

# INSPIRED WOMEN ORGANIZATION



## FINANCIAL POLICY

P.O. Box 1, .....  
North West Region  
Cameroon  
Website:  
Tel: (237) .....

Approved November, 2019.

#### Abbreviations

CEO – Chief Executive Officer

IWO – Inspired Women Organization

## Introduction

Financial planning for organizations is important as it guides management to decide what to spend, how to spend and how much to spend according to the funds that are available. As the organization gets bigger, it is imperative to have a financial plan and back it up with a good financial procedures and policies. This is important as good financial procedures and systems help to monitor the financial health of the organization and ensure financial targets are met.

It is good practice for an organization to produce a detailed set of financial procedures. Financial procedures are a set of instructions that any stakeholder, including new or existing staff members, can use to find out exactly what needs to be done, who will do these tasks and who will ensure it gets done properly. Staff are expected to read it and understand what is required of them to carrying out financial transactions for the organization.

Financial procedures and policies add value to:

- Authorisations – which job roles are allowed to authorize various activities within the organization
- Bank accounts – when and how new bank accounts are opened
- Risk management policies & financial claims.
- Etc.

This financial procedure and policy document will guide Inspired Women Organization to focus on its financial strategies, develop a plan of action towards its goals and objectives that improve the organization's performance. It will give clarity on the key drivers of the organization as roles and procedures to financial dealings are well enacted. This will increase efficiency and accountability.

This IWO's Financial Policy and Procedure document provides the policies and procedures for finance transactions within the organization which must be followed by all staff. It also provides the guidelines IWO will use to administer these policies, with the correct procedure to follow. IWO will have to keep this financial policies and procedures current and relevant. From time to time it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.

As at now, these policies and procedures apply to all employees.

## Table of Contents

|                                                                              |    |
|------------------------------------------------------------------------------|----|
| <a href="#"><u>Introduction</u></a>                                          | 3  |
| <a href="#"><u>Table of Contents</u></a>                                     | 4  |
| <a href="#"><u>1. Finance Authorisation Policy</u></a>                       | 5  |
| <a href="#"><u>1.1 Purpose of the Policy</u></a>                             | 5  |
| <a href="#"><u>1.2 Procedures</u></a>                                        | 5  |
| <a href="#"><u>2. Bank Account Policy</u></a>                                | 6  |
| <a href="#"><u>2.1 Purpose of the Policy</u></a>                             | 6  |
| <a href="#"><u>2.2 Procedures</u></a>                                        | 6  |
| <a href="#"><u>2.2.1 Opening Bank Accounts</u></a>                           | 6  |
| <a href="#"><u>2.2.2 Bank Account Authorisations</u></a>                     | 6  |
| <a href="#"><u>2.2.3 Variations to Bank Account Terms and Conditions</u></a> | 6  |
| <a href="#"><u>2.2.4 Closing Bank Accounts</u></a>                           | 6  |
| <a href="#"><u>2.3 Bank Account Transactions</u></a>                         | 7  |
| <a href="#"><u>3. Petty Cash Policy</u></a>                                  | 8  |
| <a href="#"><u>3.1 Purpose of the Policy</u></a>                             | 8  |
| <a href="#"><u>3.2 Procedures</u></a>                                        | 8  |
| <a href="#"><u>3.2.1 Issuing Petty Cash</u></a>                              | 8  |
| <a href="#"><u>3.2.2 Official Travel Rates</u></a>                           | 8  |
| <a href="#"><u>3.2.3 Lodging</u></a>                                         | 9  |
| <a href="#"><u>3.2.4 Reconciling Petty Cash</u></a>                          | 9  |
| <a href="#"><u>4. Use of Business Credit Card Policy</u></a>                 | 10 |
| <a href="#"><u>4.1 Purpose of the Policy</u></a>                             | 10 |
| <a href="#"><u>7. Reserves</u></a>                                           | 11 |
| <a href="#"><u>a. Purpose of the Policy</u></a>                              | 11 |
| <a href="#"><u>b. Procedures</u></a>                                         | 11 |
| <a href="#"><u>Conclusion</u></a>                                            | 12 |

## 1. Finance Authorisation Policy

Policy Number: C100

Policy Date: January 1, 2019

***NB: This policy should be read and carried out by all staff for all authorisations of finance transactions as noted in the policy. Edit this policy so it suits the needs of your business.***

### 1.1 Purpose of the Policy

All finance transactions as noted in this policy are to be authorised by the noted authorised person prior to the transaction being undertaken. This policy is to be read in conjunction with other specific finance policies where relevant.

