



Amdalah Africa Foundation - AMDAF

CLG

Charity

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FINANCE POLICY & PROCEDURES

As approved and adopted by the Board

Financial Management Policy

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1. INTRODUCTION

Governance refers to how Amdalah Africa Foundation - AMDAF is run, directed, and controlled, and is concerned with the systems and processes for ensuring its overall direction, effectiveness, supervision, and accountability.

Good governance practice requires policies and procedures to be in place to ensure that AMDAF is run effectively, adheres to regulatory and legal requirements, and performs to the highest sectoral and best practice standards, providing confidence to all stakeholders. The Board of Trustees ("the Board") has the ultimate responsibility to ensure good governance practice is applied throughout the organisation.

The overall responsibility for effective governance and the implementation of proper financial management rests with the Board but involves all staff members, whether paid or volunteers. It is essential that the Board has a good knowledge and understanding of the organisation and its finances to ensure its continued viability and the meeting of beneficiaries' needs. Proper financial controls and procedures allow the Board to identify financial risks and plan for their management at an early stage, ensuring awareness of AMDAF's overall financial position now and in the future.

1.1 Financial Management and Control - Managing AMDAF's Resources Responsibly

The Board's main legal responsibilities can be summarized as follows:

- Comply with AMDAF's governing document and the law
- Ensure AMDAF is carrying out its purposes for the public benefit
- Act in AMDAF's best interests
- Manage AMDAF's resources responsibly
- Act with reasonable care and skill
- Ensure AMDAF is accountable

The Board must act responsibly, reasonably, and honestly, exercising sound judgment. The Board must:

- Ensure AMDAF's assets are used to support or carry out its purposes
- Avoid exposing AMDAF's assets, beneficiaries, or reputation to undue risk
- Not over-commit AMDAF
- Comply with any restrictions on spending funds

1.2 Key Elements of Effective Management and Financial Control

The Board will ensure that all money and resources are properly used, managed, and accounted for. Suitable systems must be in place and kept up to date. The Board should:

- Ensure robust and effective financial controls, with clear policies and procedures for income, expenditure, and protection from financial crime
- Consider budgets and monitor actual results against the budget as the year progresses
- Plan and monitor income and outgoings to meet short, medium, and long-term goals

- Analyse sources of income and expenditure, avoiding over-dependence on any one source, and ensuring income generation is on target, legal, and without undue risk
- Ensure robust Risk and Reserves policies are in place and reviewed regularly
- Establish proper management and control procedures for investments and legal compliance
- Protect assets and resources with relevant insurance against potential loss, damage, or liability
- Establish systems for good practice in fundraising and compliance with legal requirements
- Oversee effective use of staff and volunteer resources to meet charitable aims
- Access independent professional advice when necessary

The Board regularly assess and monitor AMDAF's overall financial position and takes steps to ensure its funds are used for their intended purposes. Regular Board meetings include finance as a standing item, with financial reports, management accounts, budgets, financial projections, and updates provided. The Board is collectively responsible and accountable for ensuring and monitoring AMDAF's performance, solvency, and compliance with obligations.

The Board oversees AMDAF's financial control and fulfilling several financial oversight obligations.

1.3 Treasurer

Additionally, the Treasurer manages and controls all financial aspects of AMDAF.

2. GENERAL PRINCIPLES

2.1 Scope

The purpose of this document is to set down principles and ground rules on all aspects of AMDAF's financial management and control. The scope encompasses all financial management systems and control procedures in operation at AMDAF.

This policy aims to provide a comprehensive framework for managing AMDAF's finances responsibly and effectively, ensuring compliance with all legal and regulatory requirements and maintaining the highest standards of financial management and control.

2.2 Responsibility

The Chairperson, with the support of the Treasurer, is responsible to the Board for ensuring adherence to this policy.

2.3 Measures

The procedures below list the measures to implement the policy.

2.4 Training and Instruction

AMDAAF commits to providing or organising training or instruction to staff to facilitate implementation of this policy and procedures. The Treasurer must ensure all staff and volunteers are aware of their responsibilities regarding compliance with this financial policy.

2.5 Evaluation and Review

Constructive feedback on this document is welcome and should be given to the Treasurer, who will ensure the Finance Oversight Committee considers it. The Committee will review the policy and procedures annually or as appropriate to ensure compliance with new legislation or regulation and maintenance of best practice standards.

3. EXPENDITURE

3.1 Expenditure Approval

- Authorisation to incur a liability.
- Authorisation of payments i.e., authorising the actual payment to satisfy a liability.
- All expenditure approval must be in writing.
- Budgeted expenditure up to €1,000 may be approved by the Treasurer.
- Invoices below €300 may be approved by the Department Heads.
- The Treasurer will approve invoices from €500 to €3,000.
- The Board must approve all expenditures over €3,000.
- All initial contracts for services must be approved and signed by the Treasurer.
- Only the Finance Committee has access to computerised payroll records.

3.2 Payroll

The Finance Committee maintains complete and accurate records on payroll software for AMDAAF's core staff team, including:

- Staff personal details, gross monthly salary, and appropriate tax codes.
- Up-to-date government legislation.
- Details of leavers, eligibility for tax credits.

