures start with the Boards' financial responsibilities and its governance model/style. The following areas are included in this financial management manual:

- ✓ Board Members financial responsibilities
- ✓ Controls on Expenditure- who can spend what and with whose authority.
- ✓ Controls on funds and donation received.
- ✓ Controls on Financial Accounting - , who records cheques received and who banks them.
- ✓ Exercising Budgetary Control - who can spend how much and on what and what expenditure needs special permission.
- ✓ Controls on Human Resources - who can recruit and for what roles, what permis.sions are needed and who authorizes pay grades/scales.
- ✓ Controls on Physical Assets - , who can authorize the sale, purchase and lease of buildings or equipment

1.2 Board Members' financial responsibilities

- ✓ The executive committee
- ✓ The finance and audit committees
- ✓ The annual operations plan
- ✓ Approval of the budget
- ✓ General controls
- ✓ Reserves
- ✓ Conflicts of interest
- ✓ Financial responsibilities

✓ Grants

Financial Responsibilities Delegations:

Financial responsibilities represent the different acts of authority designated or assigned to different GFO board members, management or staff positions and roles (executive limitations). There are two key types of delegation:

- a) The first are business activity delegations, which bestow/give authority to take or approve actions on behalf of the organization.
- b) The second are financial delegations such as the authority to approve expenditure up to a certain limit.

The following responsibility matrix is a possible delegations. Which developed by

Executive Director specifies a responsibility matrix specific to the size and structure of GFO:

Position Financial Delegations	Business Activity Delegations	Financial Delegations
President/Board Chair/General Director	Can authorize staff, board or members to represent GFO or speak to the media	
	Authorized to sign cheques on behalf of GFO	
Treasurer	Authorized to sign cheques on behalf of GFO	
	Ratifies / Approves cheque and ledger	
Board Members		Board members who are signatories to the bank accounts
		Authorizes expenditure over a set dollar limit

Executive Director	<p>Authorized to sign cheques and Executive finance</p> <p>treasury's on behalf of GFO</p>	approve expenditures up to a set USD limit
	A to enter into contracts (funding or operational	<p>Authority to overspend budget by up to a set percentage of the</p> <p>budget</p>
Finance Committee	Approves organizational budget	
	<p>Approve Finance/Administration</p> <p>Reports</p>	
	Approve budget variations	
Finance Manager	Authorized to sign cheques and Executive finance	Approve expenditure up to a set USD limit

	treasury's on behalf of GFO	
	Manage bank accounts	Authority to overspend budget by up to a set percentage of the

		budget
	prepares and approves finance reports	
Coordinators or Program Managers	<ul style="list-style-type: none"> • Approve all published material including website (excepting job advertisements) • Authorizes and signs all official GFO correspondence • Authority to enter into contracts 	Approve expenditures up to a set dollar limit
		<ul style="list-style-type: none"> • Authority to overspend budget by up to a set dollar limit or a set percentage of the budget • In consultation with the EXECUTIVE DIRECTOR may approve funding submissions, applications or expressions of interest for projects of up to a set dollar limit.
Other permanent staff	provide information for budget	<ul style="list-style-type: none"> • approve expenditure up to a set dollar limit

The role of the Board in relation to policy issues comprises:

1. Setting annual priority policy areas around implementation of the Strategic Plan;
2. Identifying/deciding on GFO's involvement in new or emerging issues and in issues raised from the sector; and
3. Making decisions where changes to existing policy position are proposed to be changed.
4. Establishing financial management priorities, responsibilities and executive limitations. Monitoring of financial management and prudence through policies, financial reports and established metrics.

Policy issues that are brought to the Board should fall into one of the following categories:

1. Matters for decision making by the Board the issues which are considered strategic, important, and serious or where the Board has identified the need for ongoing involvement .
2. Issues for discussion are brought to the Board, in order to:
 - Collecting votes the issues
 - Provide ideas for future policy work by staff
 - Set the context of where we want to take an issue.

1.3 Controls on expenditure

Staff responsibilities

Estimates and tendering

Approvals for capital expenditure

Purchase orders and invoices

Bank mandates/obligation.and cheque signatories

Petty cash

Building projects

1.4 Controls on income

Cash/Treasury management: invoicing, debt collection, income collection, borrowing

Income from fees

Gifts, Donations and In-kind

Grants and Contracts

Costing and recovery of overheads

Deficits and Surpluses

1.5 Controls on financial accounting

Chart of Accounts (COA)

Retention of Financial Records

Audits

Reconciling cash book to bank

Reconciling expense ledger

Reconciling income ledger

Reconciling payroll control

Regulations

1.6 Exercising budgetary control

- Budget preparation and control

- Resource Allocation

- Power to amend budget and spend reserves

- Budget reporting

- Budget deficits and surpluses(over spent/underspent)