### 1.2 Procedures

Prior to any of the following finance transactions being undertaken, the authorising person noted must authorise the transaction. Where additional policy is noted, this policy must also be adhered to when undertaking the finance transaction.

| Finance Transaction          | Authorised Person | Additional Policy                                                         |
|------------------------------|-------------------|---------------------------------------------------------------------------|
| Bank Accounts                | CEO               | Cheque will be signed by two other signatories to the account             |
| Issuing Petty Cash           | CEO               | Must be backed in internal receipt or receipt from an external operator   |
| Business Credit Card         | CEO               | NA                                                                        |
| Authorising New Clients      | CEO               | Must follow every details of the Client Policy                            |
| Authorising New Suppliers    | CEO               | This will be based on at least two invoices from the operators or sellers |
| Purchasing Assets/ Equipment | CEO               | This will be based on at least two invoices from the operators or sellers |
| Debt Collection              | CEO               | Will be carried out in conjunction with the legal procedures indicate     |
| Payment of Invoices          | CEO               | NA                                                                        |

## **2. Bank Account Policy**

Policy Number: C101

Policy Date: January 1, 2019

***NB: This policy should be read and carried out by all staff for all authorisations of opening, operating and closing bank accounts.***

### **2.1 Purpose of the Policy**

This policy sets out the requirements for use of bank accounts, including opening, closing authorisation, variations to terms and conditions, reconciliation of bank accounts and bank account transactions.

### **2.2 Procedures**

#### **2.2.1 Opening Bank Accounts**

Any new bank accounts to be opened for the business must have the authorisation of Executive Director. For each new bank account opened, the financial system must be updated, and the bank account registered by Financial Manager.

#### **2.2.2 Bank Account Authorisations**

For monies withdrawn from any bank account, whether by cheque or other online payment method, there must be at least two persons authorising for each payment.

The authorised persons for bank account payments are:

- CEO
- Co-CEO in charge of Administration and Finance
- Accountant /Finance Officer

Each payment made must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.

#### **2.2.3 Variations to Bank Account Terms and Conditions**

Any differences to banking arrangements can be made or varied by CEO. The Accountant/Finance Officer is responsible for updating the financial system and/or bank account register with the new information.

#### **2.2.4 Closing Bank Accounts**

Where it is decided that a bank account is no longer necessary, the CEO and or the Co-CEO will authorise the closure of the bank account. The Accountant / Finance Officer will then be required to complete the following:

- Ensure all transactions with respect to the account including cheques drawn have been completed;

- Lodge with the bank a letter, signed by at least two authorised signatories advising of the closure of the account;
- Meet the bank's requirements with respect to account closure
- Update the financial system and bank account register.

### **2.3 Bank Account Transactions**

- All deposits received must be banked within two days.
- Unallocated direct deposits of more than one month will be investigated fully to determine source of deposit. Where the source cannot be identified, the deposit will be allocated into an account meant to keep funds separate and identifiable
- Cheques outstanding for more than twelve months and in line with banks policy will be reallocated back to the business through the financial system
- Where a payment stop on a cheque is required, this will be authorised by Executive Director. The Financial Manager will be responsible for carrying out the following duties in regard to payment stop on a cheque:
  - ensuring the cheque has not already been presented at the bank
  - getting authorisation to action the stop payment using appropriate forms from the bank
  - ensuring the bank receives notification of the stop payment notice
  - receiving confirmation of action from the bank of the stop payment
  - ensuring the details of the stop payment are kept in the stop payment folder.

