Internal Financial Control Policy

Note to Banks and Donors: This policy represents the organization's first line of defense against all forms of manipulation and accounting errors. It is designed in accordance with internationally recognized dual control systems.

First: Strict Segregation of Duties

Under no circumstances may a single employee be given complete control over any financial transaction from start to finish. Financial authority is divided as follows:

Procurement Officer: Responsible for requesting and negotiating price quotations.

Technical Committee: Responsible for inspecting and verifying specifications and receiving goods.

Financial Accountant: Responsible for recording the transaction and reviewing original documents and invoices.

Financial Manager and Executive Director: Responsible for approving disbursements.

Treasurer and Authorized Signatories: Responsible for signing checks or bank transfers.

Second: Dual Authorization and Electronic Banking

Banking Transactions: The organization adheres to a mandatory dual authorization policy for all checks, bank transfers, and letters addressed to banks. Single signatures are not accepted under any circumstances. Authorized signatories are categorized into two groups (A) and (B), and a transfer requires one signature from each group (e.g., Chairman of the Board or Treasurer + CEO or CFO).

Corporate Online Banking: The organization's online banking system is robustly configured at at least two levels: a Data Entry Operator (Maker) and an Authorized Approver/Checker. Neither has the authority to combine the roles.

Third: Delegation of Financial Authority and Expenditure Limits

Financial authorities are defined to ensure hierarchical control as follows:

Up to $2,000 (or equivalent): Authorization to approve budgeted operating expenses by the CFO and CEO. From $2,001 to $15,000: Requires prior written approval from the Procurement Committee and the Executive Director jointly.

Above $15,000: Exclusive authority granted by the Board of Directors after review of the financial feasibility report and competing bids.

Fourth: Petty Cash Management

Maximum Cash: The petty cash fund at headquarters is capped at $1,500 for emergencies and small daily expenses that cannot be paid through the bank.

Cash Handling: Cash donations received must not be used directly for financial expenditures; they must first be deposited in full into the bank account. The petty cash fund will then be replenished periodically with an official check based on document reconciliation.

Surprise Inventory: The Internal Audit Department or the Finance Director will conduct periodic surprise inventory checks (at most every two months) of the petty cash fund, reconcile the physical balance with the books, and prepare an official report.