



THEODORA ANAVHE ADAMU FOUNDATION (TAAF)

Financial Management Policy

Purpose & Scope

TAAF Financial Management policy is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the organization, and managing its funds.

Financial Responsibilities

It is the responsibility of the Board Of Trustees to formulate financial policies, review operations and activities on a periodic basis.

The Board Of Trustees delegates this oversight responsibility to the Financial person on the management team. This responsibility is shared through delegation with the Executive Director (ED), Admin/Finance Manager and the Head Of Operation (HOO).

The ED acts as the primary fiscal agent, implementing all financial policies and procedures. The ED, with oversight of the BOT , is responsible for the coordination of the following:

- Annual budget presentation,
- Management of the endowment and other fund investments,
- Selection of the external Auditors, • Acting as a cheque signatory,
- The approvals of all expenses in accordance with the Board Of Trustees approved long-term plans.

The HOO with oversight by the ED has the responsibility of the day-to-day operations for managing the organization's funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval. **Budgeting Process (The entire Board Of Trustees must approve the budget)**

The Advisory Board Of Trustees shall review and approve the recommended fiscal year budget revenues, expenditures and cash flow, and submit it for approval to the Board Of Trustees. The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included.

Financial Statements

TAAF's financial statements shall be prepared on an accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP") or the more recent approved accounting International Financial Reporting Standards (IFRS) Separate from unrestricted Funds, resources for various purposes are classified for accounting and maintained for each fund.

The Admin/Finance manager shall prepare and present monthly financial statements in a format reviewed and approved by the ED. The statements shall be presented to the ED for review by the 6th or every month.

Audit

TAAF will have an audit of its financial statements annually, within 4 months of the end of each fiscal year. The audit shall be completed by a firm of Independent Certified Public Accountants. The ED and the Admin/Finance manager shall have direct responsibility in overseeing the implementation of the Annual Financial Audit.

The ED and the HOO shall recommend to the Audit Committee for approval, the selection of a firm to perform the annual audit. In addition, the Audit Committee shall assist (when necessary) in the audit preparation, and report the final results to the Board Of Trustees. A representative of the audit firm shall be invited to attend the annual presentation to the Board Of Trustees.

The audited account must be reviewed by the HOO and the ED before submission to the appropriate regulatory bodies.

Revenue And Income Procedures.

The ED in conjunction with the HOO develops and proposes revenue goals and objectives and submits them to the Audit Committee prior to Board Of Trustees discussion and approval.

All contributions shall be recorded in accordance with IFRS. Contributions are recorded as pledged or received in accordance with IFRS, and must be credited to the appropriate revenue lines as presented in the annual budget and coded with the appropriate account number as designated in the organization's accounts.

Recording Receipts

Documentation of checks, electronic funds transfer or cash, would be initiated by the Admin/Finance manager and approved by the ED on the Accounting Platform.

All cash and cheques shall be deposited the same business day if possible, and no later than the next business day into the organization's Bank Account.

The same procedures followed for cash receipts shall be followed when monies are received by employees as contributions for special events.

The Admin/Finance Officer shall reconcile all logs of incoming cash/checks with the deposit slips, and with the record of receipts.

Project Specific Funding

Funding from individuals, Corporate organizations or grants will be paid into an existing designated project account of the foundation.

New project sub-accounts will be opened for projects that require a third party organization towards the implementation of a joint project especially in the case of funding from Grant Funding organizations.

Receipts To Donors

The HOO shall ensure that all donors and contributors shall receive proper acknowledgement of their donations.

Signature Policy

The ED and the Admin/Finance manager (two signatures) shall unless otherwise decided by the Board Of Trustees, sign all cheques, drafts, or orders for payment of money, contracts, and commitments for services issued in the name of TAAF. In the absence of either individual, the signature of the Secretary, Board Of Trustees must be obtained.

Compensations And Payroll (*Important point: Ensure Board Of Trustees approval of ED salary and ranges*); Payroll is executed periodically.

Paychecks or direct deposits will be provided to each employee by the HOO Monthly payroll expenses shall be verified by the HOO against payroll reports and direct deposit reports and reconciled with current account reports.

The compensation of the organization's ED shall be determined by the Board Of Trustees or their designees and the ED's compensation is based on a Board Of Trustees-approved process that considers comparable data and ED performance.

