

FINANCIAL POLICY

1. GENERAL PURPOSE

The purpose of this Financial Management policy is to establish guidelines for the Board of Directors and Global Alliance for the Advancement of refugees and Migrants employees or similar about standards and procedures to be applied when developing financial goals and objectives, making financial decisions and reporting the financial status of the organization. In addition, these policies will provide guidelines to allow for an effective management of the organization's funds. Global Alliance for the Advancement of refugees and Migrants hereinafter also referred to as the organisation is non-profit organization registered under Reg. No. 80020002958193 as a company limited by guarantee.

The vision of Global Alliance for the Advancement of refugees and Migrants is to see “a well-led society in which all individuals irrespective of origin or race, live life in all its Fullness, are valued, protected, and cared for, and given the opportunities to realise their full potential”, while our Mission is “to ensure the political, educational, social, and economic equality of rights of all persons and to eliminate all forms of injustice and discrimination”.

Our core objectives include:

- To ensure the political, educational, social, and economic equality of rights for all persons including migrants.
- To achieve equality of rights and eliminate race prejudice
- To remove all barriers of racial discrimination and prejudice through democratic processes
- To seek enactment and enforcement of laws securing civil rights and protection of migrants
- To inform the public of the adverse effects of racial discrimination and to seek its elimination
- To educate persons as to their constitutional rights and to take all lawful action to secure the exercise thereof, and to take any other lawful action in furtherance of these objectives, consistent with the Global Alliance for the Advancement of Refugee and Migrants' Articles of Incorporation, this Constitution and the Constitution of the republic of Uganda.

2. FINANCIAL STATEMENTS

Global Alliance for the Advancement of refugees and Migrants' financial statements shall be prepared on the accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP"), and more specifically in accordance with standards of accounting and reporting established for non-profit organisations.

3. PRESENTATION OF FINANCIAL STATEMENTS

The presentation of the financial statements shall follow the recommendations of the Financial Accounting Standards and more specifically for non-profit organisations.

4. FINANCIAL RESPONSIBILITIES & OPERATIONS

The Board of Directors oversees the general financial administration of Global Alliance for the Advancement of refugees and Migrants and relies on the Executive Director and Managing Director for the day to day operations and financial decisions. The Board delegates this oversight responsibility to the Treasurer of the Board and the Finance Committee of which the Treasurer is Chair. This responsibility is shared through delegation with the Executive Director of Global Alliance for the Advancement of refugees and Migrants and the Managing Director.

The Managing Director, together with the assistance of his/her staff, is responsible for preparing financial reports for the executive director, board officers, and external agencies.

The Managing Director guided by the Executive Director oversees the following;

- a. Budget Administration
- b. Risk Management
- c. Accounting Operations
- d. Human Resources
- e. Accounts Payable
- f. Fixed Assets
- g. Contracts and Accounting
- h. Payroll
- i. Taxation and Reporting
- j. Cash Disbursements
- k. Accounts Receivable