1.7 Controls on human resources

- Staff complement

- Staff salaries

- Staff regarding

- Reimbursement of expenses

- Contract of employment

- Staff benefits

- Casual staff and consultancy

- Severance,early-retirement and other non-recurring payments

1.8 controls on physical assets

- Computer equipments

- Computer software and data

- Land,building & leases

- Other equipment

- Stocks and stores

- Insurances

For insurances GFO maintains adequate insurance cover at all times,this include:

1. Personal accident insurance for staff & volunteers;
2. Public liability insurance;
3. Directors &office insurance
4. Building and contents insurance
5. Association liability (this includes professional indemnty)
6. Workers compensation insurance

The finance /Administration Manager is responsible for ensuring all insurance policies are existing and adequate documentation maintained

Funding &Grants

In relation to funding and /or grant submission,the Executive Director or his designated may approve applications or expression of interest for projects of up to a set dollar limit,for large funding projects,Board approval should be required /sought.The Board will make decisions based on how the proposed new funding fits with the Strategic Plan.In situations where time constrains do not allow this,the Executive Director (ED) will consult with the Board Chair,Executive Committee or Financial/Administration Committee Chair.

Finance & Audit Committees

The GFO's finance committee is chaired by the Board Treasurer and is responsible for monitoring significant financial planning ,management and reporting matters of GFO,make recommendations and deliver reports to Board of Governors,and may serve as Board's external audit committee coordinator.

Finance Committee has the responsibility

The finance committee has the responsibility to :

Make recommendation for Board approval and\or deliver to the Board in the following areas :

1. Annual operating and capital budget
2. Annual audited financial statements
3. Appointment of auditors
4. Policies related to financial management
- b) Provide information to the Board on :
 1. Significant financial planning , management and reporting issues
 2. Interim financial reports
 3. Reports from auditors and administration on internal control issues and other matters .

GFO,s audit committee is responsibility :

The GFO,s audit committee is responsible for :

1. External auditor selection and evaluation criteria
2. Overseeing the coordination of the external auditor
3. Reviewing the external auditors report and letter to Management
4. Ensuring communication and reporting lines between the Executive Director , staff and the audit committee
5. Monitoring and assessing the external audit effectiveness

The audit committee (or management) may also perform :

- Organize for interim financial audits , distributed internally , for improving the reliability of information used for decision making , and for identifying potential material problems early
- Special assignment , such as improving internal control in a given area or implementing a fraud prevention program and
- Coordinating \establishing an internal audit task force.

Reserves

Board Members are under a duty to balance the needs of current and future beneficiaries of the charity . GFO needs to have sufficient reserves to allow it to cover known liabilities and contingencies , absorb setbacks and take advantage of change and opportunity .

However , GFO holding reserves that are greater than the needs may be subject to scrutiny\analysis and possible investigation by the regulatory authorities . As such GFO will maintain a reserves policy and \ or foundation in strict compliance with governing regulations that will be established by the Board in consultation with the Executive Director and the finance\Administrative Manager.

Benefits of developing a reserves policy :

- It is a key element of the strategic plan - without a clear idea of the reserves that are needed GFO may not be able to meet your commitments or start new activities .
- It must feed into the budgeting and decision -making process- the policy will act as a benchmark to ensure that GFO uses its fund to good effect .
- Projects require detailed planning and submission of a detailed budget for approval by the Board . This will assist the GFO in managing reserves and avoid GFO from being reactive rather than plan constructively .
- It focuses the fundraising activities - the reserves policy will identify GFOs level of need for funds and what they are needed for . This will guide the fundraising plans as it is often easier to fundraise for specific items or amounts .
- it is necessary for communication with those external to the charity -the reserves policy will help demonstrate that the GFOs money is being used to good effect . funders beneficiaries , member and the wider public are entitled to know this and that GFO has good reasons for maintaining or seeking the certain levels of reserves .

Other section content headings :

1. The annual operation plan
2. Approval of the budget
3. General controls
4. Conflicts of interest

Controls on expenditure

Bank mandates /instruction and cheque signatories

1. Two signatories are required for all cheques and electronic fund transfers . the finance/admin staff is responsible for ensuring that documentation accompanying a cheque is correct , and will seek approval from the executive director or the finance/admin manager for large or unusual items .
2. The finance staff maintains a register of cheques and electronic fund transfers issued by GFO and cheque and Executive finance team listing are presented to the finance/admin manager for ratification /approval
3. Those authorized to sign cheques on behalf of GFO are
 - a) 2 members of the Board and /or finance team/committee
 - b) Treasurer
 - c) Executive Director
 - d) Finance/Admin Manager (the finance /admin manager is responsible for ensuring cheque signatory information with banking institutions is up to date) .