The salaries and compensation ranges of all employees shall be determined by the ED with the approval from the Board Of Trustees. No employee of TAAF may be compensated outside of the approved range, without the approval of the ED.

Local Travel And Expense Reimbursement.

Employees must abide by TAAF's Travel and Expense policy. Travel and expense reports for mileage, meals, hotel, supplies, etc., will be maintained by each employee and then submitted to the HOO for approval and payment.

Mileage to and from the employee's residence to the place of work will not be paid by TAAF. Reimbursements will be based on the travel rate established by the ED and the HOO and approved through the budgeting process. Travel reimbursement shall not be above the Foundation guidelines.

All parking and other expenditure receipts must be attached to the expense voucher as a condition for payment.

Purchasing

Any expenditure in excess of an amount determined by the Board Of Trustees for the purchase of a single item should have bids from three (3) suppliers if possible.

These bids are reviewed by the HOO and the bid award must be specifically approved in advance by the ED.

Purchase of less than the approved amount may be made at the discretion of the ED or HOO without competitive bids. However, for fixed assets, reasonable diligence should be exercised to comparatively shop for available sources.

Any purchase made by a Board Of Trustees member on behalf of TAAF will require prior approval by the ED.

Leases And Other Contractual Agreements. (*Important points: These procedures do not include procedures for building ownership. If the organization owns a building the separate section should be written*)

TAAF conducts a major part of its operations on rented facilities. Rental and other contractual agreements are negotiated by the HOO and executed with the approval of the ED. New leases in excess of an amount determined by the ED requires the approval of the Board Of Trustees.

The ED and the HOO are authorized to develop and enter into contractual agreements with vendors, bankers, and third parties for the purpose of ensuring TAAF's general operations. The Advisory Board Of Trustees shall review such agreements and make recommendations when necessary.

Notes, Loans Etc.

All loans and other indebtedness to be contracted in the name of TAAF (except open accounts and all other routine banking transactions), shall require the signature of the ED unless otherwise specified by the Board Of Trustees or established in the present management policies and procedures. All indebtedness must be approved by the ED.

Bank Accounts

The Admin/Finance Manager shall maintain and oversee bank and investment accounts, and ensure TAAF day-to-day financial operations. Several accounts may be maintained by the organization (main and subsidiary accounts); these accounts may be changed as the organization's financial conditions and requirements change.

Bank Reconciliation

Bank reconciliations shall be completed monthly by the HOO and the account officer cross-referenced with the cash and receipts logs and the monthly financial statements. The Financial Statements shall be compiled by the HOO. The statements shall be then prepared by the HOO who then reports back to the ED.

Petty Cash

A petty cash fund provides a systematic method for paying and recording out-of-pocket cash payments too small to be made by check. TAAF shall maintain a Forty Thousand Naira (#40,000) petty cash fund that is replenished as needed.

The HOO shall maintain control of, and responsibility for, payments disbursed from the Petty Cash fund; however, amounts should not exceed an amount determined by the Board Of Trustees for each transaction.

The total fund should not exceed an amount determined by the Board Of Trustees.

Investments Report And Investment Policy.

Any Investments shall be reported with the monthly financial statements at cost or market value.

The ED and HOO, with oversight of the Board Of Trustees, shall review and determine the general investment strategy for all funds.

All financial institutions shall be selected and approved by the Board Of Trustees and must have long-term investment rating of A or higher by Standard and Poor's, or a compatible rating.

Property And Equipment

Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method.

A depreciation schedule shall be prepared and maintained by the HOO on an annual basis, taking into consideration the annual equipment inventory.

A Property Removal Form shall be required for the removal of the organization's property, supplies, and/or equipment from the premises.

Purchases defined as assets are purchases made above N50,000.

Equipment And Installations

Purchase, installation and maintenance of telephone equipment, telephone lines, office equipment, computer equipment, etc. shall be approved by the HOO after discussion and approval by the ED.

Staff Members and other managers shall be responsible for receiving and supervising the installation of equipment scheduled for their working area, and for maintaining and protecting the equipment installed for their use.

Donated Materials And Services.

Donated materials and equipment shall be reflected in the Financial Statements at their estimated values measured on the date of receipt.

Volunteers contribute time and services for project delivery of activities, such contributed services are generally not reflected in the organization's financial statements since there is no objective way of assessing their value.