### **3. Petty Cash Policy**

Policy Number: C103

Policy Date: January 1, 2019

***NB: This policy should be read and carried out by all staff where petty cash is issued.***

#### **3.1 Purpose of the Policy**

Petty cash will be used to pay for small business expenses up to 50,000 FRS (fifty thousand FRS cfa) where payments through accounts payable or credit card are not justified or appropriate

#### **3.2 Procedures**

##### **3.2.1 Issuing Petty Cash**

- Petty cash vouchers must be completed before any cash is taken from the petty cash float.
- Only up to 50,000 FRS (fifty thousand FRS cfa) can be disbursed at any one time.
- All petty cash vouchers issued must be approved by CEO or Co-CEO in charge of Administration and Finance
- Once the petty cash is spent, a receipt or invoice should be attached to the voucher and returned to petty cash with any balance of monies unspent.
- All completed vouchers must have the following details included:
  - Issue date of voucher;
  - Name of person issued the voucher;
  - Amount of monies disbursed;
  - Details of expense;
  - Invoice or receipt; and
  - Signature of approval person,

##### **3.2.2 Official Travel Rates**

- The travel rates shall take into consideration the stipulated transport fare as indicated by the ministry of transport.
- Any staff to travel shall raise a requisition receipt and indicate:
  - place of work
  - reason for the travel
  - number of persons traveling
  - number of days

- transport far and the and reimbursement
- Date the requisition was raised
- Date the transport money is expected
- Upon return the staff will submit a reconciliation receipt and reimburse any money not used during the travel or will be added more money had he or she used more money during the travel

### **3.2.3 Lodging**

- The organization shall the pay the following rates for lodging for staff on official duty:
  - 5000frs for rural areas
  - 10,000frs for simi-urban areas
  - 15,000frs for urban areas
  - 20,000frs for cities
- These amounts for each of the sites shall be raised along-side the requisition for transport
- It shall be backed by a mission order for the staff(s) traveling and purpose
- Upon return, the staff(s) in question must submit the internal reconciliatory receipt and attach to it receipts for the hotel

### **3.2.4 Reconciling Petty Cash**

- Petty cash float is to be reconciled every month. This is the responsibility of the Accountant
- All petty cash expenditure must be entered into the financial system once the petty cash has been reconciled.
- The balance of monies and vouchers must equal the petty cash float amount before reimbursement can be made.
- Reimbursement of petty cash will be authorised by CEO or Co- CEO in charge of Administration and Finance.

#### **4. Use of Business Credit Card Policy**

Policy Number: C1004

Policy Date: January 1, 2019

***NB: This policy should be read and carried out by all staff who require the use of business credit cards.***

##### **4.1 Purpose of the Policy**

This policy provides guidelines for the issue and use of business credit cards.

##### **4.2 Procedures**

- An employee will only be issued a credit card once the Credit Card Authorisation Form has been completed.
- The business credit card can only be used for travel, authorised entertainment and purchases of small value expenses or equipment up to the value of 250,000 FRS (Two hundred and fifty thousand frs cfa)
- No cash advances are to be taken using the business credit card unless authorised by CEO
- Where a business credit card is lost or stolen, then the owner of this card is to notify CEO or Co-CEO in charge of Administration and Finance who is responsible for notifying the issuing agency and ensuring the card is cancelled.
- The use of the business credit card is not to be used for personal expenses.
- All holders of business credit cards are required to reconcile the monthly credit card statement to the expense form, attach all receipts for payments made on the credit card and have the expense statement authorised by the Accountant
- Upon completion and authorisation of the monthly expense statement, these documents are to be forwarded to Accountant for payment of the credit card statement.
- All business credit cards are to be returned to the business when the person is requested to by CEO or where they are no longer an employee of the business.

## **5) Reserves**

Policy Number: C107

Policy Date: January 1, 2019

***NB: This policy should be read and carried out by all staff who undertake collection procedures within the organization.***

### **a. Purpose of the Policy**

This policy provides guidelines for a financial contingency plan for the organization.

### **b. Procedures**

The financial manager shall ensure that 10% of total revenue is reserved for emergency. During budgeting he or she shall indicate all expected revenue and also indicate the 10% for reserves.

## **Conclusion**

IWO needs to stay focus on making sure every staff owns and understands this document. It an important part of running the organization as it will help to avoid financial ambiguity and law cases between the organization and employees. It needs to be constantly monitored and supported for accurate financial analysis and reporting. It is good practice for an organization to produce a detailed set of financial procedures. These financial policies and procedures will instruct and direct management, any stakeholder, clients and new or existing staff members to find out exactly what needs to be done, who will do these tasks and who will ensure it gets done properly. It will also enhance auditing of the organization and annual financial reporting