Bank Accounts :

- b) Two authorized signatories are required to approve a transfer of funds between any two GFO accounts .
- c) The finance/admin manager is responsible for ensuring that all bank reconciled on regular basis .
- d) The Accountant is required to review and sign the bank reconciliation statements, also reviews and ratifies the cheque register ,including electronic fund transfers .
- e) The Bank account is used for petty cash transactions and is reconciled at end of month , due to low activity .

Payment and Advances

➤ Accounts Payable:

- GFO is committed to promoting and maintaining positive business relations with its suppliers and accordingly , seeks to ensure payment within any contractually agreed terms maintains a minimum disbursement cycle 30 days .
- During months of negative cash flows the Disbursement cycle is to be increased to >90 days where possible .
- All purchases over 300 USD limit and less than 500 USD limit must have prior authorization from the Executive Director or the finance/admin manager .
- The program Director or manager have authorization to spend up to 500USD within the limits of the approved budget .
- Purchases over 500USD limit require approval from the finance committee or treasurer and the cheque must be co-signed by a Board member .
- Exception to this is payroll transaction and benefits which are signed off by the Executive Director , manager . see Delegations .
- The financial / admin staff is responsible for ensuring all purchases have the necessary approval before processing purchases .
- Payments to vendors may be made either by cheque , cash or electronic funds transfer (EFT) .
- When a vendor is paid by EFT, remittance advice/supporting document will be faxed . See cheque Signatories .

Advances :

- Any advance must be approved by the Board of Directors .
- Any approved advance requires the signatures of a Board member or Board Treasurer and the Executive Director on financial bank or other institutional documents .

Petty cash Fund

1. A petty cash fund is maintained in the office
2. To claim petty cash staff or board member needs to fill out a petty cash voucher .
3. To provide receipts , and is reimbursed in cash up to 50 USD value .
4. It is preferred that a receipt is turned in at the same time , however , sometimes the cash is given out first . in either case a voucher should be filled out .
5. When the receipts is received in cash up to 50 USD value .

6. If unable to provide a receipt, they must provide appropriate documentation (expense claim form) stating the amount to be claimed, what the expense was, and the date it was incurred.
7. The financial/admin staff balances petty cash and replenishes the petty cash as necessary.
8. The amounts of cash and receipt totals must always add up to the amount of the original petty cash cheque.
9. A cheque must be written for any amount to replenish petty cash and cashed.
10. Petty cash must be controlled by a designated person (custodian) who is accountable for the funds.
11. It must be kept in a secure location in a safe.
12. The receipts must be expensed to the appropriate expense account in the accounting records or chart of account (COA).
13. The petty cash must be checked from time to time by the finance/admin manager to ensure that the funds are being properly managed, and at least every quarter.
14. Other section content headings
 - staff responsibilities
 - Estimates and tendering
 - Approvals for capital expenditure
 - Building projects

Controls on income

- invoicing, debt collection and income collection

Accounts Receivable :

- Accounts receivable are managed by the finance/admin staff and invoices are sent out weekly or monthly. Reminder letters for renewal of membership are also sent out monthly. Payments received are managed by the finance/admin staff, that is, processing payments and bank deposits. Documentation is maintained by the finance/admin staff.
- All invoices must contain notification of "payable within 15 days."

Gifts, Donation and In-kind

Charitable Receipts:

- GFO is a registered charity with the HAC state, charitable receipts must be issued under the following condition:
 - Transfer of property (not services) to the GFO

- Transfer must be voluntary
- Donor must be voluntary
- Must be charitable for the good of society
- Income from fees
- Grants and contracts
- Costing and recovery of overheads
- Deficits and Surpluses

Controls on financial accounting

1. Chart of accounts (COA) .

- The chart of account is a detailed listing with description of all the account , or records of each business transaction , of GFO
- The chart of accounts is used to keep track of the income and expenses of the organization. It serve as a sort of detailed table of content for the general ledger. The structure and headings of accounts should assist in consistent posting of transaction with each nominal ledger account being unique to allow its ledger to be located .
- The chart of account should correlate to the categories in the budget so that they can be easily compared .
- The chart account should be as simple as possible and be revised over time as needed with detailed descriptions of categories .
- GFO shall devolpe and maintain a comprehensive COA .
- The finance/admin manager is responsible for devolping and maintaining a COA on behalf of the Borad of Directors .
- Budgets and financial reports shall be prepared in accordance with the COA and should be correlated as such .
- The Finance/Admin staff are responsible for complying with the COA descriptions on every business transaction .
- When and if required the finance /Admin staff will notify and seek the approval of the finance /Admin manager for any changes to the COA .
- The finance/Admin manager will notify the finance committee and/or Borad treasurer of any such changes to the COA .
- The finance committee or borad treasurer will sing-off on any changes and ensure that the COA ia updated accordingly .
- Where such changes will render/prepared the finance reports to be non-comparable , a detailed report will be issued to the borad along with the new

financial reports detailing the changes , impact on financial information comparability and a table outlining and comparing the changes for ease of tracking and understanding the changes .