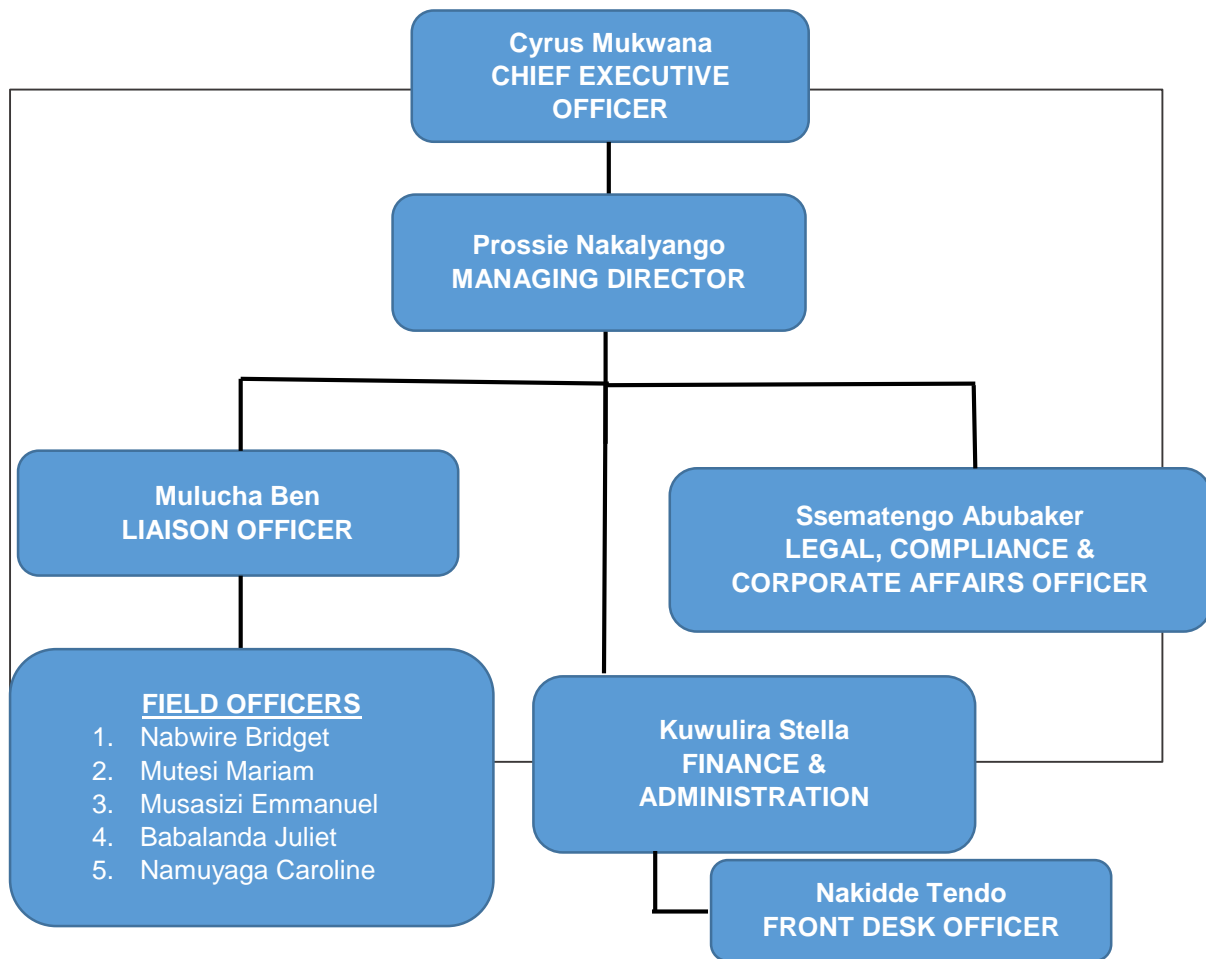
- l. Payroll
- m. Financial Statement Processing
- n. External Reporting of Financial Information
- o. Bank Reconciliations
- p. Reconciliation of Sub-Ledgers
- q. Compliance with Government Reporting Requirements
- r. Annual Audit
- s. Leases
- t. Insurance



Financial Reporting/General Accounting/Auditing

It is the responsibility of the Board of Directors to formulate financial policies, delegate administration of such policies to staff, and review operations and activities on a periodic basis

Organisation Chart



5. THE FINANCE COMMITTEE

The Finance Committee shall be responsible for the oversight and coordination of the following:

- Annual budget presentation for Board approval
- Presentation of periodic financial statements
- Management of investments
- Selection of the external auditors
- Annual financial report
- Internal controls
- Financial policies

The Treasurer of Global Alliance for the Advancement of refugees and Migrants shall serve as the Chair of the Finance Committee. The Finance Committee is staffed by

the Managing Director and other staff as assigned. The long-term financial objectives of Global Alliance for the Advancement of refugees and Migrants are reviewed and approved by the Finance Committee following the recommendations of the Executive Director and the assigned staff.

