



**Restoring Hopes, Inspiring Actions, Transforming Lives !!!**

**CHRISTIAN ACTION FOR RELIEF AND DEVELOPMENT**

**CARD'S**

# **FINANCIAL**

**Accounting Policies and Procedures Manual**

## CONTENTS

<b>Section 1. CARD's Mission, Vision and Core Values.....</b>	<b>4</b>
<b>Section 1. Introduction .....</b>	<b>6</b>
<b>Section 2. Financial Ethical.....</b>	<b>7</b>
<b>Section 3. Division of Roles and Responsibilities.....</b>	<b>8</b>
<b>Section 4. Committees.....</b>	<b>10</b>
<b>Section 5. The standard Chart of Accounts.....</b>	<b>23</b>
<b>Section 6. Cash Receipts .....</b>	<b>24</b>
<b>Section 7. Petty Cash Management .....</b>	<b>24</b>
<b>Section 8. Checks and Invoice Policy .....</b>	<b>26</b>
<b>Section 9. Payroll Management Procedures.....</b>	<b>29</b>
<b>Section 10. Contracts of employment .....</b>	<b>35</b>
<b>Section 11. Bank Reconciliation Policy .....</b>	<b>38</b>
<b>Section 12. General Ledger .....</b>	<b>40</b>
<b>Section 13. Financial Reports procedures .....</b>	<b>44</b>
<b>Section 14. Asset Management Policy .....</b>	<b>52</b>
<b>Section 15. Vehicle Management.....</b>	<b>57</b>
<b>Section 16. Fundraising Policy.....</b>	<b>60</b>
<b>Section 17. Policy for the Acceptance/Refusal of Donations.....</b>	<b>65</b>
<b>Section 18. Reserve Policy .....</b>	<b>70</b>

**Section 19. Document Destruction and Retention Policy..... 73**

**Section 20. Policy Governing Whistleblower Protection ..... 78**

**Section 21. Purchases and disbursement procedure ..... 80**

**Section 22. Conflict of Interest..... 81**



## Section 1. CARD's Mission, Vision and Core Values

### **Vision**

Transformational Christian Development Agency in Africa, Equipped to Transform Vulnerable Community's Lives Wholistically.

### **Mission**

To equip A Transformational Christian Development Agency for the Transformation of Vulnerable Community's Lives Wholistically, Through Integrations of Community Developmental Innovative Programmes, Community Empowerment and Stakeholders Engagement.

### **Motto**

Restoring Hopes, Inspiring Actions, Transformation Lives!!!

### **Core Values:**

#### **Mutual Respect and Dignity.**

Its requirement to all staff to recognize the innate worth of all people and the value of and appreciated the diversity, respect opinions, personality of others.

#### **Stewardship**

We strive to take good care of the resources, assets we are entrusted with and to sure that they are used accordingly and for the glory of God.

### **Christian Ethical Values**

We are committed to love our neighbours as we love ourselves & care for one another, by willingly sacrifice our own resources for the good of other's, where divine require we go down on knees and pray for God intervention. What is hateful to us, we don't do it to our fellow being. This is the entire core value; all the rest is commentary.

### **Faith, Hopes with Determination**

When hope is crushed, the heart is crushed but a wish come true fills you with joy" (Proverbs 13:12) our faith is built on what we know is there though we cannot see it now but we are sure of getting it. It's by faith that keeps us moving on ward with determination to face the present challenges and hope the future will get better than the present time.

### **Excellence in Services Delivery.**

We are yearning to offer quality products and excellence service that is worth, acceptable, meaningful and relevant to the needs of the people.

### **Equity, fairness and justice for all.**

We are endeavour to equity, fairness, justice for all & equal of opportunity, fairness in wages, justice for everyone, irrespective of race, age, gender, sexual orientation, colour, class, ethnicity, disability and location or religion.

### **Transparency, Integrity & Accountability**

We are committed to integrity and transparency in financial report must be accuracy and completeness and making them accessible to stakeholders. To follow policy and procedures and declare nay personal interests that might conflict with official duties and commit to our morals and legal duty principle to give explanation on demand.

## **Solidarity with the Vulnerable Groups and Marginalized Community.**

We Stand up together for the powerless, vulnerable groups and marginalized community and give them necessary materialistic support they need.

### **Teamwork**

We strongly believe in teamwork, because we know together each one of us does wonders and more, divided we each one of us does less. God has given us different talents so that we must live together and work together as a team

## **Section 1. Introduction**

The purpose of this accounting policies and financial procedures manual is to describe all accounting policies and procedures currently in use and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguard from fraud and create public trust and convey integrity by ensuring there is sound policy and procedures put in place to control organization assets and to provide guidelines of grantors and donors are expected to complied with; and finances are managed with accuracy, efficiency, and transparency.

### **1.1. Objectives of the financial Manual**

1. To Provide Efficiency and Accuracy for Sound Financial Management. The ability to make sound financial plans in the form of budgets and then generate timely and accurate financial reports to measure performance is a key element of creating organizational efficiency.
2. To ensure Compliance with External Regulations and Standards, this financial policies and procedures are incorporate the key practices needed to ensure compliance with minimum legal and regulatory requirements and accepted accounting standards set forth by the Financial Accounting Standards Board
3. To outline and clarify the roles and responsibilities, relationship between the Board of Directors and management Board and the staff in the financial matters

4. To ensure the maintenance of accurate records of the organization's financial activities to create a framework for operating standards and behavioural expectations The Executive Director, working with the finance Manager, HR Manager, Logistic officers are responsible for administering these polices and ensuring compliance.
5. To provide guidelines for fundraising and ensure that resources mobilized are properly use in accordance to intended objectives/donor and to be accountable to the donor, individual or foundation
6. To set forth the regulations and procedures of organization asset management policies for governing assets control and to assist personnel maintaining an effective property control of organization.
7. To provide policies for reserves funds to ensure the stability of the mission, programs, employment, and ongoing operations of the organization and to support the goals of organization strategic and operational plans
8. To provide policy on personal interests and to ensure that every employee to exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with or knowledge gained from their position for their personal benefit.
9. To provide guidelines and polices on acceptance gifts and donation to employee
10. To provide Policy Governing Document Destruction and Retention and to ensure that Board, staff and volunteers are aware that it is a crime to destroy, alter, cover up, or falsify any documents.
11. Note: These accounting policies and finance procedures will be reviewed annually and revised as needed by the staff and approved by the Board of Directors

## Section 2. Financial Ethical

The Christian Action for Relief and Development is committed to responsible stewardship of organizational resources. The organization will spend a reasonable percentage of its annual budget on programs in pursuance of its mission and on administrative expenses to ensure effective accounting systems, internal controls, fundraising, competent staff, and other expenditures critical to professional management and organizational sustainability.

The organization will not accumulate excessive operating funds but will maintain a responsible level of reserves to enable our organization to respond to philanthropic trends and opportunities to better serve the organization's mission.

Members of the board and staff of CARD are committed to the following ethical practices:

1. Acting in the best interest of the organization rather than on the basis of personal interests or the interests of third parties.

2. Practicing sound financial management and compliance with legal and regulatory requirements.
3. Employing financial systems to ensure that accurate financial records are kept and that financial resources are used to further the organization's mission and charitable purposes.
4. Creating and maintaining financial reports on a timely basis that accurately portray financial status and activities, provide timely internal financial statements, and explain any material variation between actual and budgeted revenues and expenses.
5. Providing employees and others with a confidential means to report suspected financial impropriety or misuse of its resources.
6. Having written financial policies governing use of its assets, internal control procedures, and purchasing practices.
7. Complying with laws and regulations related to fund raising; licensing; financial accountability; human resources; lobbying and political advocacy; and taxation.
8. Respecting the interests and intentions of its donors, volunteers, and the general public and managing them with the highest level of professionalism and integrity.
9. Using solicitation and promotional materials that are accurate and truthful and identify the organization, its mission, and its intended use of solicited funds accurately.
10. Ensuring that contributions are used in accordance with donors' intentions and obtaining explicit consent before altering the intended use of a restricted gift.

### Section 3. Division of Roles and Responsibilities.

To ensure proper financial management and accountability, it's important that the roles and responsibility of governing board, the executive committee, the board treasurer, and any board committees involved in financial management (e.g., Audit Committee, Finance Committee) are stated out clear and understood. as well as the roles and responsibilities and levels of authority for the Executive Director, senior financial managers such as Finance Manager, HR. Manager, Logistic Manager, Programme Manager, other seniors Project officers or department heads, and other staff involved in finance and administration, such as bookkeeping, accounting, payroll, and other administrative staff their roles and responsibilities are clearly defined.

#### **3.1. The Board of Directors.**



The Board of Directors of CARD, in active collaboration and partnership with the Executive Director, shall frame the issues and think creatively of opportunities and challenges to be met for the CARD to be an exemplary state-wide non-profit support organization. The legal duties and responsibilities of the Board Members are generally outlined in the CARD Bylaws. Each Board Member are conversant, and compliant, with the *bylaw* and its contents.

Most fundamentally, each Director has a duty of loyalty and a duty of care. The following provisions list many of the specific responsibilities and actions required to meet those legal and ethical duties, and effectively govern the organization.

### **3.2. The Roles of the Governing Board of Directors**

1. Adopt, and regularly review, CARD's Mission and Vision statements, and review management's performance in achieving them.
2. Adopt, and regularly review, CARD's Statement of Ethics and Values, and monitor the organization's performance in accordance with those principles.
3. Adopt, and regularly review, broad written policies reflecting the Mission and Values of the organization, within which the Executive Director is authorized to manage the organization and to develop and implement operational plans to carry out the Mission.
4. Regularly assess the environment for the CARD, and develop, in partnership with the Executive Director, strategies to be responsive.
5. Serve as a model for CARD in regard to best practices in governance.
6. Hire, monitor, appraise, advice, stimulate, support, reward, and, if deemed necessary or desirable, replace the Executive Director.
7. Meet as a Board no fewer than 2 times a year, focus on "what matters most," and apply the knowledge and experience of individual Board members to the major challenges facing the organization.
8. Establish Committee structure; adopt, and regularly review, Committee Charters.
9. Annually review and approve the Executive Committee's performance review of the Executive Director, and establish compensation based on recommendations of the Executive Committee.
10. Ensure that the organizational strength and employee base can sustain the Mission and achieve long-range goals.
11. Approve appropriate compensation and benefit policies and practices.

12. Propose prospective board members and fill vacancies as needed. Ensure adequate orientation of new members.
13. Ensure adoption and adequacy of Board leadership succession plan.
14. Periodically conduct self-review of Board performance (including its composition, organization, and responsibilities) and take steps to improve its performance.
15. Ensure that CARD has established appropriate policies to define and identify conflicts of interest throughout the organization and is diligent in its administration and enforcement of those policies.
16. Review compliance with relevant material laws affecting CARD and its programs and operations
17. Ensure that management succession is properly planned.

## Section 4. Committees

### 4.1. The Executive Committee

The Executive Committees, pursuant to Section 10.8 of the Bylaws consisting of no fewer than four (4) Board members, inclusive of the incumbent officers<sup>1</sup>. The chairperson of the Board may appoint additional Board members to the Executive Committee, subject to the advice and consent of the Board. The Executive Director shall serve as staff to the Committee.

The chairperson of the Board chair the Committee.

The Committee meet as necessary and appropriate at the call of the Chairman of the Committee or the Executive Director, and it maintain minutes of all meetings, which are regularly approved by the Committee and distributed promptly to the Board. A majority of the Committee members, present and voting, constitute a quorum.

The primary purpose of the Committee is to have a group of Directors authorized and able to act for the Board between regular meetings and in situations where an assembly of a quorum of the Board would be impracticable or impossible.

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<sup>1</sup> New Hampshire Center for Nonprofits, Charter Executive Committee, January, 5, 2016

Thus, the Executive Committee exists essentially for emergencies, and its powers are specifically limited under Section 10.8(a) of the Bylaws.

The Committee also serves as an advisor to the Executive Director, providing consultation, support and guidance on an informal basis as requested from time to time.

#### **4.2. The Committee Charter:**

The Executive Committee is authorized to exercise the full power of the Board of Directors to act between meetings of the Board upon matters which, in the judgment of the Committee, are of such a nature as to require action prior to the next regular meeting of the Board but do not require calling of a special meeting of the Board of Directors.

Any action taken by the Committee involving exercise of the powers of the Board is to be reported promptly to the Board, and ratified by the Board at the next meeting of the Board following such action. The Executive Committee present to the Board of Directors an annual evaluation of the performance of the Executive Director. The Executive Committee has not power to:

1. Amend the Bylaws;
2. Appoint or remove Directors, or the Executive Director;
3. Approve a dissolution or merger or the sale of substantially all of the Corporation's assets;
4. Adopt the budget; or
5. Take any action that is contrary to, or a substantial departure from, the direction of the Board, or which represents major change in the affairs, business, or policy of the Corporation.

#### **4.3. The Audit Committee (The Committee Charter)**

The Board of Directors establishes a standing Audit Committee, pursuant to Section 12.4 of the Bylaws, consisting of no fewer than three independent Board members (none of whom shall be members of the Finance Committee), appointed by the Board chairperson of the board, with the advice and consent of the Board. The Committee have access to financial expertise, whether in the form of a single individual serving on the Committee, or collectively among the Committee members. The Committee reports to the full Board, and maintains lines of communication with management and the independent auditor. The Committee is not a policymaking body, but to meet as necessary and appropriate, and no fewer than two (2) times per year, upon the call of the Committee Chair, to carry out the following responsibilities<sup>2</sup>:

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<sup>2</sup> New Hampshire Center for Nonprofits, Charter Executive Committee, January, 5, 2016

1. Appoints, approves the fees of, and terminates the independent auditor. Reviews the terms of the auditor's engagement each year and considers auditor rotation at least every five years.
2. Approves any non-audit services performed by the auditing firm.
3. Reviews the scope and plan of the audit proposed by the independent auditor.
4. Oversees the performance of the auditor.
5. Recommends approval of the annual audit report to the full Board.
6. Conducts a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent auditor.
7. Confers with the auditor in executive session to ensure the affairs of CARD are in order.
8. Inquires of management and the independent auditor about significant risks or exposures facing CARD; assess the steps management has taken to minimize such risks; and periodically review compliance with such steps.
9. Reviews the adoption, implementation and adequacy of CARD's internal control structure.
10. Monitors compliance with CARD's code of ethics/conduct and conflict-of-interest policy.
11. Oversees policies and procedures for encouraging whistle-blowers to report questionable CARD accounting or auditing matters.
12. Reviews, with CARD's counsel, any legal or regulatory matters that could have a significant effect on the organization's financial statements.
13. Reviews the findings of any examinations by regulatory agencies.
14. Reviews the policies and procedures in effect for the review of executive compensation and benefits.
15. If necessary, institutes special investigations and, if appropriate, hires special counsel or experts to assist.
16. Prepares an Audit Committee annual report.
17. Performs other oversight functions as requested by the full Board.
18. responsible for the oversight of the performance of the independent auditor, performance, regular, in-depth review of the organization's financial activities and performs
19. The audit committee (or management) 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.
20. Special assignments, such as improving internal control in a given area or implementing a fraud prevention program and coordinating/establishing an internal audit task force

#### **4.4. External Audit Policy**

It is the policy of the CARD to undergo an annual independent audit, under the direction of the Audit Committee, in order to fulfil requirements established by CARD and state regulatory bodies, as well as to ensure on-going accountability to its funders, members, constituents and the general public<sup>3</sup>.

#### **4.5. The audit process shall comply with the following:**

1. CARD registered as a Non-profit organization, non-governmental, non-profit, non-partisan, non-political organization by Relief and Rehabilitation Commission as National Non-profits organization under Chapter 3, Section 10 of NGOs Act, 2016 Act, organization is required to have an internal and external audit of its accounts
2. The audit will be completed no later than four and a half months from the close of the financial period (unless cause for delay can be substantiated and approved by the Audit Committee).
3. The audit will be conducted in compliance with the Audit & Accounting Guide for Not For-Profit Organizations, and generally accepted auditing standards (GAAS).
4. The audit will encompass the entire scope of the organization's activities, including all departments, or entities that operate under the auspices of CARD such as CARD Insurance Services.
5. The selected auditing firm will not be used for non-auditing services except tax form preparation.
6. Every 2 years, a Request for Proposal will be sent to audit firms qualified to provide the type of audit that meets CARD and/or funder need.
7. The Executive Director is responsible for soliciting bids, interviewing firms and making the recommendation to the Board Treasurer and Board of Directors when selecting the firm to be awarded the audit contract. Acceptance of the audit contract will be evidenced by a signed audit engagement letter.
8. The audit is reviewed in detail by the Treasurer, but presented to the board by the auditor and accepted by the Board of Directors based upon recommendation by the
9. The audit shall utilize a two (2) year reporting format on all financial statements
10. Audit footnote disclosures will follow the disclosure requirements as set forth by the most currently applicable accounting standards, and, at a minimum, include the following:
  - a) Description of organization

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<sup>3</sup> New Hampshire Center for Nonprofits, Charter Audit Committee, January, 5, 2016

- b) Description of funds
- c) Description of programs
- d) Description of significant accounting policies
- e) Method for allocating costs
- f) Method for computing depreciation
- g) Method for computing supporting service costs (overhead/organizational administration and fundraising)
- h) Summary of long-term commitments
- i) Summary of significant accounting adjustments

**4.6. The audit draft document and management letter will be:**

- a) Presented to the CARD Audit Committee for review;
- b) Discussed initially with the auditor in executive session;
- c) Then discussed with management; and
- d) Considered and voted upon for approval and recommendation to the Board of Directors for final action.