2. Filing System Policy

Retention & Management of Financial Record

- GFO maintains a centralized filing system for policy and project-related files .
 - staff are responsible for keeping the files relevant to all projects including funding agreement .
 - The finance / Admin Manager is responsible for ensuring compliance with maintaining the central file (s) on each project as specified above .
 - All financial records are kept for a minimum of 7 years or depend on donor requirement .
 - On an annual basis , the finance / Admin manager will cull Documents from the central filing cabinets . This ensure filing system are current and unnecessary storage is reduced .
 - Regular review of the files also assists in the transfer of relevant information in the event of staff turnover .
 - When culling files , they should make a decision as to whether material should be :
 - Archived at (GFO)
 - Disposed of .
 - in general , GFO staff are responsible for maintaining files relevant to their own projects and areas of responsibility .
 - Copies of key documents should be forwarded to the finance/Admin office (a job number will be allocated at this time.
 - The documents kept in the central file include :
 - The funding submission
 - The funding agreement
 - The project budget
 - Any correspondence with the funding agency
 - Copies of all reports and acquittals
 - Copies of any agreements with contractors involved in the project .
- In order to ensure centralized record keeping , the finance / Admin Manager also maintains copies of :

- Statutory documents
- The certificate of incorporation /Registration
- Source documents such as insurance policies
- Members list

The finance/Admin Manager is responsible for disposing of information and files as necessary to maintain proper records . Once no longer required , confidential documents are to be shredded/torn/Wavering .

- Generally this includes Board papers , financial information , and job applications . Any personal information about individuals that is acquired should also be shredded .

- General information that is not considered sensitive can be placed in the paper recycling .

- Any material which is more than 10 years old is usually discarded in order to save storage space except for GFO (list any document that apply)

3. Audits

- as Non-profit organization , regestered under the HAC, GFO is requiered to have an annual audit of its accounts.

- GFO auditor is chosen by the issuing an RFP every three years . the finance/Admin manager and/or the Audit committee and/or finance committee (or other designated individual) is responsible for selecting the auditor and overseeing the annual external Audit .

4. GFO shall conduct an internal audit at least every two years , more often if required and directed by the Board .

5. The finance /Admin manager and/or the Audit committee and/or finance committee(or other designated individual) is responsible for coordinating and overseeing the internal Audit.

6. The following members are excluded from participating in an internal audit :

- The bord chir
- Tresurer
- Member of the finance committee
- Finance manager
- Finance staff , ED/chief executive officer CEO (list any other segregation of dutyrequierment)

The chair of the Audit committee or internal coordinator must be an accountant, experienced finance manager external to the organization or an experienced senior manager internal to organization who.

4 . Reconciling cash book to bank

- Bank Reconciliation :

- All of the organizations bank accounts are reconciled each month .
- Bank statements must be reviewed and accessed by someone who is not a cheque signatory .
- They reconcile the account independently of the Treasurer or finance/Admin manager. If this is not possible then the treasurer or finance/Admin manager can reconcile the bank account each month. However, the reconciliation should be regularly (at least quarterly) reviewed by another board member who is not a cheque signatory . This is an important internal control that must be complied with.
- When the organization receives its bank statement each deposit in the cheque book/Bankbook/Cashbook must be checked against the bank statement.
- The bank statement should be collected by the end of the month to avoid delays in the bank reconciliation monthly and allow for end-of -month closing within 3-5 business days.
- If a monthly report is prepared then it must be reconciled to the last transaction included in that monthly report.
- A file of bank statements and cancelled cheque must be maintained . These must be stapled or rubber banded together to the respective reconciled bank statement or if too numerous can be kept in their own file (s)
- Statements are to be filed by month
- Deposit slips must be stapled or otherwise as above , to each statement .

f) Reconciling Expense ledger(cash disbursements)

a) Cash Disbursements Journal:

- GFO must maintain a cash disbursement Journal as listing of all cash spent in the order that it was spent .
- Each expenditure is assigned to the appropriate category and must correspond with the line items in the COA and in the budget
- Any invoice or bill is approved by the person who knows why the expense was incurred .

- Approvals for reimbursement must be performed by an individual other than the one receiving reimbursement, at all times.
- Paid invoice must have the cheque number written on the paid invoice and must be filed in numerical order or if numerous, alphabetically by payee.