Roles and responsibilities for Finance Head vs. Executive Director vs. Board Committee

The general and daily financial management and reporting of Global Alliance for the Advancement of refugees and Migrants are implemented

By the Executive Director and the Managing Director. Global Alliance for the Advancement of refugees and Migrants' Executive Director acts as the primary fiscal agent, implementing all financial policies and procedures. The Managing Director recommends expenditures and revenue objectives for Global Alliance for the Advancement of refugees and Migrants in accordance with the Board-approved long-term plans, and develops and maintains the annual budget in cooperation with the management team and other Board committees.

6. ACCOUNTING AND RECORD-KEEPING

General Ledger and Chart of Accounts

Introduction

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of Global Alliance for the Advancement of refugees and Migrants and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

Global Alliance for the Advancement of refugees and Migrants uses QuickBooks Premier Non-profit Edition to record accounting transactions.

QuickBooks provides for separate, self-balancing sets of accounts in accordance with generally accepted accounting principles and procedures for Non-profits. This accounting system must always be updated according to the needs of the organisation and within budgetary limits.

Policy

Global Alliance for the Advancement of refugees and Migrants' policy is to establish a chart of accounts which accumulates all financial transactions of the organisation. The chart of accounts includes fund/account codes for general ledger activity and organization/account codes for subsidiary ledger entries.

Chart of Accounts

The chart of accounts is the framework for the general ledger system, and therefore the basis for Global Alliance for the Advancement of refugees and Migrants' accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss.

Global Alliance for the Advancement of refugees and Migrants' chart of accounts is comprised of six types of accounts:

- 1) Assets
- 2) Liabilities
- 3) Net Assets
- 4) Revenues
- 5) Expenses
- 6) Gains and Losses

Distribution of Chart of Accounts

All Global Alliance for the Advancement of refugees and Migrants employees involved with account coding responsibilities or budgetary responsibilities will be issued a current chart of accounts. On a monthly basis, as the chart of accounts is revised, an updated copy is distributed to these individuals.

Control of Chart of Accounts

Global Alliance for the Advancement of refugees and Migrants' chart of accounts is monitored and controlled by the Managing Director. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Finance Committee or Executive Director, who ensures that the chart of accounts is consistent with the organisational

structure of Global Alliance for the Advancement of refugees and Migrants and meets the needs of each department.

Fund Format – General Ledger

Each six-digit general ledger fund account always starts with zero and is followed by five digits which identify the ledger's purpose.

General ledger funds consist of:

0-1XXXX	Administration
0-2XXXX	National Conference
0-3XXXX	Helpline
0-4XXXX	Public Awareness (Advocacy, Training & Mobilisation)
0-5XXXX	Counsellor Certification
0-6XXXX	Membership

A complete list of account codes is available by generating the QuickBooks Chart of Accounts Report. The report also shows how codes are grouped and totalled for various reporting purposes.

7. FISCAL YEAR OF THE ORGANISATION

Global Alliance for the Advancement of refugees and Migrants' fiscal year begins on January 1st and ends on December 31st. any changes to the fiscal year of the organisation must be ratified by majority votes of the entire board of Directors.

The Managing Director with the oversight of the Finance Committee and the Executive Director, shall have the direct responsibility for the accuracy of Global Alliance for the Advancement of refugees and Migrants' accounting records. The Managing Director is responsible for the preparation of the Chart of Accounts, Reporting Formats, Accounts Payable Processing, Payroll input and Payroll processing, Cash Receipts input, Journal Entries for General Ledger as well as Bank Reconciliations.

8. LEASES AND OTHER CONTRACTUAL AGREEMENTS

Global Alliance for the Advancement of refugees and Migrants conducts its operations from a leased office suite. Leases and other contractual agreements are negotiated by the Managing Director and executed with the approval and signature of the

Executive Director.