**4.7. Internal Audit Policy**

It is the policy of the CARD to undergo an annual independent audit, under the direction of the Audit Committee, in order to fulfil requirements established by RRC and Board of Directors regulatory bodies, as well as to ensure on-going accountability to its funders, members, constituents and the general public.

**4.8. The Internal audit process shall comply with the following:**

1. The audit will be completed no later than four and a half months from the close of the fiscal period (unless cause for delay can be substantiated and approved by the Audit Committee).
2. The audit will be conducted in compliance with the A Audit & Accounting Guide for Not For-Profit Organizations, and generally accepted auditing standards (GAAS).
3. The audit will encompass the entire scope of the organization's activities, including all departments, or entities that operate under the auspices of CARD.
4. The audit shall be carryout yearly

**4.9. Internal Auditing roles and Responsibilities**

1. Plans and directs the Organization-wide internal audit program; conducts internal audits; examines financial aid records, procedures, operational and accounting systems of the CARD organization units to determine compliance with CARD policies and RRC regulations; conducts special audits requested by management or the Board.
2. Establishes policies for the auditing activity and directs its technical and administrative functions; maintains audit procedure manuals.
3. Develops and executes a comprehensive audit program to evaluate management controls over all financial activities.
4. Assists in the development of CARD policy and procedures related to Finance and Accounting.
5. Trains administrators and staff on policy and procedures related to Finance and Accounting; reviews implementation of policies and procedures.
6. Examines and reports on the effectiveness of management in safeguarding assets and compliance with established policies and procedures.
7. Prepares written reports of findings and recommends improvements.
8. Reviews all reports of examination and related working papers before distribution.
9. Transmits copies of reports of internal audits and other pertinent information to the audit committee for Finance and the Executive Director.
10. Prepares and makes presentations for Budget and Audit Committee and other Board standing committees.
11. Determines compliance with recommendations of independent auditors and auditors from other international organization and local agencies. Provides technical assistance to management and staff.
12. Assists outside auditors in their annual audit of the CARD's financial statements.
13. Designs and/or performs special examinations or investigations as appropriate.
14. Prepares annual audit schedule of the Internal Auditing.
15. Performs other duties as assigned by the board of Director
16. Provide advisory and consulting services to improve efficiency, effectiveness, and utilization of organization assets.
17. Perform the planning and execution of regulatory, financial, and operational audits and special projects.

18. Assess compliance with governmental and jurisdictional regulatory requirements, financial accounting and auditing standards, and company policies to ensure organization assets are safeguarded
19. Assist in assuring audit practices conform to organization and professional standards.
20. Audit footnote disclosures will follow the disclosure requirements as set forth by the most currently applicable accounting standards, and, at a minimum, include the following:
  - a) Description of organization
  - b) Description of funds
  - c) Description of programs
  - d) Description of significant accounting policies
  - e) Method for allocating costs
  - f) Method for computing depreciation
  - g) Method for computing supporting service costs (overhead/organizational administration and fundraising)
  - h) Summary of long-term commitments
  - i) Summary of significant accounting adjustments

**4.10. The audit draft document and management letter will be:**

1. presented to the CARD Audit Committee for review;
2. discussed initially with the auditor in executive session;
3. then discussed with management; and
4. Considered and voted upon for approval and recommendation to the Board of Directors for final action.

**4.11. The Finance Committee**

The chairperson of the Board appointed a Finance Committee, consisting of no fewer than five (5) members, inclusive of the Board Treasurer and at least two other Directors. Section 12.6 of By-Laws. The Executive Director serve as staff to the Committee. The Committee include other non-Director persons whose experience in accounting, finance, or business may assist the Committee and the Board in the performance of their financial oversight responsibilities.

The Committee reports to the Board.

The Treasurer shall chair the Committee<sup>4</sup>.

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<sup>4</sup> New Hampshire Center for Nonprofits, Charter Finance Committee. January, 5, 2016



The Committee shall meet no fewer than six times per year, at the call of the Chairman of the Co3mmittee or the Executive Director maintain minutes of all meetings, which shall be regularly approved by the Committee and made available for distribution to the Board.

**4.12. The Committee Charter:**

1. The Finance Committee coordinates the Board's financial oversight responsibilities.
2. The finance committee responsible for the planning, development, implementation, monitoring, and evaluation of CARD's policies and programs for funding, financial management, facilities management, assets, risks, and insurance.
3. The Committee monitors CARD's financial records; reviews and oversees the creating of accurate, complete, timely, and meaningful financial statements to be presented to the Board;
4. The committee reviews the annual budget and recommends it to the full Board for approval;
5. The committee monitors budget implementation and financial procedures, and anticipates financial problems.
6. The committee monitors and ensures safeguarding of assets; monitors compliance with RRC, and CARD financial policies and other financial reporting requirements; and helps the Board understand CARD's finances.
7. The Committee work with the Executive Director and Treasurer in developing long-range financial and capital plans, and perform such other duties as may from time to time be required by the Board.
8. Provide information to the Board on: Significant financial planning, management and reporting issues, Interim financial reports and Reports from auditors and administration on internal control issues and other matters.

**4.13. The roles and Responsibilities of Finance and Audit committees (Establishes and Monitor polices for)**

1. Financial policy & budgeting
2. Selection & supervision of auditors
3. Review and recommend to the Board annual operating & capital budgets
4. Monitor creation of financial statements
5. Risk management
6. Financial management & reporting
7. Long range financial & capital plans
8. Compliance with reporting & other legal requirements
9. Adequacy of internal controls

10. Compliance with conflicts of interest & other code of conduct policies
11. If & when necessary, institute special investigations

**4.14. Delegations of powers for financial responsibilities.**

**Position Business Activity delegations financial delegations Board Chair**

1. Authorised to sign cheques on behalf of organization
2. Ratifies cheque and general ledger Board Members
3. Board members who are signatories to the bank accounts authorise expenditure over a set dollar limit.
4. Authorised to sign cheques and Electric Funds Transfers on behalf of organization
5. approve expenditures up to a set dollar limit
6. Authority to organisation over spend budget by up to a set percentage of the budget
7. Approves organisational budget
8. Approve Finance Manager Reports
9. Approve budget variations Finance Manager
10. Manage bank accounts
11. Prepares and approves finance reports to the board of Director
12. Authorises and signs all official financial organization correspondence

**4.15. Program Committee**

The Program Committee, a standing committee reporting to the Board of Directors, is established pursuant to Section 12.7 of the Bylaws to consist of no more than three (3) Board members, appointed by the chairperson of the Board.

The Executive Director serve as staff to the Committee. The Committee may also include other non-Director persons whose experience and qualifications may assist the Committee and the Board in the performance of their oversight responsibilities. A majority of the Committee members, present and voting, are constitute a quorum.

However, at all times a majority of the Committee, and a majority of a quorum, is consist of Board members.

The Committee meet as necessary and appropriate at the call of the Chairman of the Committee or the Executive Director is tasked to maintain minutes of all meetings, which will be distributed to the Board, preferably in advance of the next regularly scheduled Board meeting.

The purpose of the Committee is to provide strategic planning support and policy oversight to ensure focus and direction of programs and services.

#### **5.16. Committee Charter:**

1. Acting with the Executive Director, the Program Committee is charged to:
2. Develop and recommend to the Board of Directors policies and procedures governing the programs and services to be offered by CARD to subscribing members and the public.
3. Provide policy guidance and consultation for the Executive Director in setting priorities for programs and services.
4. Establish policies and guidelines to assist the Executive Director in setting the fees to be charged for programs and services offered by CARD.
5. Establish policies and guidelines regarding to assist the Executive Director in considering fees for outside presenters and providers of services offered by CARD.
6. Establish policies and guidelines within which the Executive Director is authorized to enter collaborative arrangements with other organizations and providers of services.
7. Ensure that CARD:
  - a) Has in place a program evaluation process that measures the extent to which CARD is achieving its mission;
  - b) Regularly uses the evaluation data to inform and continuously improve CARD programs;
  - c) Uses evaluation data to educate the community (including funders) regarding the work and effectiveness of CARD and its programs.<sup>5</sup>

#### **4.17. Chief Finance Officer**

The financial management policies are established by the Board of Directors which has fiduciary responsibility. The Board of Directors may delegate limited authority over Section 12.9 of By-Laws its financial affairs to the Treasurer who functions as the Chief Financial Officer and to the appropriate staff of the organization; however, the Board retains full responsibility and financial authority.

The Treasurer works directly with the Executive Director to oversee the management of financial procedures and regularly reports on financial position and investments to the full Board.

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

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<sup>5</sup> New Hampshire Center for Nonprofits charter Programme Committee. January, 5, 2016

#### **4.18. The Roles and Responsibilities of Chief Finance Officer**

The Treasurer is tasked to cause regular books of account to be kept, and shall render to the Board of Directors, from time to time as may be required, an account of the financial condition of the organization, shall deliver an annual report at the annual meeting, and shall perform all other duties properly required of the Treasurer by the Board of Directors.

The Treasurer is elected at the annual meeting of CARD to hold office for a two-year term, or until a successor is elected and qualified, and is eligible for re-election for one additional consecutive two-year term. Its Roles and Responsibilities include.

1. Serves as Chair of the Finance Committee.
2. Manages, with the Finance Committee, the Board's review of, and action related to, the Board's financial responsibilities.
3. Works with the Executive Director and finance manager to ensure that appropriate financial reports are made available to the Board on a timely basis.
4. Assists the Executive Director and financial manager in preparing the annual budget, and presenting the budget to the Board for approval.
5. Works with the Finance Committee and the Executive Director to develop Fiscal Policies for recommendation to the Board to ensure the financial integrity and sustainability of the organization.
6. Works with the Finance Committee and the Executive Director to develop long-term financial strategies.
7. Keeps currently informed of legal, regulatory and sector developments relating to the Board's financial responsibilities
8. Review and sign the bank reconciliation statements.
9. Reviews and ratifies the cheque register, including electronic funds transfers.

#### **4.20. The Executive Director/ Chief Executive Officer**

The Executive Director acts as the Chief Executive Officer of the organization and is responsible for the overall management and direction of the organization in accordance with its vision and mission. The Executive Director works under the general oversight of the Board of Directors. The Executive Director provides oversight and overall management, planning, vision and leadership for all aspects of the Christian Action for Relief and Development CARD including programs and serves, finance, resource development, human resources, member services, communications, and board development.

The Executive Director assumes a leadership role throughout the state in partnering with collaborating businesses, foundations, government officials, other nonprofits, and supporters. The Executive Director works with the Board and Board Committees to establish vision, policies, strategic focus, priorities, and general scope of programs the center will deliver.

#### **4.21. The roles and Responsibilities of the Chief Executive Officer**

1. Reviews and approves all financial reports including cash flow projections
2. Sees that an appropriate budget is developed annually
3. Reviews and signs all issued checks and/or approves check signing procedures
4. Reviews and approves all contracts under & Reviews and approves all grant submissions
5. Approves inter-account bank transfers & Is on-site signatory for all bank accounts?
6. Opens all bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations
7. Oversees the adherence to all internal controls Manage Finance and Fundraising
8. Develop annual budget and fundraising plan, submit to board for approval.
9. Develop relationship with funders of the CARD and maintain regular communications with funders.
10. Identify grant opportunities and develop proposals and produce required reporting to funding sources.
11. Contract for and oversee annual audit
12. Monitor expenditures and income, plan for core budget self-sufficiency
13. Maintain capital assets of corporation

#### **4.22. Finance Manager Roles and Responsibilities**

1. Check all program expenditures
2. Monitors program budgets
3. Reviews all payrolls and is responsible for all personnel files
4. Reviews and manages cash flow
5. Reviews and approves all reimbursements and fund requests
6. Processes all inter-account bank transfers
7. Assists Executive Director with the development of annual and program budgets
8. Reviews all incoming and outgoing invoices
9. Manages the petty cash fund

10. Receives and opens all incoming accounting department mail except bank statements
11. Monitors and manages all expenses to ensure most effective use of assets
12. Monitors grant reporting and appropriate release of temporarily restricted funds
13. Oversees expense allocations
14. Monitors and makes recommendations for asset retirement and replacement
15. Reviews, revises, and maintains internal accounting controls and procedures
16. Initiates donor thank you letter acknowledgements
17. Reviews all financial reports
18. Prepare annual financial, quarterly, monthly financial reports as require.
19. Authorized to sign cheques and EFTs on behalf of organization
20. manage bank accounts
21. Approve expenditure up to a set dollar limit.
22. authority to overspend budget by up to a set percentage of the budget
23. Ensuring cheque signatory information with banking institutions is up to date.
24. Bank Accounts: Two authorised signatories are required to approve a transfer of funds between any two organization accounts.
25. Ensure that all bank accounts are reconciled on a regular monthly basis.
26. Ensure that CARD's Bank account is used for petty cash transactions and is reconciled at end of month, due to low activity.

#### **4.23. Bookkeeper/Accountant roles and Responsibilities**

1. Overall responsibility for data entry into accounting system and integrity of accounting system data
2. Processes invoices and prepares checks for signature
3. Makes bank deposits
4. Processes payroll
5. Maintains general ledger
6. Prepares monthly and year-end financial reports
7. Reconciles all bank accounts
8. Mails vendor checks
9. Manages Accounts Receivable
10. Pay staff by cash, check, pay voucher and suppliers

#### **4.24. Finance Assistance "Cashier"**

1. Keep periodic numbers of transactions and balance sheets of amounts

2. Receive payment by check, cash, vouchers, or automatic debits
3. Issue refunds, credits, receipts, or change due to staff
4. Maintain orderly and clean checkout areas
5. Maintain accurate cash drawer
6. Count money in cash drawers at the beginning of shifts to ensure that amounts are correct and that there is adequate change

#### **4.25. Programme Manager**

1. In the absence of the Executive Director the Programme Manager assume some duties, of Executive Director,
2. He/she approve all published material including website (excepting job advertisements) authorizes.
3. Signs all official organization correspondence
4. Authority to enter into contracts.
5. Approve expenditures up to a set dollar limit of 2500 USD,
6. Authority to overspend budget by up to a set dollar limit or a set percentage of the budget OF 1500 with written justification and supporting documents.
7. In consultation with the ED/CEO may approve funding submissions, applications or expressions of interest for projects of up to a set dollar limit 50,000 USD.

## **Section 5. The standard Chart of Accounts**

The Budgets and financial reports are to be prepared in accordance to CARD the Standard Chart of Account and should be correlated as such. The finance/administrative staff are responsible for complying with the Chart of Account descriptions on every business transaction.

When and if required the Finance/Administrative staff will notify will notify t Executive Director and/or Board Treasurer of any such changes to the COA.

The finance committee or executive Director will sign-off on any changes and ensure that the COA is updated accordingly. Where such changes will render the finance reports to be non-comparable, a detailed report will be issued to the Board 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.

CARD has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs.

administration). The Finance Manager is responsible for maintaining the Chart of Accounts and revising as necessary. The Chart of Accounts is attached to this manual as an addendum.<sup>6</sup>

## Section 6. Cash Receipts

### 6.1. Cash receipts generally arise from:

1. Contracts and Grants
2. Direct donor contributions
3. Fundraising activities

### 6.2. The principal steps in the cash receipts.

The Receptionist receives incoming mail and forwards it unopened to the Finance Manager. The finance Manager opens, date stamps, and distributes the mail. The Finance Manager enters all checks into a log, stamps all checks “for deposit only,” and makes two (2) copies of each check. The checks are kept in a locked cabinet until handed to the bookkeeper for processing and deposit.

Weekly (or more often if necessary), the Finance Manager submits the following to the Bookkeeper for processing: the endorsed checks, the deposit log book, and the correct account allocation for each deposit. The Bookkeeper processes the deposit and takes it to the bank for deposit. A copy of the deposit slip is attached to the deposit.

The deposits are put in a file to attach to the bank statement. The deposit log book is returned to the Finance Manager.

All cash received will be counted, verified, and signed off by the Finance Manager and another available staff member.

The cash will immediately be posted using the appropriate allocation. A receipt will be given to the paying party and a copy kept for internal purposes. The cash will be kept in a locked, secure location and deposited within 24 business hours.<sup>7</sup>

## Section 7. Petty Cash Management

The following policies govern how the Petty Cash management will be managed:

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<sup>6</sup>Accounting Policies and Procedures Sample Manual, Deborah Connors, with assistance from Meredith Clark and Steve Zimmerman, C.P.A.