6.Reconciling income ledger (cash receipts)

b) Cash Receipts Journal :

- GFO must maintain a cash disbursement Journal as listing of all cash spent in the order that it was spent.
- Each expenditure is assigned to the appropriate category and must correspond with the line items in the COA and in the budget.
- The authority to approve invoicing is restricted to the ED.
- To avoid any difficulties or complicated situations most of the invoices must originate with the finance/Admin Manager.
- Other section content headings
 - Taxes and return
 - Reconciling income ledger (cash receipts)
 - Reconciling payroll control
 - Regulations of cash reconciliation account (CRA)

7. Practicing Budgetary Control

c) Budget preparation and control

- The ED/CEO and the finance/Admin Manager coordinates and prepares the overall budget for the organization for the calendar year.
- GFO financial year operates from January to December 31
- Once prepared, Executive committee and/or finance committee must approve the budget.
- The ED presents the budget to the Board for final approval
- Financial reports are then prepared in relation to the budget
- Financial reports to the Board are required every reporting period (3month) and comprises a Balance sheet, Income statement, statement of cash flows and YTD Budget Comparison.
- Budgeting for specific projects is undertaken separately in most cases, the designated project manager will prepare a budget in consultation with the finance/Admin Manager.
- The ED must approve the project budget before it is included in a submission

- Formula which takes into account :
 - Operational costs utilities , stationery , insurance
 - Labor costs (project management , supervision , publication & administrative support)
- The project Manager and finance/Admin Manager are responsible for acquitting /clearing project funds and where required , arranging an audit of project financial reports .
- The ED is responsible for final approval prior to submission to funding bodies or to the Board as part of the financial statement .
- In some instances, the funding body may accept a copy of GFO annual audit of all project activity in the GFO financial year.
- Acquittals ,along with audited financial reports ,are then submitted to the relevant funding body. Use of any surplus funds is negotiated with the funding body where possible or zero balanced.
- Equipment purchased for a project (e.g computers) remains the property of GFO unless the funding agreement states otherwise .
- Other section content headings
 - Resource Allocation
 - Powers to amend budgets and spend reserves
 - Budget Reporting
 - Budget deficits and surpluses

8. Controls on Human Resources

- Staff salaries
 - GFO payroll is run on a monthly/periodical basis .
 - staff can be paid by EFT or by cheque , depending on organizational practices .
 - If an employee is taking annual leave or any kind of leave , a leave request form must accompany the timesheet and must be approved by ED/CEO or senior Managers .
 - The financial administrative staff is responsible for entering details onto the payroll system .
 - Payroll is approved by the finance /Admin Manager .
 - Funds are then transferred electronically and/or cheques drawn up , and
 - Pay advice slips issued to staff .
 - Payment of annual leave in advance is to be by mutual agreement .
 - Only the ED has authority to approve annual leave payments in advance .

- Changes to payroll or staff promotions or pay increases must be approved by CEO and /or finance committee .
- Time-in-lieu (flextime) is not allowed to be accrued to the following year and must be used up in the year it was accrued .
- The ED may approve accruals beyond the first year under special circumstances , or a planned extended vacation requiring additional time (like overseas travel) .
- staff benefits are not be adminstrated as per benefit policy and employment contract .
- The ED approves all employee benefit packages .
- Finance/Admin staff is responsible for enrolling new employees and providing assistance as required under the direction of the financial/Admin Manager .

9. Casual staff and consultancy

From time to time GFO will seek to contract out work , rather than employing a new staff member . this may provied advantages to GFO if a project is time-limited or requires specialist skills .

When deciding to contract out work issues taken into account include:

- Impact on GFO resources on-site
- Availability of skills required to complete the project
- Value for money .

When seeking to cotract out work :

- The ED seek expression of interest from appropriate contractors, usually through selective invitation process.
- Prospective contractors are given a brief and asked to provide a project plan , budget , and evidance of relevant skills/resources needed to undertake the project .
- GFO has a standard consultancy agreement which it uses with contractors and consultants.

The agreement covers matters such as :

- Arrangement for payment
- Project management
- Insurance
- Intellectual property
- Variation to contract
- Resolution of disputes , and

- Termination /closure
- A specific project plan or schedule is attached to each contract , specifying outcomes for the project .
- A contractor checklist is also available in the accounts section of the network drive .

10. Reimbursement of expenses

- Staff are paid meal allowances and reimbursed for vehicle expenses incurred when using a bus transportation , according to the cash reconciliation account (CRA) as per GFO approved policy .
- The ED or financial/Admin Manager should approve travel outside of the specified area in advance .
- The ED or finance/Admin Manager will determine the most cost effective method of travel they can claim the travelling time which the trip would have accrued if the most cost effective method had been taken .
- Staff members wishing to take leave in conjunction with work -related travel should claim the travelling time in the trip would ordinarily involve , and take the rest as leave .
- Reasonable expenses will be reimbursed by prior agreement with their supervisor . This means volunteer anticipating claiming such expenses should discuss the matter in advance .
- Other section content headings :
 - Benefits
 - Severance , early - retirement and other non-recurring payments.
 - Staff complement .