All leases shall be approved by the Executive Director and the Managing Director and Subsequently presented to the Finance Committee for ratification through the budgeting process. The following rules also apply:

- ❖ Leases will correspond to the fiscal year whenever possible.
- ❖ Copies of all leases will be maintained in the assigned Managing Director's office.
- ❖ The Executive Director is authorized to develop and enter into contractual agreements with vendors, bankers, and third parties for the purpose of Global Alliance for the Advancement of refugees and Migrants' general operations.
- ❖ The Finance Committee shall review such agreements and make recommendations when necessary

9. NOTES, LOANS, ETC

All notes, loans and other indebtedness to be contracted in the name of Global Alliance for the Advancement of refugees and Migrants (except open accounts and all other routine banking transactions), shall require the signatures of the Chair of the Board, or the Treasurer of the Board and the signature of the Executive Director, unless otherwise specified by the Board or established in the present management policies and procedures.

10. REVENUE GOALS AND REPORTS

The responsibility for reaching Global Alliance for the Advancement of refugees and Migrants' budgeted revenue goals on a yearly basis is shared by the Executive Director and the Board of Directors. The Executive Director, in conjunction with the Liaison Officer, the Finance and Administration Manager, the Legal, Compliance and Corporate Affairs Manager, and the Managing Director, develops and proposes revenue goals and submits them to the appropriate Committees for review and recommendations prior to submitting them to the Board for discussion, and eventual development and approval of the annual budget.

With the assistance of the Managing Director, the Finance and Administration Manager prepares a report on the financial status of fundraising activities for each Development Committee meeting and on the financial status of membership activities

for each Membership Committee meeting. Similarly, the Liaison Officer prepares a report on the financial status and activities of program activities for each applicable Committee.

The Finance Committee reviews monthly revenues and expenditures and if necessary makes recommendations to the Board and the Executive Director of Global Alliance for the Advancement of refugees and Migrants.

The Finance Committee and Executive Director shall continuously plan for the long-term financial stability of the organization in accordance with the long-term plans which will be reviewed periodically, and adjusted when necessary.

The Finance Committee shall use due diligence in overseeing the investments of Global Alliance for the Advancement of refugees and Migrants funds, by establishing and monitoring an investment strategy that gives proper recognition to risk and return.

11. BUDGETING PROCESS

Global Alliance for the Advancement of refugees and Migrants' Executive Director, the Managing Director, and the Finance and Administration Manager shall be responsible for presenting to the Finance Committee and other Board Committees an annual operating budget draft sixty (60) days prior to the end of the fiscal year and a proposed budget thirty (30) days prior to its submission to the Board of Directors.

The Executive Director and the Managing Director in conjunction with the management team will coordinate the internal preparation of the budget draft, which will be then presented to the appropriate committees for review. Each staff member shall solicit budget requests and recommendations from the various Board committees for which they are liaison. The Executive Director and the Managing Director shall consider these recommendations when creating the annual budget. The Finance Committee shall review and approve the recommended budget revenues and expenditures for the fiscal year budget, and submit the final budget for approval to the Board of Directors.

12. EVENT BUDGETS

All of Global Alliance for the Advancement of refugees and Migrants' special events shall require the preparation of a budget. An event budget shall be prepared by the Staff member(s) responsible for the event and submitted to the Managing Director prior to the implementation of the event. Event expenditure advances will be provided upon the approval of the event budget.

The Annual Conference Budget will be developed by the Executive Director, Managing Director and other committees or staff members as requested.

13. AUDIT

Global Alliance for the Advancement of refugees and Migrants will have an audit of its financial statements completed annually by a firm of Independent Certified Public Accountants. The fiscal audited year shall be January through December 31 of each year.

The Executive Director and the Managing Director shall have direct responsibility in overseeing the implementation of the Annual Financial Audit.