<sup>7</sup> Accounting Policies and Procedures Sample Manual, Deborah Connors, with assistance from Meredith Clark and Steve Zimmerman, C.P.A



1. The Petty Cash is maintained on an impress basis, which means that the amount spent will be reimbursed.
2. The Finance Assistance will act as the custodian of the petty cash fund.
3. The purpose of the Petty Cash Fund is to facilitate small purchases or reimbursements needed in the day-to-day operations of the organization, without going through the check writing process, or to provide change for an event requiring cash transactions.
4. Petty cash disbursements are limited to \$250 in amount. This will be managed by the finance assistance who is not signatory to the cheque.
5. Any advances to employees from the petty cash fund must be authorized by the Executive Director.
6. Any employee receiving petty cash must sign a petty cash voucher.
7. The petty cash voucher must list the amount received, the purpose for which the cash is needed, and the date of the purchase. In addition, receipts for goods/services purchased must be attached to the petty cash voucher.
8. The Finance Manager must submit a check request for reimbursement of the petty cash fund to the bookkeeper/accountant.
9. All petty cash vouchers used must be attached to the check request as supporting documentation showing that expenditures has reached a level where funds need to be replenished to the value requested.
10. A cheque signatory will check and approve the receipts and then sign the cheque.
11. All checks for reimbursement of the petty cash fund must be made payable to the custodian of the petty cash fund.
12. Periodically, the Executive Director and/or the Treasurer will make surprise counts of the petty cash funds.
13. The petty cash fund will be kept in a locked file cabinet.
14. All cash payment will be made from the petty cash float, not by the retention of incoming money.
15. Cheque, rather than petty cash, payments must be made wherever possible for goods or services over the value of 350 USD and above
16. The balance of petty cash kept in the office will be monitored periodically by the executive Director.
17. Staff needs to provide receipts, fills out a petty cash voucher and is reimbursed in cash up to a set among. It is preferred that a receipt is turned in at the same time, however, sometimes the cash is given out first.

18. In either case a voucher should be filled out. When the receipt is received it should be stapled to the voucher.
19. If unable to provide a receipt, the person must provide appropriate documentation (expense claim form) stating the amount to be claimed, what the expense was, and the date it was incurred.
20. The Finance Manager balances petty cash and replenishes the float as necessary.
21. The amounts of cash and receipt totals must always add up to the amount of the original petty cash cheque.
22. A cheque must be written for any amount to replenish petty cash and cashed.
23. Petty cash must be controlled by a designated person who is accountable for the funds. It must be kept in a secure location.
24. The receipts must be expensed to the appropriate expense account in the accounting records or Charter of Account.
25. The petty cash must be checked from time to time by the Finance Manager to ensure that the funds are being properly managed, and at least every quarter.
26. No cash shall be released from the safe without fill cash request form
27. All released voucher must bear stamp PAID
28. All Cash request forms must be requested by project office, checked by finance officer, approved by Executive Director, pay by cashier.

## Section 8. Checks and Invoice Policy

### 8.1. Disbursement Authority

It is the policy of Christian Action for Relief and Development to give disbursement, including check-signing authority, to the Chair, Vice-Chair, and Treasurer of the Board of Directors, as well as the Executive Director. The Executive Director shall not sign any checks made payable to self nor authorize any other non-approved disbursement to self. All disbursements require approved invoices or expense vouchers.<sup>8</sup>

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 Director is the payee. The person who approved the invoice or expense voucher may not sign a single signature check. There will be separation of financial duties

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<sup>8</sup> Accounting Policies and Procedures Sample Manual, Deborah Connors, with assistance from Meredith Clark and Steve Zimmerman, C.P.A

and responsibilities so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable or other accounting functions.

The check signer will not be the same person who approves expenditures, records bookkeeping entries, or prepares checks for signing.

Bank statements will be reviewed by at least one person in addition to the person performing the reconciliation. Bank deposits will be made by someone other than the person recording receipts.

Financial management staff will be required to take annual vacation of at least five days.

## **8.2. Processing Invoices:**

All invoices/statements from outside vendors will be routed to the Finance Manager who will review them to determine whether they are covered by a standing authorization or whether a written request has already been submitted for the item. The Finance Manager supplies the account code.

Once an approved request or standing authorization is available, the Finance Manager will prepare the check. The Finance Manager assembles invoices and bills, and type's checks on the fifteen and the last day of each month.

The Executive Director sign checks and returns the signed checks to the Finance Manager. The Finance Manager then mails the checks, staples the check stubs and any backup information, such as an invoice, packing slip, etc., and files the document by vendor in the vendor files.

## **8.3. Cash Disbursements (Are submitted to Accounting in three ways:)**

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request.

All invoices must have the account code written on them and approved by the Program Manager prior to being submitted to accounting. Every employee reimbursement or purchase request must be documented on the approved form with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

1. Verifies expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the Bookkeeper for processing

## **8.4. The Bookkeeper processes all payments and:**

1. Immediately enters them into the Accounts Payable module
2. Prints checks according to allocation and payment date provided by the Finance Manager
3. Submits checks, with attached backup documentation, to Executive Director for approval and signature.
4. All checks in excess of \$2,500 require a second signature from an authorized board or staff member; checks in excess of \$5000 must be authorized by the Board of Directors
5. Stamps invoice "paid"
6. Mails checks and appropriate backup documentation
7. Files all backup documentation in the appropriate file
8. Runs an accounts payable aging at the middle and end of each month and submits to the Finance Manager to assure timely payment of all invoices

#### **8.5. Check Preparation:**

CARD utilizes three-part check stock. The check document is the top portion, the detail which accompanies the check is under it, and at the bottom is the check stub which will be attached to the invoice for filing. Void checks are marked VOID. The original check is retained in the VOID check file.

#### **8.6. Check Signatures:**

The board authorizes check signers through board resolution. All Checks for under \$3500 require two signature; checks for over \$5000 require three signatures. All check signers must review the documentation attached to the checks prior to signing the checks. The Executive Director, Finance Manager and two board members are authorized check signers.

The Executive Director and chairperson of board of remain the primary check signatory all CARD accounts. The Executive Director is the signer for all checks and finance Manager Signer for checks over<sup>9</sup>.

#### **8.7. Distribution of Checks:**

Once checks are signed, the Finance Manager removes the attached documentation for filing and places the check in envelope for mailing. Checks for staff reimbursements or purchases are released to the approved staff member. Payroll checks prepared by the payroll service are distributed by the Executive Director or her/his designee.

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<sup>9</sup> Accounting Policies and Procedures Sample Manual, Deborah Connors, with assistance from Meredith Clark and Steve Zimmerman, C.P.A

### 8.8. Filing Paid Invoices:

Once checks have been separated from paid invoices, the invoice, written check request, and check stub are stapled together by the Finance Manager. These documents are filed by vendor chronologically, i.e. the most recent invoice placed at the top of the file. Reimbursements to employees are filed by employee in the vendor files, treating employees as vendors.

Payments from grantors received in the mail are opened by the Finance Assistance or Bookkeeper, who routes them to the Finance Manager. The Finance Manager logs them into the Accounts Receivable/Cash Receipts journal, noting the grantor name and amount.

## Section 9. Payroll Management Procedures

**9.1. Payroll Service:** An outside Payroll Service is used to prepare pay checks, payroll tax reports, and employee payroll records. Copies of all payroll journals, payroll tax reports, and individual payroll records must be maintained at CARD. The Finance Manager is responsible for assuring the completeness and order of the payroll record files.<sup>10</sup>

### 9.2. Pay Periods:

CARD utilizes a monthly pay period, with pay checks issued on the 28 day of the month for that month's hours.

### 9.3. Payroll Processing

1. Timesheets are to be prepared by all staff on the approved form and submitted semi-monthly on the 25 and 26 of the month. If the 25 and/or 26 of the month fall on a weekend or holiday, the timesheets are to be submitted the day prior to the weekend or holiday. Exceptions to the submittal date may occur and will be communicated accordingly.
2. Timesheets are to be kept on a daily basis and completed in ink – unless prepared electronically.
3. Any corrections to timesheets are to be made by making a single line through the error and writing in the correction. Correction fluid and/or tape are not allowable.
4. Timesheets are to be signed and dated by the employee and the employee's supervisor for submission to the Finance Manager.

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5. Any changes to the standing information of the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by an Employment Information Form and signed by the Executive Director before the change can be made.
6. The Bookkeeper will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
7. Pay checks will be distributed by the Accountant on the 27 and 28 of each month. If the 27 and/or the 28 fall on a weekend or holiday the pay checks will be distributed the day before.
8. If the employee requests that his/her check be turned over to a third party, the request must be made in writing prior to distribution.
9. Employees may choose direct deposit to a designated bank account. Their pay check is deposited directly into the designated account on the payroll date. The employee will receive a verification stub.
10. The Finance Manager will review payroll expenditures and allocations monthly.
11. All quarterly payroll reports will be prepared and filed appropriately.

**9.4. Processing of Monthly Timesheets:**

1. Each employee is responsible for recording their daily hours worked on a monthly timesheet. Days taken off for sick, holiday, or vacation leave must be recorded on the monthly timesheet to their supervisor for approval on the last working day of the month.
2. Employees are required to record out of office work hours on their timesheets for Workers Compensation reporting requirements. The supervisor reviews the timesheet for correct recording of hours worked and hours taken as sick, holiday, and vacation leave and initials the completed time sheet to indicate approval.
3. Timesheets must indicate the number of hours worked by project and grant. The supervisor turns in all approved timesheets to the HR. Manager no later than two days prior to the last day of the month. Hourly employees must project their hours for the last two days of the month. These projected hours are then corrected or adjusted, as necessary, by the Finance Manager, in the following month's pay cycle.
4. The HR Manager verifies the totals of hours work and used as sick, vacation, or holiday leave on each time sheet.

5. The HR. Manager compares the sick and vacation leave to the employee's master record of sick and vacation leave available to verify that hours taken as paid leave were available.
6. The HR. Manager initials any lines on the time sheet s/he has changed as part of the review process, and adjusted timesheets must be re-signed by the employee and supervisor.
7. The HR. Manager then completes the vacation and sick worksheets for each employee for that month. Once the timesheets have been reviewed and corrected, the HR. Manager fills out funding source on the timesheet. S/he then completes the timesheet form provided by the payroll service and calls the information in to the payroll service.
8. The Finance Manager shall prepare the payroll, using the approved time records and salary/wage rates for each employee, and transmit to the payroll service after approval by the Executive Director
9. Head of Department or supervisor reviews and approves all time and attendance records for their employees.

#### **9.5. Review and Distribution of Pay checks:**

1. The Finance Manager picks up the prepared pay checks and payroll journal and compares the documents to the timesheets to be certain that the correct hours worked have been recorded. Once s/he has reviewed the payroll documents and initialled the payroll journal indicating her/his review, s/he gives the pay checks and journal to the Executive Director.
2. The Executive Director spot check the payroll, and satisfies her/himself that all employees being paid are of good faith employees and that no payroll amounts appear unreasonable.
3. The HR. Manager then signs the pay checks and passes them back to the Executive Director for the second signature. Once the pay checks are signed, they are given to the Finance Manager for distribution to the employees.
4. Employees of CARD have the option of direct deposit of their pay checks or transferred electronically and pay advice slips issued to staff.
5. The payroll service prepares checks to vendors for employee deductions such as contributions to (b) accounts, garnishments, and donations
6. Payment of annual leave in advance is to be by mutual agreement. Only the ED/CEO has authority to approve annual leave payments in advance.
7. The ED/CEO may approve accruals beyond the first year under special circumstances but never for more than a total of 2 weeks.
8. No cash payment shouldn't made of amount 500 USD for suppliers, 250 USD for staff

**9.6. Payroll Tax Deposits:**

The payroll service computes all state payroll tax deposit requirements and the quarterly unemployment amounts. With each monthly payroll listing, the payroll service prepares instructions for payroll tax deposits. The Finance Manager prepares deposit coupons and checks, and gives them to the Executive Director for signature. Who is responsible for comparing the checks to the payroll register before manually signing the checks (unless using direct deposit)?

**9.7. Recording the Payroll Checks in the Check book:**

The Finance Manager records the total net amount of checks and directly deposited checks in the check book with the date, and the words "Net Payroll" or "Net Direct and Deposit Payroll" for description. The checks prepared by the Finance Manager for payroll tax deposits are recorded in the check book<sup>11</sup> with all other checks issued by the Finance Manager that day.

**9.8. Payroll Records:** The payroll service is required to supply a printed payroll journal for each pay period and copies of all payroll tax reports. The Finance Manager maintains files for the payroll journals and payroll tax reports.

**9.9. Benefit and Miscellaneous Payroll Payments:** The Finance Manager generates checks for health and investment benefits and for any wage garnishments. However, for now there is no benefit for staff kept until the board agreed to do so. Staff benefits are to be administered as per benefit policy and employment contract. The ED/CEO approves all employee benefit packages.

**9.10. Allocation of Staff Time:** The HR. Manager uses the time sheet records for the month to update the spreadsheet of staff time allocations so that it accurately reflects actual time spent. The spreadsheet is then used by the contract bookkeeper to spread payroll, payroll taxes, and benefits to the correct fund and cost center. Flex time (or time-in-lieu) is not allowed to be accrued to the following year and must be used up in the year it was accrued.

**9.11. Change in Payroll**

1. Changes in payroll data will be approved by the Executive Director before files are updated.
2. The HR Manager will notify the payroll service of any changes to the payroll master file.
3. All personnel salaries/wage rates are authorized by the Executive Director and/or the Board of Director

**9.12. Staff salaries files management**

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1. A personnel file is held for each staff member and volunteer. Information held on file includes contact details, a copy of the employee's contract, and contact details in case of an emergency.
2. The file shall also include all correspondence relating to job description changes, salary changes, leave entitlements such as long service leave, yearly performance appraisals, continuous service leave, unpaid and parental leave.
3. Personnel files are held on the network or file folders. This folder is confidential and is kept in a locked cabinet in the office of the Finance/Administration Manager.
4. Access to the 'HR Confidential' folder on the network is also restricted to the Finance/Administration Manager, the Executive Director/CEO and designated Senior Managers where applicable
5. Personnel records for all staff members should be kept separately from pay records and checks will be made against them from time to time by the chairperson of Board of Director to ensure that there are no fictitious employees
6. Personnel files will be maintained at organizations office for all employees in a locked file cabinet. Access is limited to the HR Manager and may be accessed by an employee's supervisor upon request.
7. Personnel files will include at minimum: employment application/resume, dates of employment, letter of hire, job description, salary and salary changes, authorization of payroll deductions, withholding information, employment eligibility form, performance reviews and/or disciplinary action, and termination data, when applicable.
8. The HR Manager maintains all personnel records.
9. The HR Manager monitors the usage of vacation and sick time, and maintains the attendance records<sup>12</sup>
10. Payroll is recorded in the bookkeeping system by the bookkeeper/accountant.
11. If an employee is taking annual leave or flex leave, a leave request form must accompany the timesheet and must be approved by ED/CEO or Senior Managers.

### **9.13. Personnel Records**

All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, and termination data where applicable, a signed confidentiality agreement, a signed acknowledgement of

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receipt of Employee Handbook, an emergency contact form, and other forms as deemed appropriate by the HR. Manager.

All employees will fill out form and submit the allowable forms of identification to the HR. Manager. The completed forms will be kept in a secure location separate from the personnel files. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.

#### **9.14. Employee Travel & Reimbursement of expenses Procedures:**

1. Employees to submit a request for a travel advance by estimating costs on a travel voucher form to their line Manager, or may submit their actual expenses with a travel voucher form for reimbursement after the travel.
2. CARD recognises that volunteers incur expenses when providing a service. Reasonable expenses will be reimbursed by prior agreement with their supervisor. This means volunteers anticipating claiming such expenses should discuss the matter in advance.
3. All travel advances must be reconciled with actual expenses incurred within 15 days of return from the travel.
4. The reconciliation takes place on the travel voucher form, and the form must be submitted to the Finance Manager whether or not money is owed to the employee. When additional reimbursement is owed to the employee, the Finance Manager will cut a check on the next normal check processing day (the fifteenth or the last day of the month).
5. When the employee owes CARD money (because the advance was for more than the actual travel) a refund check, payable to CARD, must be submitted with the travel voucher form to the Finance Manager. The Finance Manager then routes the check to the accountant for logging in to the Receipts Log.
6. CARD will not pay for personal items or services while traveling.
7. The line manager should ensure that costs incurred by staff in carrying out their duties for the organization are essential. Reimbursement will be of the actual amount and not rounded up.
8. Payment of expense claims can only be made to a staff member who provides the necessary receipts. This is only exception where the staff didn't receive field allowance for some technical reasons. However, all staff will be given travelling or daily field allowance for which they are required to provide field receipts with supporting documents eg travel documents.

9. All staff travel and subsistence expense claims must be approved by the Line manager whose expenses will be approved by the Executive Director. The travel and subsistence claims of the Executive Director will be monitored by the chairperson or treasurer of the governing body.
10. Staff who are out of the office on official business, approved by their line manager, are entitled to claim for non-alcoholic beverages and meals. If the absence is for a period of more than four hours they are entitled to claim up to a maximum of 10 USD per day and for period of more than seven hours the maximum value of the claim can be 15 USD. For the field trips requiring overnight stays away from the office, the maximum amount that can be claimed in expenses for a day is 20 USD plus to up a maximum of 25 USD a night for accommodation.<sup>13</sup>
11. Unless authorised to do so by their line manager, staff are not permitted to use the office telephone for personal telephone, computer, internet calls. If they use the office telephone with authorisation, they must reimburse the cost of any calls made
12. The ED/CEO should approve travel outside of the specified area in advance. The ED/CEO or programme Manager will determine the most cost effective method of travel.