11.Controls on physical assets

Assets Register and Depreciation

- The finance/Admin Manager is responsible for maintaining the assets Register and Depreciation Schedule .
- All assets must be listed on the Register with original purchase documentation -copy only to be kept with creditors, documentation .
- GFO depreciation all capital purchases over \$10,000 over a four-year period
- Asstes purchased for specific projects are interned on the asset register and depreciated as GFO assets , however , the full cost of the purchase is charget to the project budget
- ITS Control Assets .

➤ **Computer equipment, software and data**

- All GFO desktop computers are networked and have internet access
- The IT manager or financial/Admin Manager maintains the server in the first instance .
- GFO also uses IT contractors when necessary
- Servers are located in the server Room or by cloud computing service provider, with printer servers at any designated locations .
- All software owned by GFO is kept in the server room or in the finance /Admin managers office , to which access is limited
- Virus protection updates are downloaded weekly from the internet .
- Staff members are responsible for their own data storage on the system that is organizing their sub-coordinators and culling disused files .
- The IT Manager , finance/Admin manager ,IT Contractor or computing Service Provider backs up the shared drive daily .
- Material more than seven years old is archived electronically and/or written onto a hard disc .
- The IT Manager or Financial/Admin Manager has responsibility for liaising with technicians , and providing advice to management regarding IT issues .
- They also provide an IT orientation to new staff members and are available to provide IT support .
- All staff have access to the GFO contacts, database , but editing access is limited to the financial/Admin Manager or IT Manager .

➤ **Other equipment**

- **Projectors and SMART Boards :**

- GFO has projector, a SMART Board and overhead available for hire .
- The equipment is stored in the server room except for the SMART Board which is in the meeting room .
- Bookings are handled through Reception
- Hires are asked to sign a form that details terms of hire and rates .
- Different rates apply to members and non-members .
- Hirers are encouraged to get a receipt from the front desk when they return the equipment .
- The equipment is provided free as part of meeting hire .

➤ **Photocopiers :**

- Access to GFO has photocopiers is by security code .

- GFO staff use a general GFO code number, though project staff are allocated different numbers for different projects .
- Individual staff members using the photocopiers for personal material can also have their own code .
- Sub-tenants / lease in the building are allocated separate codes .
- The financial/Admin Manager does regular readings and allocates Costs to different codes .
- Front office staff are responsible for maintaining the photocopiers on a day-to-day basis (e.g changing toner cartridges , supplying paper) , and the lease arrangement is managed by the finance/Admin Manager .
- **Telephones and Cellphones** : All calls to GFO come to the main office number and are then referred to each staff member's individual extension .
- **Management and certain staff** positions are allocated mobile phones .
- **Staff members** who use their own mobile phone or land line for work can claim for reimbursement of costs , but this needs to be negotiated in advance with the finance/Admin Manager .
- **Long distance phone calls** require approval from the financial /Admin Manager and a code for access .
- **Meeting Room**
- **GFO has one** meeting room available could be hired to the public .
- Rates for meeting room hire are determined by the ED or financial/Admin Manager and are competitive .
- Some equipments are available for hire from GFO
- Booking for the meeting room are managed through reception /Admin
- All books are recorded in a central meeting room book which is kept at the front desk.

1.2 Financial Policies

1.2.1 Financial Responsibilities

1. GFO is a non-governmental no-profit organization, registered at Nyala South Darfur in January 2006, will be renewed every year. Its financial management policies are established by the Board of Directors which has fiduciary responsibility.
2. The Board of Directors may delegate limited authority over its financial affairs to the treasurer who functions as Chief Financial officer and to the other

appropriate staff of GFO; however the Board retains full responsibility and fiscal authority .

3. The Treasurer works directly with the Executive director to oversee the management of fiscal procedures and regular reports on financial position and investments to the full Board.

4. The Executive Director is the staff person responsible for day-to day operations of GFO and accountable to the Board of Directors.

5. The following fiscal policies and procedures have been approved by the Board of Directors November 2017.

1.2.2 Revenue/Income

1. Revenue is an association of organization and individuals with organized charitable giving programs.

2. The mission is to connect, inform, develop and inspire a diverse group of foundations and corporations to stimulate effective philanthropy in South Dakota.