On the Treasurer's approval, monthly gross salary amounts are entered into payroll software. These amounts cannot be altered without written instruction from the Treasurer. The Treasurer reviews each monthly payroll calculation for reasonableness before authorizing payments.

The Treasurer should review the Gross Wages and Salaries report every 3 months to perform an analytical review of these costs compared to budgets.

3.4 Tendering/Quotations

- A minimum of two quotes must be sought for any expenditure on services or goods exceeding €1,000.
- Any expenditure on services or goods exceeding €5,000 (including VAT) should be put out to tender, where possible.

- Sufficient information should be given to potential suppliers for them to give a precise tender/quotation.
- Criteria such as delivery lead-in time, quality of service, and guarantee, as well as price, should be considered before a supplier or contractor is chosen.

3.5 Purchase Invoice Approval

- Purchase orders should be raised for all expenditure. Purchase orders should be signed by the staff member requesting the expenditure and approved by the appropriate management level according to the authorization levels outlined above.
- Invoices should be matched with purchase orders where appropriate. The purchase order should be attached to the invoice, checked, and initialled by the person who made the order.
- All invoices must be formally approved and initialled by the person with authority to approve the expenditure.
- Invoices may not be approved by the person/organisation receiving the money. All intercompany receipts and payments must be approved by the Treasurer.
- At month end, known commitments should be reviewed and any outstanding invoices recorded.
- For prepayments (e.g., deposits for venues), a pro forma invoice or request for payment should be received and subjected to the same approval procedures as other invoices. At month end, prepayments should be recorded by accounts administration.

3.6 Purchase Invoice Payment

- No payments must be made without original documentation to back up the expenditure.
- Payments may not be authorised by the person/organisation receiving the money.
- Purchase invoices should be entered into accounting software within 5 days of receipt.
- Purchase invoices should be approved and paid within 31 days, except when invoices miss a payment run.
- Purchase invoices should be paid online where possible.
- Any first-time online payments of invoices must be pre-approved by the Treasurer.

4. INCOME

4.1 Procedures for Incoming Cash and Cheques by Post

- The Treasurer must keep the original accompanying correspondence relating to finance on file.
- Records of all incoming cash and cheques should be put on the incoming post logbook and posted to the accounting system within five days.
- The Treasurer must ensure that all income is logged in the receipts book manually as it comes in, or as appropriate. Details to be filled in the log are: date received, from whom, lodgement number, amount, cheque number, method of payment, and purpose of payment.
- All cash and cheque originals must be placed in the safe under lock and key.
- A receipt should be issued within two days of receipt of monies.
- The Treasurer must file correspondence under the correct category and then in date received order.
- Lodgements are made at least twice a week, or as appropriate.

5. BANK ACCOUNTS

5.1 Bank Account Records

- Bank account details are maintained in the accounting software system.
- Changes to bank account signatories must be approved by the Treasurer and the Chairperson and updated in the accounting software system within five days.
- Bank account reconciliations should be performed monthly and reviewed by the Treasurer.

5.2 Bank Statements

- All bank statements are to be received directly by the Treasurer, who will review them before passing them to the Finance Committee.
- Copies of the bank statements must be kept on file.

5.3 Bank Reconciliation

- Monthly bank reconciliations should be performed and reviewed by the Treasurer.
- Differences or discrepancies must be investigated and resolved promptly.

5.4 Credit Control

- The Finance Oversight Committee must monitor outstanding receivables and follow up promptly on overdue accounts.
- The Treasurer must report on the status of receivables monthly to the Board.

6. HUMAN RESOURCES AND PAYROLL

6.1 New Employees

- New employees must complete all necessary paperwork, including tax forms and direct deposit information, before receiving their first paycheck.
- The Finance Oversight Committee must verify and approve all new hire documentation.

6.2 Salary Payments

- Salary payments must be processed through the payroll system and reviewed by the Treasurer.
- Any changes to payroll, such as bonuses or deductions, must be approved by the Treasurer.

6.3 Staff and Volunteer Expenses

- Staff and volunteer expenses must be submitted with appropriate documentation and receipts.
- Expenses should be reviewed and approved by the Treasurer before reimbursement.

7. FINANCIAL REPORTING

7.1 Monthly Reporting

- The Treasurer will prepare and present monthly financial reports to the Board.
- Reports should include income statements, balance sheets, and budget versus actual comparisons.

7.2 Budgets

- Annual budgets should be prepared by the Treasurer and approved by the Board.
- Budget variances should be monitored monthly and reported to the Board.

7.3 Audited Accounts

- Annual financial statements must be audited by an independent auditor approved by the Board.
- The audited accounts must be reviewed and approved by the Board.

8. ASSET MANAGEMENT

8.1 Equipment Register

- An equipment register must be maintained by the Finance Oversight Committee.
- The register should include details of all assets, including purchase date, cost, and depreciation.

8.2 Disposal of Written-Off Assets

- The disposal of written-off assets must be approved by the Treasurer and reported to the Board.
- Proper documentation of the disposal process should be maintained.

9. INSURANCE

- AMDAF must maintain adequate insurance coverage for all its assets and activities.
- The Treasurer should review insurance policies annually and ensure they are up to date.

10. RISK REGISTER

- A risk register should be maintained to identify and manage potential risks to AMDAF.
- The Finance Oversight Committee should review the risk register regularly and report to the Board.