## Section 10. Contracts of employment

CARD's policy on recruitment and selection is to select on the basis of merit. The purpose of the Recruitment and Selection Policy is to ensure that CARD fills the organization's available positions with the best possible candidate in a timely and cost effective manner. The aims of the policy are to:

1. Attract the best possible candidates for the available positions.
2. Ensure all selections are based on merit.
3. Facilitate the development of existing staff.
4. Ensure that all legal selection requirements are met and actively practiced.
5. Provide the most cost effective way of recruiting and selecting staff.
6. Plan strategically to meet future organizational requirements. All staff involved in recruitment and selection must adhere to the following:
  7. Anti-discrimination Legislation,
  8. Approved recruitment and selection policies and procedures,
  9. Confidentiality and sensitivity,
  10. Staff development.

## 10.2. Casual staff and consultancy

From time to time CARD will seek to contract out work, rather than employing a new staff member.

This may provide advantages to organization if a project is time-limited or requires specialist skills.

Factors taken into account when deciding to contract out work include:

1. Impact on organization resources on-site
2. Availability of skills required to complete the project
3. Value for money.

When seeking to contract out work, the Executive Director/CEO seeks expressions of interest from appropriate contractors, usually through an RFP or selective invitation process. Prospective contractors are given a brief and asked to provide a project plan, budget, and evidence of relevant skills/resources needed to undertake the project.

An RFP must be issued for projects with a total budget more than a set dollar value.

CARD has a standard consultancy agreement which it uses with contractors and consultants. The agreement covers matters such as:

- a) Arrangements for payment,
- b) Project management,
- c) Insurance,
- d) Intellectual property,
- e) Variations to the contract,
- f) Resolution of disputes, and
- g) Termination.
- h) A specific project plan or schedule is attached to each contract, specifying outcomes for the project.

14

## 10.3. Wage & Salary Policy

1. To be fair and equitable, positions of comparable level of responsibility should be assigned to the same salary range
2. Wages should reward both relevant experience and level of responsibility, rising as either of those factors increase
3. Salary rates should be highly competitive within the non-profit sector in the labour market for similar size organizations

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4. The process for determining salaries and rate increases should be transparent and based on objective criteria
5. All staff salary levels and grade should be approved by the board of Director in consultation with Executive Director. Any re-grading of posts or changes to salaries must be approved by this body, including annual incremental increase at the beginning of each new financial year.
6. Changes to payroll or staff promotions or pay increases must be approved by CEO/ED and/or Finance Committee.
7. No advances on salary or other loans can be made unless specifically under serious circumstance will Executive Director authorized but in consultation with chairperson of the Board of Director unless urgent

#### **10.4. Increment salary Policy**

1. **Process.** The salary policy will be applied by the Executive Director for all existing and new employees (and by the Board for the Executive Director). All salary allocations and increases must be consistent with budget and available funding. The timing of salary adjustments will be at the discretion of the Executive Director except that for new employees the salary rate will be determined when a job offer is agreed upon and the Experience rate increase will occur on the annual anniversary date of employment with the CARD. Salary determinations will be made in order according to the following sequence of steps.
2. **Minimum.** No employee will be paid less than the minimum salary rate specified for the job category associated with their position. Any current salaries below that rate shall first be raised to the minimum rate.
3. **Experience.** Salary rates shall be adjusted annually to account for experience. Upon initial application of this policy, the experience adjustment will be made by increasing the minimum salary rate for the applicable job category by \$500 (annual FTE rate) for each year equal to the difference between the total number of years of directly relevant work experience (and time spent acquiring a relevant advanced degree) minus the minimum years of experience required for that position. Any current salaries below that rate will be raised to that rate with years of experience rounded down through the most recent annual anniversary date of employment with the CARD which also establishes the baseline for salary offers to new employees. The same rate increase (\$500 annual FTE) will be applied to annual experience increases.
4. **Market.** The Executive Director may further adjust upward an individual salary rate to account for market rate differences with other comparable positions. However, the salary will adjust in view of

market rates. For new employees, the Executive Director may also consider prior salary history or counter-offers by other potential employers in determining a market-based adjustment in starting salary while maintaining relative parity with existing staff salaries.

5. **Annual raise.** The Executive Director shall increase annual salary rates for all employees by an equal percentage amount above current salaries after making any applicable adjustments above unless such increase is suspended due to financial conditions. All employees whose work performance is satisfactory or better shall qualify for an annual raise.
6. **Bonus.** The Executive Director may award one-time salary bonuses for exceptional performance above and beyond expectations. Where practicable, any bonus should be awarded to all members of a team on the basis of team performance.
7. **Change.** This policy may be periodically revised by the Executive Director to reflect changes in market conditions, job categories or other relevant factors after providing a reasonable opportunity for staff input.<sup>15</sup>

## Section 11. Bank Reconciliation Policy

### 11.1. Bank Account Reconciliations

1. All bank statements are given unopened to the Executive Director. The Executive Director reviews the statements for unusual balances and/or transactions.
2. The Executive Director gives the statements to the Bookkeeper for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The Bookkeeper will verify that voided checks, if returned, are appropriately defaced and filed.
4. The Bookkeeper will investigate any checks that are outstanding over six months.
5. The Bookkeeper will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
6. The reconciliation report will be reviewed, approved, dated, and initialed by the Executive Director.

### 11.2. Reconciling expense ledger (cash disbursements)

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1. CARD maintain a Cash Disbursement Journal as a 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 Chart of Account and in the approved Budget.
2. Any invoice or bill is approved by the person who knows why the expense was incurred.
3. Approvals for reimbursement must be performed by an individual other than the one receiving the reimbursement, at all times.
4. Paid invoices must have the cheque number written on the paid invoice and must be filed in numerical order or if numerous, alphabetically by payee.

### **11.3. Reconciling income ledger (cash receipts)**

1. CARD maintain a Cash Receipts Journal as a listing of all cash receipts in the order they were received. Each amount is assigned to the appropriate category and must correspond with the line items in the Chart of Account and in the Budget.
2. The authority to approve invoicing is restricted to the Executive Director /CEO.
3. To avoid any difficulties or complicated situations most of the invoices must originate with the Finance Manager.

### **11.4. Reconciling cash book to bank**

1. 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/Administration Manager. If this is not possible then the Treasurer or Finance/Administration Manager can reconcile the bank account each month.
2. 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.
3. When the organization receives its bank statement each deposit in the chequebook must be checked against the bank statement.
4. The bank statement should be accessed on-line near the end of the month to avoid delays in mailed end of month statements and allow for end-of month closing within 3-5 business days. If a monthly report is prepared than it must be reconciled to the last transaction included in that monthly report.
5. A file of bank statements and cancelled cheques 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. Statements are to be filed by month. Deposit slips must be stapled or otherwise as above, to each statement.

**11.5. Inventory:**

CARD maintains a physical inventory of curriculum which includes written materials and videotapes. During the year, purchases of printing services, contracted writing services, videotaping services, etc. are coded to a purchases account in the unrestricted fund. At year-end, a physical inventory count is taken, witnessed by the independent auditor, and a journal entry is made to back out purchases of inventory from the purchases account and adjust the inventory account to actual.

**11.6. Restricted Funds:**

Grants and contracts from grantors who restrict the use of funds are recorded in separate funds during the year. The use of restricted gifts is linked to the purpose specified by the donor/grantor. A separate fund is established for each restricted funding source which utilizes line item budgets. Expenses which fulfil the restrictions of the donor/grantor are recorded in that donor/grantor's fund.

Separate bank accounts are not required for each restricted funding source. Internal financial statements are presented using a fund accounting format; year-end audited financial statements are presented on a Net Assets basis, using Unrestricted, Temporarily Restricted

**11.7. Inter-Account Bank Transfers**

The Finance Manager monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Finance Manager recommends to the Executive Director when a transfer should be made to maximize the potential for earning interest. The Bookkeeper is directed in writing when to make a transfer and in what amount. A copy of the transfer is given to the Finance Manager

## Section 12. General Ledger

**1.1. Monthly General Ledger Preparation:**

Bookkeeping and accounting services will be provided by a contracted individual who is hired and supervised by the Finance Manager. This person will make bookkeeping entries, prepare checks for signature, and perform the bank reconciliation. The bookkeeper will not approve expenditures or sign checks.

The Financial Manager is responsible for preparing the materials needed by the contract bookkeeper to prepare the General Ledger each month. S/he is also responsible for initial review of the computer



processed General Ledger when it is returned by the bookkeeper, and for maintaining files of the printed General Ledgers.

The following data is prepared by the Finance Manager for the bookkeeper:

1. A complete set of photocopied check copies in check number sequence for the entire check range processed during the month (including voids) - all check copies must be coded to the correct line item, fund and cost centre.
2. Copy of the payroll journal.
3. The complete set of pages of the cash receipts/accounts receivable journal for the month.
4. A listing of all outstanding invoices for goods or services received prior to
5. month-end for which payment was not made by month end, including expense account, fund and cost centre information for each invoice.
6. A reconciliation of accounts receivable for the month, including balance forward at the beginning of the month; total new funding on account (from the cash receipts/accounts receivable journal); total payments for the month (from the cash receipts/accounts receivable journal); and adjustments; ending balance; and a list of all outstanding invoices which total ties to the ending balance.
7. The updated spreadsheet listing each staff member's allocation of time by fund and cost centre.
8. The updated spreadsheet listing vacation time accrued and vacation time used for each employee.
9. Any adjustments to prior month's General Ledger.
10. The bank statement for the checking account, and for the savings account on a quarterly basis.
11. Any other information relating to transactions in that month (voided checks; deposits to the savings account; electronic drawdowns; etc.)
12. The contract bookkeeper reviews the information provided by the Finance Manager and discusses any questions on coding with her/him. The bookkeeper records any disbursements previously recorded as payable to the accounts payable account, and makes adjustments for changes in payable amounts.

## **1.2. Security and Computer Controls**

1. The following policies govern the security procedures that will be taken to ensure the safety of physical and electronic records:
2. The bookkeeper is responsible for inputting the financial data into the computer and bookkeeping software for generating financial reports. Only the bookkeeper will have access to the password

required make changes the system. The executive Director may have access to review or print information from the system, without making changes.

3. Batch totals are calculated prior to input and compared to batch totals calculated by the system. Any errors made during the inputting of information will be corrected.
4. Detailed printouts of cash receipts and cash disbursements are to be obtained.
5. The Finance Manager is responsible for comparing the detailed printouts to source documents for accuracy.
6. A trial balance on the general ledger totals should be obtained and compared to detailed reports for accuracy of balances.
7. Access to computer or on-line systems for accounting, personnel, payroll, and online and phone banking is controlled by the finance manager. Within each system, access permission is set to allow the appropriate level of access depending on staff positions and job duties.
8. The bookkeeper will perform a backup of electronic records on a weekly basis to assure that data is secure and will not be lost in the event of a computer failure.
9. All organizational offices will be kept locked when not in use. Only staff members will have office keys.
10. All confidential and financial information will be kept in locked files, including personnel files, financial records, invoices or expenses to be paid, cash or gifts to be deposited, fixed asset listings, and petty cash funds.

### **1.3. General Ledger Entry Procedures:**

CARD's General Ledger is maintained by the bookkeeper. A copy of the Chart of Accounts is attached at the end of this manual. The bookkeeper enters all disbursements into the computerized General Ledger, maintaining one set of journals for cash disbursements and one set for payroll cash disbursements. S/he proofs the cash receipts/accounts receivable journal and verifies month end totals, and enters all deposits into the General Ledger using a revenue receipts journal.

S/he prepares a set of General Journal entries from the information provided, recording:

1. Accounts receivable funding (from cash receipts/accounts receivable journal)
2. Accounts payable (from list of outstanding invoices provided by the Finance Manager)
3. Prepaid expenses (from a schedule maintain by the bookkeeper)
4. Salary reduction plan adjustments to employee benefits (from the payroll .)
5. Payroll taxes (from a worksheet she prepares based on the payroll journal)
6. Vacation time accrued by employees (from the spreadsheet provided by the Finance Manager)

7. Vacation time used by employees (from the spreadsheet provided by the Finance Manager)
8. Interest earned on bank accounts (from the bank statements)
9. Any other bank account activity not recorded through cash receipts or cash disbursements (such as electronic drawdowns or bank charges)
10. Depreciation expense and accumulated depreciation on fixed assets (from a schedule prepared by the Finance Manager)
11. Any adjustments to accounts receivable (from the accounts receivable reconciliation)
12. Any adjustments to prior months (these are coded into the current month)
13. After posting these entries, the bookkeeper reconciles the Cash in Checking account to the bank statement, verifies balances in the accounts payable, accounts receivable, prepaid expense, and payroll liability accounts, and prepares a second set of General Journal entries. These entries correct any errors in posting and record:
14. Grants and contracts receivable and revenue earned for the month, based on expenses incurred in the month for each reimbursable grant or contract (this procedure is followed even if the grantor sends equal monthly payments)
15. Deferred revenue recognized/grant revenue earned, based on expenses incurred in the month for each grant which has advanced CARD money
16. After posting these entries and proofing the financial statements, s/he prints out a full set of financial statements and the month's General Ledger in detail, and prepares an updated list of accounts payable. S/he delivers these to the Finance Manager.

#### **1.4. Review of the General Ledger and Financial Statements:**

Upon receipt of the computer processed General Ledger and financial statements, the Finance Manager is responsible for initial review of the statements and the General Ledger print-out. The purpose of this initial review is identification of any entries posted to incorrect accounts.

1. The Finance Manager is not expected to verify each transaction. Instead, s/he should scan the statements for apparently too high or too low amounts in line items and look up the questionable line items in the General Ledger for closer review.
2. The Finance Manager should scan the entire General Ledger print out to be sure that there are not obvious mispostings.
3. If the Finance Manager finds possible errors, s/he should discuss them with the bookkeeper and arrange for correction if needed.

4. The Finance Manager should be certain that the bookkeeper has returned the check copies and cash receipts/accounts receivable journal pages.
5. The bookkeeper keeps the rest of the information in files at her/his office.
6. The Finance Manager then makes photocopies of the statements for the board, and forwards the financial statements and the General Ledger printout to the Finance Manager, who reviews them and files them.
7. If the Finance Manager notes any questionable variances in comparing actual to budget, s/he meets with the appropriate program manager and/or project Manager to determine what happened and whether further action is needed to correct the problem.

### **1.5. Accruals**

To ensure a timely close of the General Ledger, CARD may book accrual entries. Some accruals will be made as recurring entries.

Accruals to consider:

1. Monthly interest earned on money market accounts, certificates of deposits, etc.
2. Recurring expenses, including employee vacation accrual, prepaid corporate insurance, depreciation, etc

## **Section 13. Financial Reports procedures**

The Bookkeeper will prepare the monthly and annual financial reports for distribution to the Finance Manager. The reports will include: balance sheet, statement of income and expenses, budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, accounts receivable aging, accounts payable register and aging, cash flow projection, and any other requested reports.

Periodic and annual financial reports will be submitted to the Finance Committee and Board of Directors for review and approval

### **13.1. Monthly Financial Statements:**

The monthly financial statements include a Balance Sheet and a Statement of Support, Revenue, and Expenses.

1. The revenue and expense statement includes both the current month and the year-to-date amounts and a comparison to budget. Separate revenue and expense statements by grant and contract (fund)

are prepared to facilitate monitoring the various grants, and statements which break out costs by cost center (functional statements) are also provided.

2. The financial Manager has primary responsibility for monitoring the financial statements and alerting board members to financial choices or problems.
3. The Executive Director is responsible for assuring overall compliance with grant and contract agreements, and consequently must monitor the financial activity for each grant/contract and take corrective action if problems occur.
4. The board of Directors shall receive a balance sheet and statement of support revenue, and expense for each month during the month following the month for which the statements are prepared.
5. The statements are presented to the board by the board Treasurer, who has reviewed them with the Finance Manager.
6. The financial statements facilitate identification of restricted and unrestricted funds and comparison of actual revenues and expenses to budget.

### **13.2. End of Month and Financial Year-End Close**

1. The Financial Manager will review and sign off on all month- and year-end journal entries. They will be printed and filed for audit trail purposes.
2. At the end of each month and financial year end, the finance Manager will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
4. Once the final monthly and financial year-end financial statements are run, reviewed, and approved by the Finance Manager and Executive Director, no more entries or adjustments will be made into that month or year's ledgers.
5. At the end of the financial year, the Finance Manager or outside CPA will prepare the annual Return for Organization Exempt from Income Tax (IRS Form). The return will be presented to the CEO, the Board Finance Committee, and the Board Chair for their review and approval. The Finance Manager will then file the return with the Internal Revenue Service by the annual deadline.

6. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.

### **13.3. Financial Policy Statements**

1. All cash accounts (except petty cash) owned by CARD will be held in financial institutions which are insured and licensed by the Government of South Sudan.
2. All capital expenditures which exceed one thousand dollars (\$1,000) will be capitalized.
3. Employee or public personal checks will not be cashed through the petty cash fund.
4. No salary advances will be made under any circumstances.
5. No travel cash advances will be made except under special conditions and pre-approved by the Executive Director.
6. Reimbursements will be paid upon complete expense reporting and approval using the official form, along with receipts. Reimbursements to the Executive Director will be authorized by the Board Chair.
7. Any donated item with a value exceeding (\$50) will be recorded and a letter acknowledging the donation will be sent to the donor within two weeks of the receipt of the donation.
8. All volunteer time shall be recorded as in-kind donations.
9. The Executive Director and one designated Board and staff member are the signatories on CARD's bank accounts. Disbursements exceeding (\$2,500) require a second signature by an authorized board or staff member. Checks over \$5000 require approval from the Board of Directors.
10. Bank statements will be reconciled monthly. All bank statements will be given unopened to the Executive Director for review.
11. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
12. Accounting and personnel records will be kept in locked file cabinets in the finance office and only parties with financial and/or HR responsibility will have access to the keys.