1.2.3 Commitment Authority

1. It is the policy of commitment/obligation/contract to grant authority to make commitment authorize payments of invoices and/or sign contracts to the Executive Director as long as the full cost of the commitment has been included in the board approved budget for payment, and/or signing a contract are not included in the budget, the Board of Directors approval is required before the commitment can be made, approval authority is given to chair or another designated Board member.

2. The executive Director has the authority to enter into multi-year contracts when the commitment has been included in the board approved budget and the total cost doesn't exceed a **set dollar value**, except in the case of leases and capital expenditures.

3. Approval authority of leases and capital expenditures is given to the chair or other Board designated Board member.

In all matters in which services or programmes valued at set dollar value or above are to be purchased or contracted, even when such purchases or contracts are included in an approved budget, the Executive Director is to solicit at least two, and preferably three bids from qualified providers .

The executive director should seek recommendations from the chair or other designated board member before committing to a provider.

1.2.4 Disbursement Authority

1. It is the policy of sign checks to give disbursement, including check signing authority to the Chair, Vice-Chair and treasurer of the Board of Directors as well as Executive Director.

2. The Executive Director shall not sign any check made payable to self nor authorize any other non-approved disbursement to self.

3. All disbursements require approved invoices or expense vouchers.

A check in excess of a set dollar value requires two signatures, one of which may be that of the Executive Director unless the Executive is the payee.

4. The person who approved the invoice or expense voucher may not sign a single signature check.

1.2.5 Record Keeping

A copy of every check or other disbursement is attached to the corresponding invoice and kept for a period of seven years.

1. Fund Receipt and source of fund

1.1 source of fund

GFO receives fund from the following sources:

- 1) Donor supported project fund
- 2) Membership fees
- 3) Grants donations received from charitable organizations and individuals
- 4) Awarded fund received from UN Agencies, International NGOs.

1.2 GFO basic fund

The following are identified as GFO's basic program:

a. GFO's administrative expenses included :

- Office and warehouse rent
- Utilities
- Administrative, Personnel, ICT officer
- Vehicle rent and running cost
- And laborers

b. Humanitarian provision as well as recovery and development

c. Community based development and peace co-existence .

d. Livelihoods support

e. WASH

f. Any program coming to GFO must allocate some funds to support these basic program,

GFO financial book

General Ledger(GL) Definitation :

A general ledger is an intities main account records to summraize and compile monthly totals recorded used of financial activities .General ledger balances are core for the preperation of the monthly trial balance ,and the preperation of the financial systems .Ageneral ledger is acomplete record of financial transectaions over the life of an intity .the ledger holds account information that is liabilities ,owner's equity ,revenues and expenses .

Payments policy :

We need this polict to:

1. Establish sound management practice on payments or disbursment (GFO of all types of vinders,consultant and government offices and if any employees ,suppliers ,partners ,andect
2. Have strong system of external control on the fund disbursed by the GFO.
3. Necessary to ensure theproper management of the resources intersted to the organization .
4. Manage payments and expenses appropriately also support the provision of accurate ,relaible and timely inormation to be used to make financial decisions .

The scope of the capabilities of the application of policies :

This document applies to all forms of payments rather in cash or check.

Financial Policies

1. Must be only payment of the basis of complete and adequate documentation such as invoices ,receiving report or other documents are supported.
2. Account code :payments not be processed ,check are not prepared accounting and restrictions are not introduced unless the ccount code properly and indicate that the document presented are adequate and appropriate,and must have obtained the necessary approvals to do so.
3. It should be based on the limits of the approval of the payments on the approval of the office matrix.
4. In event that the organization offices use electronic banking system must comply with the policies and procedures of electronic banking services for payments or money exchange through elctronic banking facilities .

Cash payments Principles

It is related to an internal control that would reduce the risk of theft or loss accruing during the preparation and licensing and distribution of funds for the purpose of payment to :

- Supplier
- Consultant
- Government offices and line ministries
- Staff and the like
- Contractor

This section also covers the controls relating to banking operations ,petty cash and wire transactions

Policy of Segregation of Duties

1. Definition: segregation of duties is the means which are not eligible for one person alone to control financial or other treatment cycle ideally,there shouldn't only be the one person able to start the process, recorded and the ratification and adjustments of financial transaction.

2. Purpose :it should be for all organizations separate functional responsibilities .segregation of duties confirms that mistakes ,intentional or unintentional can not be done without detectable only by some one else.