### **13.4. Budgets planning and financial reports**

It is the policy of the Board of Directors that Management board shall develop budget and operation. Management shall prepare budget, project proposal budget and submit to the Chairperson of the Board or Finance Committee for analysis and recommendation to the Board of Directors for approval.

This budget should be balanced, or targeted for a surplus, based upon sound and realistic projections. Under rare and special circumstances a deficit budget may be authorized but only if accompanied by an identification of the resources that will eliminate the deficit, and a plan to restore reserves promptly if they are drawn upon.

The Budgets should provide a standard by which to measure performance, encourage planning, and allocate resources in accordance with funding source requirements.

1. Budgets should use reasonable assumptions of income and expenses. Budgets should be balanced, and should lead to the accumulation of reasonable reserves, which can be used to ensure cash flow over time.
2. The Board should be notified when cash reserves are below 3 months regular operating expenses.
3. The organization budget is prepared by the Executive Director, in consultation with the Management Team, beginning no later than July of every year. Procedures
4. Budgets are approved by the Executive Director prior to submission to the Board of Directors for formal adoption.
5. The Executive Director will submit an annual organization budget to the Board of Directors for their approval in July. The Board will also approve a Capital budget.

#### **13.5. Budget Revisions and approval**

1. From time to time it will be necessary to deviate from the spending plans captured in organizational budgets.
2. Non-budgeted expenditures that exceed \$10,000 will be recommended by the Executive Director to the Board for approval and to consider a formal revision of the approved annual budget
3. Non-budgeted expenditures between \$1,000 and \$9,999 that cannot be easily accommodated by shifting expenses from another budget line should prompt a discussion within the Executive Management Team to justify the expense, how it will be financed, and how other budgeted expenses may be affected. Executive Director may make final decision.
4. Non-budgeted expenditures less than \$1,000 do not require discussion if they are approved by the Executive Director.
5. Within any budgeted expense category, expenditure changes that do not exceed the total budgeted amount are within the discretion of the appropriate department. (For example, funds allocated to Program may be redirected for other Program purposes as long as the total line item amount is not exceeded.)

#### **13.6. Annual budget plan policy:**

1. Shall be in compliance with applicable regulations and policy directives;
2. Shall not have expenditures greater than revenues unless the Board has specifically directed otherwise

3. Shall be constructed to provide the board with a consolidated presentation of expected revenues and expenditures for the year
4. Shall not be materially amended in-year without Board approval, except where in-year initiatives generate new revenue.
5. ED/CEO is to safeguard the funds it receives by exercising due diligence to satisfy itself of the financial soundness of the institution it utilizes for banking and investment purposes.
6. The Board of Governors is to approve an investment policy to guide its investment activities. The Board of Governors is to review and approve at least annually an investment performance report.

### **13.7. Financial Asset Management**

1. The Executive Director /Chief Executive Officer shall ensure that CARD assets are secured, protected and adequately maintained, by:
  2. Ensuring the CARD has appropriate financial controls and procedures are implemented accordingly.
  3. Ensuring that purchases, including services, are made in accordance with sound purchasing practices and policies in line with CARD procurement manual
  4. Ensuring that funds not required for immediate use are invested in a manner which complies with respective Policies for reserves funds and investment, minimizes risk exposure and provides a reasonable rate of return for the CARD
5. The ED/CEO shall: Obtain prior formal approval of the Board by resolution for the purchase, sale or encumbrance of CARD and/or facilities
6. Utilize the proceeds from the sale or encumbrance of CARD property acquired in a manner consistent with policy directives
7. Use restricted funds only in compliance with their stated purpose, and applicable statutes and regulatory requirements and CARD's policies
8. Obtain prior formal approval of the Board by resolution to use reserved funds.
9. The Executive Director shall have primary responsibility for ensuring that proper Financial Management procedures are maintained and that the policies of the Board are carried out.
10. The Board of Directors will provide fiscal oversight in the safeguarding of the organizational assets and shall have primary responsibilities for ensuring that all internal and external financial reports fairly present its financial condition.
11. A proper filing system will be maintained for all financial records.
12. Actual income and expenditures will be compared to the budget on a monthly basis.
13. All funds will be kept at the bank.



14. All excess cash will be kept in an interest bearing account.
15. Bank statements will promptly reconciled on a monthly basis by the bookkeeper/accountant.
16. The board of directors shall approve annually any new signers for each bank account and any new and necessary bank accounts.
17. The Executive Director is responsible for promptly notifying financial institutions of any changes to authorized signers on organizational accounts.
18. Documents on all fixed assets will be kept in a locked file.
19. Appropriate insurance for all assets will be maintained.
20. On a monthly basis, the bookkeeper/accountant will reconcile the bank statements to the general ledger, and notify the Executive Director of any discrepancies.
21. The Executive Director will resolve all discrepancies with the assistance of the bookkeeper/accountant, and the bank, if necessary.
22. Independently, the Executive Director or Treasurer will receive a copy of the monthly bank statement for review of reasonableness.

### **13.8. Financial Controls on expenditure**

1. Bank mandates and cheque signatories, two signatories are required for all cheques and electronic fund transfers.
2. The Finance Manager and Staff is responsible for ensuring that documentation accompanying a cheque is correct, and will seek approval from the ED/CEO for large or unusual items.
3. The finance manager shall maintains a register of cheques and electronic fund transfers issued by organization, and cheque and electronic fund transfers listings are presented to the Finance/Administration Manager for ratification.
4. Those authorised to sign cheques on behalf of CARD are the, 2 members of the Board and/or Finance Committee, Treasurer and Executive Director

### **13.9. Budget Planning.**

1. The ED/CEO and the HR. Manager, Finance Manager coordinates and prepares the overall budget for the organisation for the calendar year.
2. The CARD financial year operates from July to July every year.
3. The ED/CEO shall develop an annual Operational Plan that includes operational outcomes for the coming year within the context of the Strategic Plan, and the resources allocated for the year in the annual budget.

4. The Operational Plan. Will include operational costs (e.g. utilities, stationery, insurance) and Labour costs (project management, supervision, publications & administrative support) and it shall be submitted to the Board for approval for approval.

### **13.10. Financial Report to the board of Directors**

1. Financial Statements: It is the policy of CARD to prepare monthly, quarterly and annual financial statements, including a Variance Report (actuals versus budget) and statements and reports. Statements will be distributed to the Chair, Treasurer, and Board of Directors on a monthly, quarterly or annual basis. (Balance Sheet, Income Statement and Cash Flow Statements should be minimum requirement)
2. Financial reports to the Board are required every (PERIOD) and comprise a Balance Sheet, Income Statement, Statement of Cash Flows and Budget Comparison (list the statements required by the Board).
3. Variance Reports: The Executive Director will prepare quarterly variance reports for the Board of Directors that explains any significant variances in expenditures and revenue compared to budget in each line item.
4. Financial Ratio Reports: The Executive Director will prepare quarterly variance reports for the Board of Directors that explains any significant variances from previous years' quarters.
5. Investments: The Treasurer will review the asset allocation (and performance of all investments), and will report findings to the board at least once a year.
6. Policies: It is the expectation that the Board will review these policies annually and make an amendment where it necessary.
7. The Executive Director will prepare an annual budget that is approved by the Board of Directors before the start of the fiscal year.
8. The budget will present revenue and expense projections for the fiscal year and an estimate of cash flow needs, showing the timing of revenue and expenses.
9. In the case of significant revenue shortfalls or budget deficits the Executive Director may present, at least semi-annually, budget modifications to the Board projected for the remainder of the fiscal year
10. The ED/CEO shall submit the approved annual report, including a copy of the audited financial statement to report on achievement of the operational outcomes established in the operational plan and on the financial performance of the CARD to the Board of Directors.
11. The ED/CEO shall report to the Board on a quarterly/monthly basis on year- -to-date revenues and expenditures and on any variances to revenues and expenditures approved in the annual budget.

12. Over the course of each fiscal year, and unless otherwise directed by the Board, the ED/CEO shall:
13. Ensure the CARDs financial plans (budget) and position (audited financial statements) are compliant with all legislation, regulations or policy directives governing CARD
14. Strive to balance the budget every year. If it appears that CARD will not balance its budget and an accumulated deficit will occur the ED/CEO shall seek the approval of the Board prior to any commitments that will result in a deficit/surplus over that outlined in delegations policy or immediately upon awareness of the deficit/surplus
15. Narrative report shall be prepared by Executive Director and submit to the Board of Director on quarterly, Monthly and yearly.

### **13. 11. Narrative Report to the Donors.**

The finance Manager is responsible for financial report while the Executive Director is responsible for preparing narrative report. Both reports shall be prepare in accordance to the agreement signed between two parties, the two report will be submitted at once as require by particular donor. Such as monthly, quarterly and yearly.

The physical vouchers and venders agreements will be submitted per donor requirement.

All financial reports to funders are to be prepared directly from the General Ledger of CARD by the Financial Manager. Staff responsible for supervision of grant/contract funded activities will prepare all required narrative portions of funder reports and review all fiscal portions prepared by the Executive Director prior to submission.

Whenever feasible, the General Ledger amounts will be established to correspond to funder financial report categories. When this is not feasible, the Financial Manager will prepare worksheets for each financial report documenting the source of all information reported by General Ledger account number and funder report line number or caption.

### **13.12. Financial Records and Reports**

The organization will employ a regular process for assessing the status of organizational finances and assets. The Board of Directors and Management Team will ensure that timely and accurate financial information is available, understood, and used to guide decision-making.

1. The fiscal year for the organization will be July 1st – July 31<sup>st</sup>.
2. The financial records of the Christian Action for Relief and Development will be maintained using the accrual basis of accounting.
3. Annual budgets will be prepared by the Executive Director and the Management Team and will be approved by the Board.

4. A Chart of Accounts will be used to code receipts and disbursements to the proper accounts to enable proper tracking.
5. The bookkeeper will reconcile the bank statement with bookkeeping records monthly.
6. The Treasurer or Executive Director will also review an original copy of the bank statement.
7. At a minimum, the bookkeeper will prepare the following monthly financial reports for review by the Finance Manager: Balance Sheet, Income Statement, Budget-to-Actual comparison, and Cash Flow Report.
8. The Finance Manager will make a monthly presentation on the above noted reports to the Treasurer and the Management Team.
9. The Executive Director will review a report on monthly journal entries for reasonableness.
10. The Board of Directors will review a budget-to-actual presentation and financial report prepared by the Programme Manager and Treasurer at every meeting. Any budget variances above 10% will be explained in writing.
11. The Board of Directors will review the auditor's report annually.
12. The Executive Director will spot check voucher every week
13. At least every years, an audit or review will be conducted by an independent CPA, to be made available to members of the public.

## Section 14. Asset Management Policy

### 14.1. Purpose and Scope

The purpose of this section is to set forth the regulations and procedures governing the control and reporting of capital and controlled assets. It is intended to assist personnel in implementing and maintaining an effective property control program. The implementation of an effective and accurate process for tracking fixed assets is necessary for several reasons:

1. CARD prepares financial information using the Generally Accepted Accounting Principles. CARD administration regulations require us to track an asset's cost, depreciation, and the disposal of the asset. Assets that will be depreciated have been categorized and assigned a depreciation life. (For example, technology equipment has an expected book life of five (5) years).
2. CARD also utilize asset records for insurance purposes. In the event of a loss it is necessary to have an accurate record of the asset to ensure adequate insurance coverage, of the item lost. The most important reason is accountability. Assets are purchased using taxpayers' funds. It is important to have a process in place to account for the use of taxpayers' funding.

1. **Capital Assets Refers.** To real or tangible personal property having: in other word it an asset is a tangible item of economic value. For this policy it refers to physical items such as machinery, furniture, Generator, computer, office, store keys, organization account, reports, books, stamps, equipment, motorbikes, or building and Vehicles. A value greater than or equal to the capitalization threshold for the particular classification of the capital asset; and having an estimated useful life of greater than one year from the time of acquisition.
2. **Controlled Assets Refers.** To those items with a historical cost of less than \$1000 and above but which are particularly at risk or vulnerable to loss or theft.
3. **Management board.** The executive Director shall be responsible for custody and control of assets assigned to the applicable department/facility and responsible for administering the policy and related regulations and procedures.
4. **The Board of Director.** For Finance Committees shall endorse Asset Management Policy. Comply with Asset Management Policy. Final approval of any new acquisition or maintenance/operation over [10,000 USD]. Approve the planning and budgeting of assets. The finance is responsible for coordinating asset audits and physical inventories with the asset management board provider as well as recording capital asset acquisitions, transfers, and disposals **CARD** shall retains the ownership of assets provided to staff, volunteers and board members. Staff, volunteers and board members are responsible for exercising reasonable diligence to protect assets from theft or damage.
5. **Risk Management.** The Executive Director will provide Board members and staff with development in respect to asset management, including acquisition, use, maintenance, repair and disposal. There are regular reviews of asset management systems.
6. **Policy Implementation.** All staff members and Board Members are responsible for understanding and adhering to this policy. Asset management is an integral part of the organisation's operation and its application is reviewed and minuted on a quarterly basis by the Executive Chief Officer or Board of Director. Asset Acquisition. The Executive Director has authority to approve asset purchases to the value of 5,000 dollar and above. Assets above this value will be submitted for approval to the Board of Directors or done in consultation with Board of Directors.
7. **Asset acquisition shall be based on consideration of whether the asset:**
  - a) will provide significant, direct and tangible benefit to the organisation
  - b) does not exist or could not be upgraded or adapted to meet the same purpose
  - c) is appropriate and cost effective over its life
  - d) is compatible with existing equipment and will not lead to unwarranted additional expenditure

- e) can be accommodated in existing space and facilities
- f) Is the most suitable and appropriate type, brand, and model.
- g) Multiple quotes will be sought for assets as specified in specific project funding agreements and for any purchases over [2,000 USD].

**8. Asset Register.** An asset register of all capital purchases greater than [250 USD and above] in value is maintained by the organisation. Assets are depreciated by class at a rate determined by asset life and the South Sudan Accounting Standards. Depreciation is posted to project cost centres for project specific assets while the asset is being used for the project.

Depreciation of furniture and fittings along with equipment used to support and develop the entire organisation is borne by the core administration cost centre.

It is the organization's policy to capitalize all items which have a unit cost greater than one thousand dollars (\$1,000). Items purchased with a value or cost less than one thousand dollars (\$1,000) will be expensed in the period purchased.

**14.2. Asset depreciation period for capitalized assets**

Asset description	Asset depreciation period
Computer Hardware	36 months
Office Equipment	60 months
Office Furniture	60 months
Computer Software	36 months
Leasehold improvements	Length of lease

**14.1.2.** A Fixed Asset Log is maintained by the Bookkeeper including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset. The Log will be reviewed by the Finance Manager & Programme Manager.

**14.1.3.** Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.

**14.1.4.** The Finance Manager shall be informed in writing of any change in status or condition of any property or equipment.

**14.1.5.** Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

**14.1.6.** Asset Tracking Requirements. The following procedures and protocols apply to asset management activities: All assets must have an internal asset number assigned and mapped to the device's serial number. An asset-tracking database shall be used for tracking assets. It shall minimally include purchase and device information including:

- a) Date of purchase
- b) Make, model, and descriptor
- c) Serial Number
- d) Location
- e) Type of asset
- f) Owner
- g) Department
- h) Purchase Order number

**14.1.7.** Disposition Prior to deployment, [Department] staff shall assign an ID to the asset and enter its information in the asset tracking database. All assets maintained in the asset tracking database inventory shall have an assigned owner

**14.1.8.** Asset Types .The following minimal asset classes are subject to tracking and asset tagging:

- a) Desktop workstations
- b) Laptop, mobile, computers
- c) Tablet devices
- d) Printers, copiers, fax machines, and multifunction print devices
- e) Handheld devices
- f) Scanners
- g) camera
- h) Servers
- i) Network appliances (e.g. firewalls, routers, switches, Uninterruptible Power Supplies (UPS), endpoint network hardware, and storage)
- j) Private Branch Exchange (PBX) and Voice over Internet Protocol (VOIP) Telephony Systems and Components
- k) Internet Protocol (IP) Enabled Video and Security Devices

- l) Memory devices
- m) Office furniture and equipment
- n) Computer hardware
- o) Computer software

- 14.1.9.** Asset Utilization. Assets shall be used by authorized personnel for the purposes for which they were acquired. Under-utilized and under-performing assets will be identified, reasons critically examined, and appropriate action taken. Modification of assets will only occur by authorized and qualified persons.
- 14.1.10.** Asset Maintenance. Assets will be maintained through actions recommended in manufacturer's manuals. For each asset, efficient maintenance strategies will be implemented. An operation and maintenance plan establishing responsibility and standards for the level of use, condition, servicing and performance of each asset will be developed.
- 14.1.11.** Asset Security. Staff and volunteers are responsible for the security of assets under their control. Assets are safeguarded against theft and damage and removed from the premises only with approval from Executive Director.
- 14.1.12.** Asset coding. **Code:** Refer to the bottom of the form for codes. The code "A" shall be used for new assets and the code "T" shall be used to transfer asset.
- 14.1.13.** Barcode of Fixed Asset Number. The building administrator must note the Fixed Asset Number located on the barcode affixed to the asset or obtain the number from the fixed asset listing that identifies the correct item. Consult the Fixed Asset Listing for the proper asset number. Complete description of the item, including brand, model, serial number, colour, and size, etc. "Colour Monitor or Desk" is not sufficient to properly identify property. Send completed form to Executive Director and Finance manager.
- 14.1.14.** **PO (Purchase Order) Number and/or Cost:** Shall be used to fill in the cost of the asset and/or the number if the purchase order used to purchase asset.
1. Room Number: Room number where asset is primarily located.
  2. Asset Description: Brief description of the item.
  3. Make/Model: Use the manufacturer's name and model number.
  4. Serial #: Use the manufacture's serial number
- 14.1.15.** Assets Tagging: Tagging and Identifying Inventorable CARD's Assets. All organization assets shall be tag to identify inventorable assets as belonging to the organization.



- 14.1.16. What to Tag.** All furniture and equipment with a replacement value above \$ 500 shall be tagged, including, but not limited to: Furniture, Computers and Laptops, Audio Visual Equipment, Other equipment above \$500 above such as kitchen, health and fitness, or office machines. All items shall be tagged upon receipt by the administration
- 14.1.17. When Not to Tag.** When impractical or impossible. Reasons not to mark are, but are not limited to, when the item: Has a unique, permanent serial number usable for identification, security, and inventory control (such as vehicles); Would lose significant historical or resale value if marked; and, Would have its warranty negatively impacted if permanently marked. Method for Marking Items shall be marked or tagged with a property tag.
- 14.1.18.** Determine asset tagging. In order to maintain accurate asset records, when receiving a new asset into the organization, the first step is to determine if the asset should receive a property tag. Any item that the cost exceeds \$500 and has a life greater than one year should be tagged. Additional items to be barcoded regardless of their value include controlled items such as overhead projectors, printers, televisions, video cameras, digital cameras, PCs, monitors, laptop computers, tablets two-way radios, and any item which may be easily stolen. If you have questions concerning a specific asset, contact once an asset has been labelled, it needs to be recorded.
- 14.1.19.** **Asset usage:** The use of office equipment & communication. Mobile Phones. Mobile phones are provided for the use of specific staff. Expenditure for mobile phones is borne by the specific cost centre related to the project that the staff member is working on. At the discretion of the Executive Director any expenditure greater than what being approved per month for staff members may be recovered from the staff member by way of deducting from his/her incentive and invoice issued by Christian Action for Relief and Development. Losses and/or damage to mobile phones are to be reported to the executive Director or in his/her absence the Manager or Logistic Officer.

## Section 15. Vehicle Management

The administration coordinates vehicles use according to the guidelines CARD management board of Director has established for the use and authorization.

1. The driver keeps a vehicle logbook to provide a full record of where the vehicle went, how long it took, what the distance was, and how much fuel and oil has been purchased and used. The passenger must sign the vehicle logbook after each trip.
2. The unauthorized use of vehicle is a disciplinary issues (it's not acceptable)

3. A vehicle control white/blackboard will record where the vehicle is, how long it will be away from the office and the name of the driver and passengers.
4. The logistic officer and other senior members of staff must check weekly.
5. Staff or other institution or non-staff authorized to use the vehicle for personal reasons must pay vehicle maintenance fees, fuel fee, driver fees for each kilometer driven or covered.
6. Vehicles can only be used for project activities any other use of the car for private needs or for the transportation of persons (or goods) not involved in the programme is in all cases forbidden.
7. Where a driver has consistently shown carelessness in driving or maintaining a vehicle or has violated one of these rules, their responsibilities will be taken away and they will be banned from driving vehicle.
8. Seatbelt must be worn both driver and passengers at all times and on all journeys.
9. Speed limited must be observed at all time for tarmac road no vehicle is to drive faster than the national speed limits. Speed must be adapted to road and weather conditions.

**15.2. The maximum acceptable speed limits are:**

- |  |             |
|--|-------------|
| A. On good tarmac ROADS  | 100 km/hour |
| B. On poor tarmac ROADS  | 80 km/hour  |
| C. On dirt TRACKS  | 60 km/ hour |
| D. In urban AREAS  | 50 km/hour  |
| <b>E. In muddy or slippery road terrain due to rain 20 km/hour</b> |             |
1. The logistic officer and driver must ensure that the vehicle proper ensured, serviced and maintained, and that health and safety, rules are observed. Any discrepancies must be reported to the Executive Director who will also carry out spot checks on documentation concerning the vehicle including bills for serve
  2. The passengers may ask the driver to slow down whenever they doubt for their safety or whenever they feel that the speed is too high. Several un-respected requests will lead to a formal warning.
  3. When a passenger asks the driver to go faster, the driver is only to do so if he feels the conditions are safe enough.
  4. The driver has to be aware that he may face a disciplinary action (according to CARD regulations) in case of careless vehicle or equipment handling for which he Is responsible.

**15.3. In case of an Accident/Incident.**

1. Driver must immediately notify the Administration the local authorities, the Driver He/she must complete the Accident/Incident form (at the back of this book).

2. **Responsibilities of the driver.** Only authorized staff personnel are allowed to drive vehicles belonging to organization. Only personnel (national or expat) in possession of a valid driver's license can be authorized to drive CARD's vehicle.
3. **Weapons.** No guns or arms are allowed on CARD vehicles unless it's a police escort as required by the law. Warning- drivers should always carry their driving license with them.
4. **On phone while driver is forbidden.** It is forbidden to drive while talking on a mobile phone. If you must talk on your mobile then you are advised to use hands free, stop the vehicle for while beside the road.
5. **Driver & Passenger Safety.** The driver is obliged to drive carefully and sensibly. He/she must respect the traffic rules/regulations and adapt his/her speed etc according to the weather and road conditions.
6. The CARD warrants that the vehicle will not be driven by himself or any other person whose blood alcohol concentration exceeds the limit permitted by any applicable law or regulation, or whilst under the influence of intoxicating liquor or narcotic and that he/she the driver of the vehicle will have a valid driver's license, will comply with all applicable laws, and will comply in all respects with the provisions of this agreement
  - a. The driver shall not use the vehicle for; business purposes, conveyance (people or goods), to propel or tow any vehicle, any motor sport and high risk activity or in any area where there may be a risk or incidents of civil unrest.
  - b. The Driver shall use the correct fuel and oils for the vehicle, check the oil, water and other fluids regularly.
  - c. The Driver shall make adequate provision for the safety and security of the vehicle, in particular, but without limiting the generality of the aforementioned, CARD shall keep the vehicle properly locked, secured
  - d. Motor vehicles are provided as part of select employment contracts and as shared pool vehicles for use by eligible staff.
  - e. The selection of motor vehicles and the decision to lease or purchase a vehicle is agreed between the CEO and / or the Board.
  - f. For shared pool vehicles the appropriate drivers are staff members that have been authorised by the CEO to drive the vehicle and are over 25 years of age and hold a current Driver's License.
  - g. All vehicles are maintained in accordance with their maintenance schedule and/or terms of their lease agreement with the maintenance expense borne by the organisation.

## Section 16. Fundraising Policy

In order to fund CARD operational and program costs and reach her objectives, CARD shall seek voluntary financial support from foundations, corporations, individual donors, and government agencies. CARD shall be open and transparent, be accountable to the donor, use the funds responsibly and according to the intent of the donor, and allow the funding individuals and organizations to be able to have insight into the project at all times. The fundraising activity shall be consistent with the mission of CARD

### 16.1. General Fundraising Principles

- 1. The Board of Directors.** The governing body shall be very active in the fundraising effort, including being active in solicitations and in making individual contributions.
- 2. Consistency with mission.** The organization shall only accept funding that is consistent with its mission, does not compromise its core principles, and does not restrict its ability to address relevant issues freely, thoroughly, and objectively.
- 3. Truthful.** The organization shall be truthful in all matters relating to the raising of funds and their use.
- 4. Mission priority.** Programs shall be designed to meet the mission of the CARD and never designed simply to meet the needs of a funding source.
- 5. Unethical actions.** The organization shall not tolerate any unethical activities such as double funding for one project, diversion of dedicated funds to uses other than the project for which funds were approved, or overstatement of achievements.
- 6. Donation or Gift violate it corporate charter.** CARD will not accept gifts that (a) would result in violating its corporate charter, (b) would result in losing its status as is not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences, or (e) are for purposes outside CARD's mission
- 7. Donations Donation** will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations.
- 8. In the course of its regular fundraising activities,** CARD will accept donations of cash, marketable securities, bequests, life insurance policies, commercial annuities, retirement plans, and in-kind services.

- 9. Certain types of gifts** Gift must be reviewed prior to acceptance due to the special liabilities they may pose. Examples of gifts that may be subject to review include gifts of real property, gifts of personal property, and gifts of securities.

## 16.2. Solicitations

- 1. Solicitation materials.** The organization shall be careful to ensure that all solicitation and promotional materials are accurate, and that they clearly and truthfully present the NGO, its mission, and its programs. All solicitations are to correctly reflect CARD's planned use of the solicited funds, and fundraising solicitations shall only make claims that the organization can fulfil. There shall not be any exaggerations of fact or material omissions, nor any communication or images that would create a false or misleading impression.
- 2. All decisions to solicit.** Decision and/or accept potentially controversial gifts will be made by the Executive Committee of the Board in consultation with the Executive Director. The primary consideration will be the impact of the gift on the organization.
- 3. Tax benefits.** The organization shall ensure that donors receive informed, accurate, and ethical information regarding the tax implications of potential gifts.
- 4. Excess funds.** When funding for a particular purpose is invited from the public, there shall be a plan for handling any excess funds, and, where appropriate, the appeal should include information on how any excess funds will be used.
- 5. Percentage-based compensation.** Percentage-Based Compensation can be an impediment to keeping the donor's and CARD's best interest's primary, and may foster unethical behaviour or inappropriate conduct on the part of the fundraiser. It likewise can be a hindrance toward maintaining a volunteer spirit and keeping the mission of CARD at the forefront, and may offer reward without merit in the case of a large donation that may be the product of many individuals. The organization may provide compensation based on skill, effort and time expended, and performance-based compensation, such as bonuses, provided such bonuses are in according with prevailing practices of CARD and not based on a percentage of humanitarian contributions raised.
- 6. Sales promotions.** Fundraising promotions involving the sale of products or services shall indicate the duration of the campaign, and the actual or anticipated portion of the purchase price that will benefit the CARD or program.
- 7. Percentage of fundraising costs.** The costs involved in fundraising shall be reasonable relative to the revenue generated.

- 8. Information on solicitors.** CARD shall have policies in place to protect the donor's right to be informed whether the solicitors are paid staff, volunteers, or agents of CARD.

### 16.3. Use of Funds

- 1. Use of contributions.** The organization shall ensure that contributions are used as promised or implied in fundraising appeals or for the purposes intended by the donors.
- 2. Grant commitment.** When CARD accepts a grant, it is entering into a contract to carry out the program activities in an agreed-upon manner, and has an ethical and legal responsibility to honor that commitment.
- 3. Donor consent for changes.** The organization may alter the conditions of a gift or grant only by obtaining explicit consent by the donor.
- 4. Efficient and effective use.** The organization shall ensure efficient and effective use of grants and charitable contributions.
- 5. Funding & Grants.** In relation to funding and/or grant submissions, the ED/CEO may approve applications or expressions of interest for projects of up to a set dollar limit. For larger funding projects, Board approval should be sought.
- 6.** The Board will make decisions based on how the proposed new funding fits with the Strategic Plan. In situations where time constraints do not allow this, the ED/CEO will consult with the Board Chair, Executive Committee or Financial/Administration Committee Chairs.

### 16.4. Accountability

- 1. Tracking expenditures.** The organization shall set up an organized system to track grant expenditures.
- 2. Timely reports.** The organization shall produce timely reports on the use and management of funds on quarterly.
- 3. Financial statements.** Financial statements regarding donations shall be made available upon request by the donor and interested parties
- 4. The Christian Action for Relief and Development's** financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of national regulators.
- 5. All restricted donations.** Will be used as agreed with the donor. If necessary due to programme or organisational changes, alternative uses will be discussed where possible with the donor or the donor's legal designate(s). If the donor is deceased or legally incompetent, and the CARD is unable

to contact a legal designate, the donation will be used in a manner that is as consistent as possible with the donor's original intent.

6. **An annual financial report produced.** Financial report produced by the Finance Manager in accordance with generally accepted accounting principles and standards will: disclose the total amount of donation income and expenditure; be factual and accurate in all material respects.
7. **The cost effectiveness .**The cost effectiveness of the CARD's fundraising programme will be reviewed as part of an annual report to Board of Director.

### 16.3. Donors' Rights<sup>16</sup>

1. **All fundraising solicitations** by or on behalf of the Christian Action for Relief and Development will disclose the CARD's name and the purpose for which the funds are requested. Printed solicitations (however transmitted) will also include its address or other contact information.
2. **Donors and prospective donors are entitled to the following**, promptly upon request: The most recent annual report and financial statements of the CARD; Confirmation of the charitable status of the CARD and A copy of this Policy.
3. **Donors and prospective donors are entitled to know**, upon request, whether an individual soliciting funds on behalf of the organization is a volunteer, an employee, or a consultant or freelance fundraiser working on behalf of the organization.
4. **Donors will be encouraged in writing to seek independent advice** if the CARD has any reason to believe that a proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members. It will remain the donor's responsibility to consider such matters prior to making a gift.
5. **Donors' requests to remain anonymous will be respected** as far as is legally, practically, and ethically possible.
6. **The privacy of donors will be respected.** Any donor records that are maintained by the CARD will be kept confidential to the greatest extent possible. Donors have the right to see their own donor record, and to challenge its accuracy.
7. **Donors and prospective donors will be treated with respect.** Every effort will be made to honour their requests to: Limit the frequency of solicitations; not be solicited by telephone or other technology; Limit the amount or frequency of printed or online material concerning the CARD that

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<sup>16</sup> Ethical Fundraising Policy University of Bath, 26, June, 2018

- they are sent. Donors or prospective donors who request no further contact will not be contacted for fundraising purposes.
8. **Donors have the right to ask that their donations be allocated to a specific area** of CARD activity, and the CARD will meet these requests, wherever possible and appropriate in order to deliver its mission. (See Financial Accountability, point 3 for the treatment of restricted donations).<sup>17</sup>
  9. **The CARD will respond promptly to a complaint** by a donor or prospective donor about any matter that is addressed in this ethics policy. A designated Programme Manager will attempt to satisfy the complainant's concerns in the first instance. A complainant who remains dissatisfied may request in writing a review of their complaint by the Executive Director, and will be advised of the outcome of this review.
  10. **Fundraising Practices.** Fundraising solicitations on behalf of the Christian Action for Relief and Development will: Accurately describe the CARD's activities and the intended use of donated funds; and Respect the dignity and privacy of those who benefit from the CARD's activities.
  11. **Volunteers, employees and hired fundraisers** who solicit or receive funds on behalf of the CARD shall: adhere to the provisions of this Policy; Act with fairness, integrity, and in accordance with all applicable laws; he/she must adhere to the provisions of applicable professional codes of ethics, standards of practice, etc; cease solicitation of a prospective donor on request; disclose immediately to the CARD any actual or apparent conflict of interest; Not accept donations for purposes that are inconsistent with the CARD's objects or mission; and Ensure that no inappropriate benefit is secured by a donor in return for a gift. The CARD will not sell or exchange personal details of donors.
  12. The CARD will abide by all applicable laws and regulations relating to the acceptance, solicitation and use of donations.
  13. The CARD will meet the provisions of the Bribery Act and other relevant legislation intended to protect against bribery in respect of donations. The Board of Director will be informed at least annually of the number, type, and disposition of complaints received from donors or prospective donors about matters that are addressed in this Policy.

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<sup>17</sup> Ethical Fundraising Policy University of Bath, 26, June, 2018



## Section 17. Policy for the Acceptance/Refusal of Donations<sup>18</sup>

1. Responsibility for all decisions rests with the legally appointed Board of Directors of CARD.
2. The Board will at all times endeavor to take all decisions relating to the acceptance/refusal of donations “in the best interests of CARD”.
3. The Board of Directors will aim to demonstrate that they have acted “in the best interests of CARD” irrespective of any individual or collective personal interest or predilection, in each and every case.
4. The Board will be particularly careful when refusing donations based solely on the grounds of expediency, as judged by themselves.
5. The Board will derive no personal benefit (individually or collectively) from donations, loans or other material support offered to CARD. Where material personal benefit is tied to support, the support, the benefit, or both will be declined.
6. Where it is clear that the activities of a donor are directly inimical to the objectives of CARD, the agreed policies of CARD, or to the beneficiaries of CARD, the Board may decide to refuse a donation.
7. Where it can be clearly shown that the cost to CARD of accepting a donation will be greater than the value of the donation itself, the Board may decide to refuse the donation.
8. Where the offer of support is dependent upon the fulfilment of certain conditions placed upon CARD, the Board have the right and may decide to refuse that support. Such cases might exist where; any condition linked to the support is, in itself, contrary to the objectives of CARD any condition linked to the support is regarded as unreasonable in relation to the nature of the support in terms of its size or impact on the work of CARD, where conditions linked to the support will divert CARD from pursuing its current objectives, policies or work priorities as a necessary result of the fulfilment of the conditions alone where the conditions linked to the support tie the funds and/or property offered to a specific activity, that activity must itself be; humanitarian in nature within the scope of legitimate action permitted by the humanitarian objects of CARD and the powers granted to achieve those objects and be practically achievable by CARD
9. Where an offer of support is itself dependent upon CARD first spending its own money or resources in order to facilitate the execution of the original offer of support, great care will be taken by the Board to avoid placing charitable assets under undue and inappropriate risk.