Signatories to cheque books

Cheque signer responsibilities

- cheque signers are responsible for ensuring any payment they approve is accordance with GFO financial policies
- the Cheque signer is responsible for reviewing the documentation for completeness and accuracy before signing the cheque .in case of electronic payments the authorized approvers are responsible for checking the documents before approving the release or transfer of payments, Cheque signers should take this responsibility seriously and should not sign cheque casually or just because there is a need to rush payments .when cheque signers are not content with the documentation provided to them thus requiring additional information from prepares ,they have the responsibility to request for additional supporting documents or ask questions to their satisfaction in accordance with the financial policies or any policy of GFO. The General director of GFO ,it's treasurer and one other office bearer will be signatory to GFO's Cheques .money can be released by the signatures of two

signatories A and B. however, any cheque of more than 15,000 USD will require the signature of the Board of Directors

Petty Cash Fund

A petty cash fund of USD 500 is kept in the sever to cover payment not exceeding USD 150. the accountant/office administrator will handle this account and is to be liquidated upon replenishment system and report to the finance accountant every month,

The General Director and /or Treasurer will ensure proper handling of petty cash fund through surprise checks from time to time.

Control over the payments documentary cycle

Payment Procedures:

The recording system of GFO's financial transactions allows monitoring bank balances, status of fund receipts and expenditures, and a comparative statement of budget vs. actual expenditure on regular basis.

The following set of financial reports will be prepared by GFO :

A. Financial reports will be prepared for review by each individual project manager of GFO's specific project as well as of its core activities. this report will be reviewed by the board of GFO. financial reports to donors will be submitted as prescribed in the agreement between donor and GFO

B. Annual balance sheet and statement of income and expenditure will be prepared for each fiscal year.

1. GFO's Internal Audit committee Members:

1. Board of Directors
 2. Executive Directors
 3. Finance manager
 4. Treasurer /Accountant
 5. Admin Manager
 6. HR Manager
 7. Program Manager
 8. Project Manager
 9. Internal Auditor (Streamlines/Updates the GFO accounting systems and procedures).
 10. Procurement Manager
 11. Staff Safety officer
2. GFO's Finance Committee Members:

1. Board of executive
2. Finance Manager
3. Finance Staff
4. Procurment officer
5. IT officer
6. Any other segregation of duties requirements

The following members are excluded from participating in an internal audit:

- The Board Chair
- Treasurer/Accountant
- Members of the Finance Committee
- Finance Manager
- Any other segregation of duty requirments

3. GFO's Audit committee is resposibility of:

The GFO audit committee is responsble for :

- External Auditor Selection and evaluation criteria
- Overseeing the coordination of the external auditor ,
- Reviewing the external auditor's report and letter to management;
- Ensuring communication annd reporting lines between the Executive Director,staff and the audit committee;
- Monitoring and assessing the external audit effectiveness

The audit committee (or management)may also perform:

- Organize for inerim financial audit,distributed internally,for improving the reliability of information used for decision making and for identifying potential materials problems early;
- Apecial assignments,such as improving internal control in agiven area or implementing afraud prevention program and,
- Coordinating/establishing and internal audit task force

4. Finance & Audit Committee

GFO's Finance committee is chaired by the board Treasurer and is responsible for monitoring significant financial planning ,management and reporting matters of GFO's ,makes recommendations and delivers reports to the Board of Governors,and may serve as the Board's external audit committee coordinator, Finance Committee has the Responsibility

The Finance Committee has the responsibilty to:

A. Make recommendations for Board approval and /or deliver reports to the Board in the following areas:

1. Annual operating and capital budget
2. Annual audited financial statements
3. Appointment of auditors
4. Policies related to financial management
5. Provide information to the Board on
6. Significant financial planning management and reporting issues
7. Interim financial reports
8. Reports from auditors and management on internal control issues and other matters.

Payment method-Payment by Cheque

All payments shall be made by cheque unless within payments policies marked **see page 7**

Payments for purchases exceeding USD 150 shall be made by cheque.

Payment for services rendered

Payment for staff salaries: Staff salaries are paid within seven days following the completion of the month ;the month is 22 days, individual cheques are to be issued to the employee concerned.

Staff payroll

Staff payroll (salary sheet) is prepared by the Accountant as basis of payment, the staff payroll contains information on the employee's basic salary for the month, allowances if any deductions and net salary payable, The staff payroll is checked by the treasurer and/or Secretary General and approved for payment by the Executive Director.

Advance Pay

GFO's employees may take advance payment of up to 3 months (after completion of 3 months probation), if urgently required, The advance must be returned/reimbursed before the end of that particular fiscal year.

For travel purposes, GFO employees shall be given cash advances for expenses covered on official trips, Request for cash advances is prepared by the personnel concerned recommended by the treasurer of General Secretary and is approved by the General Director, All cash advances for travel are to be liquidated within a week following the completion of the trip.

Payment for Contractual Services

Payment for contractual services is done through cheque disbursement. the schedule of payment depends on the terms of reference (TOR) agreed upon by the personnel concerned and GFO. Payments are covered by a Request for payment from prepared by the accountant and approved by the General Director.

Approved by Board of Director

Name.....Signature.....Date