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<sup>18</sup> Cari fundraising policy (incorporating code of good practice) updated April 2011

10. Practical considerations might mean that an otherwise acceptable donation must be refused. Such cases might exist: Where support is tied to a particular project or activity which whilst reflecting the humanitarian objectives of CARD, is nevertheless impractical, given the current standing of the organization. Where the support is presented in an unconventional manner and the cost of processing the donation exceeds the value of the donation. Where the support consists of goods, services or property which CARD cannot lawfully use, convert, exchange or sell in direct support of its charitable objects.
11. Where a change in the donor's circumstances prompts a request for the return of all or part of the donation, great care will be exercised by the Board.
12. On occasion, the Board may wish to refuse a donation, or delay its acceptance, with a view to inviting the donor to make the gift in a more tax efficient manner.

### **17.2. Gifts and Donation and In-Kind Policy**

Charitable Receipts: CARD is a registered as non-profit organization with the South Sudan Relief Rehabilitation Commission RRC, charity #..... Tax exempted receipts must be issued under the following conditions:

- a. Transfer of property (not services) to the CARD.
- b. Transfer must be voluntary.
- c. Donor must not receive any benefit in return.
- d. Must be philanthropic for the good of society.
- e. Tax receipts issue must comply with the following: A sequentially numbered receipt book with double copies is used.

### **17.3. Charitable Donation receipts must contain:**

1. Statement that this is an "Official Receipt for Income Tax Purposes to organization".
2. Charitable taxation exemption number.
3. Name and address of organization as recorded with RRC.
4. Place or locality where receipt was issued.
5. Name and address of donor, including first name and initial if an individual.
6. Amount of cash donation or fair market value of gift.
7. If cash donation – day or year when CARD received donation.

8. If non-cash donation – day when organization received donation, brief description of property, name and address of appraiser if appraisal done.
9. If another receipt is issued for the same donation, the words “this receipt replaces receipt #.....” must be clearly shown.
10. Spoiled or voided receipts are kept in the receipt book.
11. Receipts for other than charitable donations must be issued with other kinds of receipts.
12. Unused receipts must be kept secure and must be accounted for.

#### **17.4. Gift Acceptance Policy**

The following policies govern how nonstandard gifts will be handled:

1. CARD solicits and accepts gifts that are consistent with its mission.
2. Donations will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations.
3. In the course of its regular fundraising activities, CARD will accept donations of cash, marketable securities, bequests, life insurance policies, commercial annuities, retirement plans, and in-kind services.
4. Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose. Examples of gifts that may be subject to review include gifts of real property, gifts of personal property, and gifts of securities.<sup>19</sup>
5. All decisions to solicit and/or accept potentially controversial gifts will be made by the Executive Committee of the Board in consultation with the Executive Director. The primary consideration will be the impact of the gift on the organization.
6. CARD will not accept gifts that (a) would result in violating its corporate charter, (b) would result in losing its status as an IRC (c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences, or (e) are for purposes outside CARD's mission.

#### **17.5. Ways to dispose of gifts presented to an Official**

1. If the gift is of perishable nature (e.g. food or drink), it may be shared among the office or during an activity organised by the Organization.
2. If the gift is of historical or other interest, it may be sent to a library or museum.

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<sup>19</sup> 12 Language in this section is adapted from Nonprofit Risk Management Center. SAMPLE Gift Acceptance Policies. Retrieved from [www.nonprofitrisk.org/tools/hallmarks/.../1gift-acceptance-policies.doc](http://www.nonprofitrisk.org/tools/hallmarks/.../1gift-acceptance-policies.doc).

3. If the gift is suitable for display (e.g. a painting, vase, etc), it may be retained for display in the recipient's office or elsewhere noticeable in the Organization's premises.
4. If the gift is of low value (below \$20), it may be donated to the Organization's social function as a lucky draw prize.
5. If the gift is a personal item of low value (below \$500), it may be retained by the recipient after approval by the Executive Director.

**17.6. Donated Materials, Equipment, and Services:**

CARD records in-kind gifts of equipment as in-kind contributions, a revenue account, and as equipment, an asset account. Donated equipment is recorded at the fair market value on the date of donation. Fair market value is the price at which the item would be sold by a willing buyer to a willing seller.

Donated material which does not meet the definition of equipment is not recorded as "in-kind supplies expense" and "in-kind contribution". Volunteer time of professionals in their professional capacity is recorded as "in-kind revenue" and "in-kind expense.". There is no net effect of recording in-kind labour and its associated in-kind contribution income. The recording of in-kind contribution income for the value of donated equipment results in an increase in net income because the value of the donated equipment is recorded as an asset not as an expense.

**17.7. Acceptance of advantages and Declaration of conflict of interest**

1. **Prevention of Bribery Ordinance.** Prevention of Bribery Ordinance; an employee who solicits or accepts an advantage in relation to his employer's business or affairs without the latter's permission may commit an offence. The term "advantage" is defined in the Ordinance and includes almost anything of value, except entertainment, such as money, gift, commission, loan, fee, reward, office, employment, contract, service or favour
2. **Acceptance of Advantages.** It is the policy of this Organization to prohibit all staff from soliciting any advantage from any persons having business dealings with the Organization (e.g. suppliers, contractors, members, activity participants). Officials and staff who wish to accept any advantage from such persons should seek special permission from the management Committee/ (post of designated officer) prior to the acceptance.
3. **Any gifts offered voluntarily.** Any gifts offered voluntarily to the officials or staff in their official capacity are regarded as gifts to the Organization and they should not be accepted without permission. Officials and staff should decline the offer if the acceptance could affect their objectivity in conducting the Organization's business, or induce them to act against the interest of the Organization, or lead to perception or complaints of bias or impropriety.

4. **For gifts which are presented to officials or staff in their official capacity and of nominal value (below 500 USD)**, the refusal of which could be seen as unsociable or impolite (e.g. a plaque presented to an official or a staff member during a seminar in which he is invited to be the guest speaker), the management committee has given a blanket permission for the officials and staff to accept these gifts. In other circumstances, the officials and staff should apply in writing to the management Committee/ (post of designated officer) for permission to accept the gifts. Each application should be carefully considered by the management Committee/(post of designated officer).
5. **Proper records of these applications** should be kept showing the name of the applicant, the occasion of the offer, the nature and estimated value of the gift, and whether permission has been granted for the applicant to retain the gift or other directions have been given to dispose of the gift. There is however no restriction on the acceptance of advantages, in the official's or staff's private capacity, from any person who does not have any official dealings with the Organization. In case of doubt, the officials and staff should refer the matter to the management Committee/ (post of designated officer) for advice and instruction before accepting such offer of advantages.
6. **Gifts and bequests.** The Committee may accept any legitimate gift or bequest, whether subject to any special trust or not, for any one or more of the objectives and purposes of the agency.
7. **Declaration of Conflict of Interest.** A conflict of interest situation arises when the "private interests" of the official and staff compete or conflict with the interests of the Organization. "Private interests" means both the financial and personal interests of the official and staff or those of their connections including:
  8. Family and other relations; Personal friends; other companies or business interests which they hold or own (both in part or in whole); other clubs and societies to which they belong; and
  9. Any person to whom they owe a favor or are obligated in any way.
10. **Officials and staff should avoid using their official position** or any information made available to them in the course of their duties for the Organization to benefit themselves, their relations or any other persons with whom they have personal or social ties, or business connections. They should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest with the Organization.
11. **Failure to avoid or declare any conflict of interest** may give rise to criticism of favouritisms, abuse of authority or even allegations of corruption, which are to the corporate disgrace of the Organization. In particular, officials and staff involved in the procurement process should declare

conflict of interest if they are closely related to, or have or will likely be perceived to have, beneficial interest in any company which is considering submission of quotation/tender to the Organization or is being considered for selection as the Organization's supplier of goods or services.

12. **When called upon to deal with matters of the Organization** for which there is an actual or perceived conflict of interest, the officials and staff should make a declaration in writing to his supervisor or the management Committee/(post of the designated officer). He/she should then abstain from dealing with the matter in question, and follow the instruction of his supervisor or the management Committee/(post of the designated officer) who may (or may not) reassign the task to other officials or staff.
13. **Entertainment.** The Prevention of Bribery Ordinance, "entertainment" refers to food or drink provided for immediate consumption on the occasion, and any other entertainment provided at the same time. Although entertainment is an acceptable form of business and social behavior and is not an "advantage", officials and staff must not accept lavish or frequent entertainment from persons with whom the Organization has official dealings (e.g. suppliers or contractors, clubs/persons to which the Organization may allocate resources or job assignments), so that they will not be placed in a position of obligation to the offered.
14. **Misuse of Official Position.** Officials and staff who misuse their official position for personal gains or to favor their relatives or friends or to benefit their business connections are liable to disciplinary action by the Organization or even prosecution by the appropriate authorities. Examples of misuse include an official or a staff member responsible for the selection of suppliers giving undue favour or leaking tender information to his own or his relative's company with a view to awarding the contract to the latter, or placing it in an advantageous position ahead of other competitive bidders.
15. Other examples include reserving tickets for popular events for relatives and friends without prior permission and without going through the proper ticket allocation procedures by the Organization, and unfair allocation of resources (e.g. venue) to other parties for personal gain.

## Section 18. Reserve Policy

### 18.1. Purpose.

The purpose of the Reserves policy for CARD is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization and to provide a source of internal funds for organizational priorities such as building repair and improvement, program opportunity, and capacity

building. The Reserves policy will be implemented in concert with the other governance and financial policies of CARD and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.<sup>20</sup>

### **18.2. Operating Reserve**

1. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.
2. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of CARD for Operating Reserves to be used and replenished within a reasonably short period of time.
3. The target minimum Operating Reserve Fund is equal to [one/two/three/six] months of average operating costs.
4. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.
5. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes expenses customize: examples are flow-through funds, one-time or unusual, capital purchases].
6. The amount of the Operating Reserve fund target minimum will be calculated each year after approval of the annual budget, reported to the Finance Committee/Board of Directors, and included in the regular financial reports.

### **18.3. Building and Capital Asset Reserve**

The Building and Capital Asset Reserve is intended to provide a ready source of funds for repair or acquisition of buildings, leaseholds, furniture, fixtures, and equipment necessary for the effective operation of the organization and programs. The target amount of the Building and Capital Asset Reserve will be determined by customize.

### **18.4. Opportunity Reserve**

1. The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organization which may or may not have specific expectation of incremental or long-term increased income.

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<sup>20</sup> Financial Management Manual Guidelines, Financial Procedures & Policies for Non-profits ©2011 Management STRATAGEMS Group. All rights reserved. [www.stratagemsgroup.com](http://www.stratagemsgroup.com) P, 28

2. The Opportunity Reserve is also intended as a source of internal funds for organizational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. The target amount of the Opportunity Reserve will be determined by customize.

### **18.5. Accounting for reserves**

The Operating Reserve Fund will be recorded in the financial records as the Board-Designated Operating Reserve.

The Fund will be funded and available in cash or cash equivalent funds. Operating Reserves will be maintained in a segregated bank account or investment fund, in accordance with investment policies [OR will be commingled with the general cash and investment accounts of the organization].

### **18.6. Funding Of Reserves**

The Operating Reserve Fund will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.

The Building and Capital Assets Reserve will be funded by customize: setting aside funds received from any capital campaigns or similar appeals (OR) setting aside the equivalent amount of cash equal to XX% of depreciation in the annual budget (OR) other calculations]. The Opportunity Reserve fund will be funded with occasional special designations made by the Board of Directors.

### **18.7. Use of Reserves**

1. **Identification of appropriate use of reserve funds**<sup>21</sup>. The Executive Director and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds, and evaluation of the time period that the funds will be required and replenished.
2. **Authority to use operating reserves** this section must be customized to reflect the authority and process selected by the organization. Several possible approaches are included
3. **Approach A:** The Executive Director will submit a request to use Operating Reserves to the Finance Committee of the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve months to restore the Operating Reserve Fund to the target minimum amount. If the

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<sup>21</sup>Financial Management Manual Guidelines, Financial Procedures & Policies for Non-profits ©2011 Management STRATAGEMS Group. All rights reserved. [www.stratagemsgroup.com](http://www.stratagemsgroup.com) P, 29,30



use of Operating Reserves will take longer than 12 months to replenish, the request will be scrutinized more carefully. The Board of Directors will approve or modify the request and authorize transfer from the fund.

4. **Approach B:** Authority for use of Operating Reserves is delegated to the Executive Director in consultation with the Treasurer/Finance Committee and Chair of the Board. The use of Operating Reserves will be reported to the Board of Directors at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds and plans for replenishment to restore the Operating Reserve fund to the target minimum amount. The Executive Director must receive prior approval from the Executive Committee/Board of Directors if the Operating Reserves will take longer than 12 months to replenish.
5. **Reporting and monitoring.**<sup>22</sup>The Executive Director is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the Executive Director will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the Finance Committee/Board of Directors of progress to restore the fund to the target minimum amount.
6. **Review of Policy.** This Policy will be reviewed every other year, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Directors.

## Section 19. Document Destruction and Retention Policy

The Board of Directors of the CARD adopts the following Policy in order to strengthen its existing policies and procedures, maintain and exemplify “best practices”, and comply with applicable law<sup>23</sup> and regulations.

1. CARD Board, staff and volunteers must be aware that it is a crime to destroy, alter, cover up, or falsify any document<sup>24</sup> (or persuade anyone else to do so) to prevent its use in an official proceeding (for example, litigation or administrative proceeding, governmental investigation, or bankruptcy proceeding).
2. If an official investigation is underway or even suspected, management must stop any document purging in order to avoid criminal obstruction charges.

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<sup>23</sup> Non-profit organizations are required by Sarbanes-Oxley to adopt a document retention policy (Public Company Accounting Reform and Investor Protection Act of 2002).

3. Similarly, if litigation is reasonably anticipated, document purging must be stopped.
4. CARD will adopt and maintain a written, mandatory document retention and periodic destruction policy (the "Document Retention Schedule") to help limit accidental or innocent document destruction.
5. CARD will monitor, justify, and carefully administer the document destruction process.
6. CARD will maintain appropriate records about its operations, and will also regularly dispose of unnecessary and outdated documents in accordance with the Document Retention Schedule.
7. CARD will manage, store, preserve and archive documents, including e-mail and other electronic messages or data, in accordance with the Document Retention Schedule.
8. The Board Audit Committee has responsibility for oversight of compliance with this Policy

### **19.2. Asset Disposal and repurposing**

Procedures governing asset management for secure disposal or repurposing of equipment and resources prior to assignment, transfer, transport, or surplus please refer to asset depreciation and disposal section

1. When disposing of any asset, sensitive data must be removed prior to disposal. Department support staff shall determine what type of data destruction protocol should be used for erasure.
2. Minimally, data shall be removed using low level formatting and degaussing techniques. For media storing confidential or student personally identifiable information (PII) that is not being repurposed, disks shall be physically destroyed prior to disposal.
3. Asset disposal may occur through auction, tender, private sale, destruction, donation and transfers to other organizations. The method of asset disposal will be based on consideration of what offers the best return and best furthers Christian Action for Relief and Development's objectives, and considers environmental responsibilities.
4. When property is beyond repair or is no longer needed, the equipment item must be returned to the Service Centre for appropriate disposal.
5. IT equipment will be disposed of by IT Department. The administrator will complete a fixed asset maintenance form.

### **19.3. Assets Depreciation**

1. The following policies govern how fixed and capital assets will be treated:
2. CARD has established a capitalization threshold of \$1,000 for property expected to benefit the operations of the organization for multiple years to be considered a fixed asset.

3. Property purchased meeting the fixed asset definition is tagged with a pre-numbered asset tag noting CARD and added to the list of assets maintained by logistic Department for tagging refer to tagging procedure.
4. This inventory list will include the description, serial numbers, asset number, date of purchase or receipt, date of installation, cost including taxes, and life expectancy for depreciation purposes. A copy of the invoice(s) should be maintained with these asset records until asset is sold or deleted.
5. The purpose of depreciation is to recognize the decreased value of the property over time (useful life) and to quantify this usage as an expense to each year deriving benefit from its use.
6. Fixed assets are depreciated according to the CARD Depreciation Policy. The Depreciation Policy sets the useful life of property types.
7. Depreciation Schedules are prepared for the full fiscal year utilizing the guidelines of the Depreciation Policy.
8. As depreciable property is purchased, it is added to the depreciation schedule in the month following purchase/installation.
9. A recurring journal entry is set up for posting each month, charging the depreciation expense to the appropriate program(s).

**19.4. Assets transfer.** In order to maintain accurate asset records, asset transfers shall be recorded promptly. A permanent transfer is one that has no current plans of return. The administrator transferring equipment will complete a fixed asset maintenance form. Information required on the form includes: The Fixed Asset Maintenance Form shall be completed in entirety and forwarded to Finance and Executive Director Identify the destination of the item. A copy of the form shall be send to finance and the Executive Director as well as board of Directors.

**19.5. Document retention & destruction policy.** Christian Action for Relief and Development-CARD takes seriously its obligations to preserve information relating to litigation, audits, and investigations. From time to time, the Executive Director may issue a notice, known as a “legal hold,” suspending the destruction of records due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings. No records specified in any legal hold may be destroyed, even if the scheduled destruction date has passed, until the legal hold is withdrawn in writing by the Executive Director.

**The following table provides the minimum requirements<sup>25</sup>.**

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<sup>25</sup> Adapted from Montana Nonprofit Association Executive Compensation Policy, retrieved from [http://www.mtnonprofit.org/uploadedFiles/Files/About/Executive\\_Compensation.pdf](http://www.mtnonprofit.org/uploadedFiles/Files/About/Executive_Compensation.pdf).

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3years
Checks (for important payments and purchase	Permanently
Contracts, mortgages, notes and leases (expire	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedule	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies	Permanently
Internal audit reports	3years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related Papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
personnel files (terminated employees)	7 years

Time sheet	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

26

In addition to the above, the organization will annually update an electronic archive containing final versions of key public program documents.

- 19.6. Electronic Documents and Records.** Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.
- 19.7. Emergency Planning.** The Christian Action for Relief and Development’s records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping Christian Action for Relief and Development operating in an emergency will be duplicated or backed up at least every week and maintained off-site.
- 19.8. Document Destruction.** The Executive Director is responsible for the ongoing process of identifying its records which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding. Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.
- 19.9. Compliance.** Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against Christian Action for Relief and Development and its employees and possible disciplinary action against responsible individuals. The Executive Director and Board Chair will periodically review these procedures with legal counsel or Christian Action for Relief and Development’s certified public accountant to ensure that they are in compliance with new or revised regulations.
- 19.10. Retention & Management of Financial Record.** CARD maintains a centralized filing system for policy and project-related files. Staff are responsible for keeping the files relevant to all projects including funding agreements. The HR manager, Finance Manager are 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. On an annual basis, the HR Manager, Finance Manager will cull documents from the central filing

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<sup>26</sup> Adapted from Montana Non-profit Association Executive Compensation Policy, retrieved from [http://www.mtnonprofit.org/uploadedFiles/Files/About/Executive\\_Compensation.pdf](http://www.mtnonprofit.org/uploadedFiles/Files/About/Executive_Compensation.pdf).

cabinets. This ensures filing systems 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 CARD; and Disposed of. In general, CARD staff are responsible for maintaining files relevant to their own projects and areas of responsibility. Copies of key documents should be forwarded to the HR. Manager, Finance Manager for inclusion on the project file, stored in the Finance/Administration office (a job number will be allocated). The documents kept in the central file include:

- A. The funding submission
- B. The funding agreement
- C. The project budget
- D. Any correspondence with the funding agency
- E. Copies of all reports and acquittals
- F. Copies of any agreements with contractors involved in the project.
- G. In order to ensure centralised record keeping, the HR. Manager Finance/Administration Manager also maintains copies of:
  - H. Statutory documents (e.g. the certificate of incorporation)
  - I. Source documents such as insurance policies

The Finance 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. 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 ten years old is usually discarded in order to save storage space, except for organization (list any documents that apply) which should be archived.

## Section 20. Policy Governing Whistleblower Protection

The Board of Directors of Christian Action for Relief and Development adopts the following Policy in order to strengthen its existing policies and procedures, maintain and exemplify “best practices,” and comply with applicable law<sup>27</sup> and regulations.

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<sup>27</sup> Non-profit organizations are required by federal law to adopt a whistle-blower protection policy (Public Company Accounting Reform and Investor Protection Act of 2002, “*Sarbanes-Oxley*”). This is one of two requirements of *Sarbanes-Oxley* that apply to non-profits, which are otherwise not subject to that federal legislation.

CARD encourages any staff member or volunteer to bring instances of improper conduct, such as waste, fraud, financial impropriety or abuse, to the attention of a responsible person who can be counted upon to investigate the problem promptly and fairly.

Any staff member or volunteer of CARD who reports waste, fraud, financial impropriety or abuse will not be fired or otherwise retaliated against for making the report.

There are several ways to make a confidential - and anonymous if so desired - report of suspected waste, fraud, or abuse:

**Send a written report to:**

The chairperson of Board of Director, \_\_\_\_\_ (name) \_\_\_\_\_ (contact information); or  
The Audit Committee Chair, \_\_\_\_\_ (name) \_\_\_\_\_ (contact information)

**Send an email to:**

The chairperson of the Board of Director, \_\_\_\_\_ (e-mail address) or The Audit Committee Chair, \_\_\_\_\_ (e-mail address)

**Telephone to:**

Board Chair \_\_\_\_\_ at \_\_\_\_\_ (phone number) Audit Committee Chair  
\_\_\_\_\_ at \_\_\_\_\_ (phone number)

**Personal meeting with either of the above.**

The report shall be taken seriously and investigated. The person or persons charged with alleged impropriety shall be given an opportunity to respond to the allegations in person or in writing. Even if the matter is determined not to constitute improper conduct, the individual making the report will not be retaliated against. That person shall not be subject to any punishment – including firing, demotion, suspension, reprimand, harassment, failure to consider the employee for promotion, or any other kind of discrimination – in retaliation for making the report.

Following the investigation, \_\_\_\_\_ (organization) will:

**Provide the person filing a report with a summary of the findings;**

Take appropriate steps to deal with the issue addressed, including making operational or personnel changes, or justify why corrections are not necessary; if warranted, contact law enforcement to deal with any suspected criminal activities. Board of Directors will maintain confidential records of all actions taken under this Policy. The Board Audit Committee has responsibility for oversight of compliance with this Policy.

## Section 21. Purchases and disbursement procedure

### 21.1. Purchases:

Authorization by a supervisor is required prior to all purchases. Standing authorization for routine expenditures such as utilities and copier maintenance is provided by board approval of the annual budget. Employees desiring to make purchases outside the standing authorization items should put the request in writing, describing the item briefly, its cost, and the project to which it is to be charged, and give the request to the Finance Manager.

The Finance Manager codes the request to the appropriate fund and cost center, and gives it to the Executive Director for approval.

Once the Executive Director approves the purchase, the Finance Manager cuts the check. Alternatively, with approval of the supervisor, an employee may purchase the item with her/his own funds and submit a written request for payment, complete with receipt, to the Finance Manager who will prepare a reimbursement check.

### 21.2. Commitment Authority.

1. It is the policy of CARD to grant authority to make commitments, authorize payment 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.
2. If the financial implications of entering into a commitment, approving an invoice 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 the Chair or another Board designated Board member.
3. 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 does not exceed a set dollar value, except in the case of leases and capital expenditures.
4. Approval authority of leases and capital expenditures is given to the Chair or other Board designated Board Member.
5. In all matters in which services or programs valued at a 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.
6. The Executive Director should seek recommendations from the Chair or other designated Board member before committing to a provider.



7. The financial/ administrative staff is responsible for ensuring all purchases have the necessary approval before processing purchases.
8. Payments to creditors may be made either by cheque or electronic funds transfer (EFT). When a creditor is paid by EFT, a remittance advice will be faxed.

**21.3. Vendor and Contractual Agreements and Leases** the following policies govern how decisions to enter into agreements with vendors or contractors or leases will be conducted:

1. Only the Executive Director may sign a contractual or vendor agreement or lease.
2. The HR Manager will maintain a secure file of all vendor, contract, and lease agreements according to the document retention policy.
3. All vendors must submit Request for Tax Payer Identification and Certification or equivalent prior to payment.
4. A determination is made by the bookkeeper/accountant on the need to file an annual.

## Section 22. Conflict of Interest

**22.1. Policy governing Conflicts of interest and pecuniary benefit transactions.** Conflict of interest, or even the appearance of conflict of interest, by Board members or staff must not compromise the mission of CARD Conflict of interest means any financial or other interest which conflicts with the service of an individual because: 1) it could impair the individual's objectivity; or 2) it could create an unfair advantage for any person or organization. Consequently, there exists between organization and its Board, officers, and management employees a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers, and management employees have the responsibility of administering the affairs of CARD honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of organization. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with or knowledge gained from their position for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

**22.2. Purpose.** The purpose of the conflict of interest policy is to protect Christian Action for Relief and Development ("the Organization") interest when it is contemplating entering into a contract, transaction or arrangement that might benefit the private interest of an employee, independent contractor, officer or director of the Organization, or might result in a possible excess benefit transaction under the Internal Revenue Code. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to non-profit and charitable organizations.

### 22.3. Type of Conflict of Interest Situations

1. An official or a staff member takes part in the selection of suppliers or contractors, and one of the bidders under consideration is his relative or close personal friend.
2. An official or a staff member has a financial interest in a company which is being considered for selection as the Organization's supplier of goods or services, or is an existing supplier.
3. An official or a staff member acquires dealership of goods or services on insider knowledge that such goods or services are being considered for procurement by the Organization.
4. An official or a staff member has beneficial interests in a supplier whose goods or services are being selected through an intermediary (e.g. a publicity agent) appointed by the Organization.
5. An official or a staff member selects a venue where his relative or close personal friend has management responsibility.
6. An official or a staff member accepts frequent or lavish entertainment or expensive gifts from the Organization's suppliers or contractors.
7. An official or a staff member hires a relative as staff member, or is considering the promotion of such a person.
8. An official or a staff member nominates a relative as office-bearer.
9. An official vetting applications for programmes sponsorship submitted by a CARD of which he is also a committee member.
10. An official or a staff member, responsible for controlling the allocation of venue rented by the Organization, allocates prime time slots to a training school or a club operated by himself or a relative.
11. An official or a staff member responsible for selling tickets of a popular programme reserves tickets for his relatives or personal friends without permission.
12. Interested Person Any employee, independent contractor, director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
13. Financial Interest A person has a financial interest if the person has, directly or indirectly, through business, profession, investment, or family: An ownership or investment interest in any entity with which the Organization has a contract, transaction or arrangement, A compensation arrangement with the Organization or with any entity or individual with which the Organization has a contract, transaction or arrangement, or A potential ownership or investment interest in, or compensation

arrangement with, any entity or individual with which the Organization is negotiating a contract, transaction or arrangement.

14. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
15. Conflict of Interest A conflict of interest exists when the interests of an interested person have the potential to be at odds with the best interests of the Organization. The interested person's interests may be personal (for example, the consideration of a family member for employment) or professional (such as affiliation with a potential supplier to the association). A financial interest is not necessarily a conflict of interest. Under Article 4, Section 3, a person who has a financial interest may have a conflict of interest only if the appropriate governing board, committee or decision maker decides that a conflict of interest exists.

#### 22.4. General Principles

1. **Interests in conflict.** Interested persons may have interests in conflict with those of the Organization.<sup>28</sup> The duty of loyalty requires that a director, officer or employee be conscious of the potential for such conflicts at all times and act with candor and care in dealing with such situations. Conflicts of interest involving an interested person are not inherently illegal, nor are they to be regarded as a reflection on the integrity of the interested person, Board of Directors, or the Organization. It is the manner in which the interested person, and those making decisions for the Organization, deal with a disclosed conflict that determines the propriety of the transaction.
2. **Awareness and disclosure.** An interested person should be sensitive to any interest he or she may have any decision to be made and, as far as possible, recognize such interest prior to the discussion or presentation of such a matter before the Board of Directors or other decision making entity or person When an interested person has an interest in a transaction being considered, the interested person should disclose the conflict at the earliest time practical before a decision is made on the matter. Upon disclosure by the interested person, the decision making entity or person should provide a disinterested review of the matter as described in this policy.
3. **Insider transactions.** Sometimes, the Organization may decide to choose to deal with an inside supplier of goods or services (i.e., involving an interested person) because of familiarity with the supplier's reliability or for another reason. Although such association with an interested person or their business or family in providing services may result in extra benefits for the Organization, the

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<sup>28</sup> Financial Policies and Procedures Manuals for Nonprofit Organizations: Applying Best Practices to the Environmental Health Strategy center 2011, Jennifer Rottmann P, 50

record of the decision must show that the best interests of the Organization were the overriding consideration in deciding to use such a supplier.

## 22.5. Policy governing Conflicts of interest and pecuniary benefit transactions

Procedures

1. **Applicability.** In the case of interested persons who are employees or independent contractors, the same procedures described below as to Director and committee members apply, except it is the interested person's supervisor or the Executive Director to whom disclosure must be made, and who must deal with the disclosed conflict, not the directors and members of committees with governing board delegated powers. The person's supervisor or the Executive Director, as appropriate, shall then make such disclosures of the conflict that are proper, to the Board of Directors and members of committees.
2. **Determining.** Whether a Conflict of Interest Exists After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon.<sup>29</sup> The remaining board or committee members shall first decide if a conflict of interest exists, and if one does exist, the rest of this article applies. If a conflict does not exist, the interested person shall resume normal participation in the meeting.
3. **Procedures for Addressing the Conflict of Interest.** The remaining board or committee members shall follow the following procedures if a conflict of interest exists:
  1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  3. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

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<sup>29</sup> Financial Policies and Procedures Manuals for Nonprofit Organizations: Applying Best Practices to the Environmental Health Strategy center 2011, Jennifer Rottmann P, 51

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

**4. Violations of the Conflicts of Interest Policy.** If a member of the Board of Directors or committee suspects a violations of the Conflicts of Interest Policy, he or she must bring the matter to the attention to the board or committee, which shall deal with it as follows:

1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**5. Records of Proceedings.** The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.<sup>30</sup>

**6. Covered persons:** This policy applies to all directors, employees, officers, members of a standing committee of the board, and all employees who can influence the actions of organization (collectively, "Covered Persons"). For example, this would include all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning organization. Each Covered Person shall receive a copy of this policy and shall sign an

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<sup>30 30</sup> Financial Policies and Procedures Manuals for Nonprofit Organizations: Applying Best Practices to the Environmental Health Strategy center 2011, Jennifer Rottmann P, 53

acknowledgement that he/she has received, understands and shall comply with this policy. All Covered Persons shall comply with all notice and voting requirements of CARD

**7. Disclosure policy and procedure:** Transactions with related parties may be undertaken only if all of the following are observed:

1. A material transaction is fully disclosed;
2. The related party is excluded from the discussion and approval of such transaction, but may provide information if requested to do so;
3. The Board has determined, by the affirmative vote of a 2/3 majority of all disinterested Directors, that the transaction is in the best interest of CARD.
4. Disclosure within CARD should be made to the Board Chair who shall determine whether an apparent conflict exists and is material, and who shall bring such matters, if material to the Board. The Board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to CARD. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of CARD and the advancement of its mission.

**8. Nature of conflicting interest:** A conflict of interest may arise if a Covered Person has a disqualifying relationship with third parties dealing with CARD. A “disqualifying relationship” means formal affiliation with an organization other than (such as being an officer, director, trustee, member, owner [either as sole proprietor or partner], shareholder, employee or agent), or relationship by blood, marriage or significant long-term relationship with a person so affiliated with such an organization

**9. Interpretation of this statement of policy:** The areas of conflicting interest listed above, and the relations in those areas which may give rise to conflict, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Covered Persons will recognize such areas and relation by analogy. CARD expects that all Covered Persons will abide by the spirit as well as the letter of this Policy. The fact that one of the interests described in Section IV exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of organization. However, it is the policy of the Board that the existence of any potentially conflicting interest shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of Covered Persons to scrutinize their transactions

and outside business interests and relationships for potential conflicts and to immediately make such disclosures<sup>31</sup>.

**10. Annual reports.** To address questions of conflict of interest, for the protection of both the individual and the organization, each Covered Person shall submit annually a list of his/her business and humanitarian affiliations to the Board Chair. This list will be maintained in the corporate records of CARD, and considered a matter of public record and will be available for review upon request by the public.

**11. Disclosure Statements.** Each employee, independent contractor, director, principal officer and member of a committee with governing board delegated powers shall annually sign and any potential director before election shall sign a statement that affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Organization is humanitarian and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
5. To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board of Directors or its designee(s) shall conduct periodic reviews. The periodic reviews shall take place at least biennially, and, at a minimum, include the following subjects:

**12. Periodic Reviews.** A. Whether all compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining. B. Whether disclosure statements are being properly used; partnerships, joint ventures, and financial arrangements with interested persons conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Conflict of Interest Report.**

Name: \_\_\_\_\_

\_\_\_\_\_

<sup>31</sup> Policy governing conflicts of interest and pecuniary benefit transactions for The New Hampshire center for nonprofit  
2011

I acknowledge that I, a Board member, standing committee member, Executive Director, or employee of CARD, have reviewed the “Policy Governing Conflicts of Interest and Pecuniary Benefit Transactions,” before signing this report.

I hereby disclose information on all associations (all business and charitable organizations), which may involve a possible conflict of interest and will furnish further details upon request. (If none, so state. Do not leave blank.)

I also understand that I am required to disclose any other situation from which a possible conflict of interest might arise in the future.

Name (please print)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