The Executive Director and the Managing Director shall recommend to the Finance Committee for approval the selection of a firm to perform the annual audit. In addition, the Chairperson of the Finance Committee and the Finance Committee shall assist when necessary in the audit preparation, and report the final results to the Board of Directors. A representative of the audit firm shall be invited to attend the annual presentation to the Financial Committee, and shall be required to make a presentation to the board if the audit report is other than unqualified, or if the auditor's report material weaknesses in internal controls or reportable conditions.

14. INTERNAL FINANCIAL STATEMENTS

The Managing Director shall prepare and present monthly financial statements in a format approved by the Finance Committee. The financial statements shall include information about all Global Alliance for the Advancement of refugees and Migrants' funds and cash position as of the end of each month and quarter. The financial statements will be submitted by the Managing Director to the Executive Director, and

by the Executive Director to the Treasurer on a monthly basis by the 15th of the month for the preceding month. The financial statements shall also be submitted to the Board of Directors on a quarterly basis, 30 days before close of the quarter, or as directed by the President of the Board of Directors.

The Finance Committee will hold a conference call the following week to review financials. Monthly meetings will not be held in March, June, September and December while quarterly information is compiled. Global Alliance for the Advancement of refugees and Migrants will provide quarterly reports to the Treasurer 45 days after the close of the quarter. The Finance Committee will meet via a conference call to review the following week.

The Managing Director shall also prepare monthly reports for the Finance and Administration Manager, Legal, Compliance and Corporate Affairs Manager, including a P&L statement for reviewing the accuracy and propriety of revenue and expense transactions made to Global Alliance for the Advancement of refugees and Migrants accounts for which they have responsibility. These reports shall show monthly and year-to-date revenues, expenditures, and net revenues by account. Additionally, they present the original annual budget and revised budgets for these accounts.

15. INCOME PROCEDURES

All contributions shall be recorded in accordance with GAAP. Contributions are recorded as pledged or received in accordance with GAAP 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 Global Alliance for the Advancement of refugees and Migrants' Chart of Accounts.

All cheques received by Global Alliance for the Advancement of refugees and Migrants shall be recorded and deposited with due diligence in the appropriate accounts by the assigned staff.

Cash and cheques exceeding One Thousand Dollars (\$1,000) or the equivalent shall be the object of dual control executed by the receiver and the assigned staff for finance or any two (2) other authorized staff members.

16. REVENUE

Revenue Recognition Policies

Global Alliance for the Advancement of refugees and Migrants receives revenue from several revenue streams or purposes. Revenue for each of these is recognized in the financial statements in the following manner:

- a) Certification
- b) Conference
- c) Continuing Education
- d) Contributed (unrestricted or not designated)
- e) Helpline
- f) Membership
- g) Product Sale
- h) Public Awareness & Training
- i) Earned Income for Services
- j) Miscellaneous

Definitions

The following definitions shall apply with respect to the policies described in this section:

Contribution: Corporate Governance and Donation Policy

The Inter Religious Coalition for Social Justice will not accept any donations, membership fees or contributions with any formal or informal restrictions, limitations or covenants placed on their use in contravention of the laws of the Republic of Uganda. All monetary and in-kind support will be used exclusively to support the mission of Global Alliance for the Advancement of refugees and Migrants. Acceptance of a donation by Global Alliance for the Advancement of refugees and Migrants establishes no responsibility or relationship to the donor except for financial disclosure requirements, including IRS reporting. Donors are not permitted to utilize Global Alliance for the Advancement of refugees and Migrants' name or logo without permission. All potential donors will be informed of this policy prior to their donation.

Promise to Give: A written or oral agreement to contribute cash or other assets to Global Alliance for the Advancement of refugees and Migrants

Distinguishing Contributions from Exchange Transactions

Global Alliance for the Advancement of refugees and Migrants receives income in the form of contributions, revenue from exchange transactions, and income from activities with characteristics of both contributions and exchange transactions. Global Alliance for the Advancement of refugees and Migrants considers the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

- a) Global Alliance for the Advancement of refugees and Migrants' intent in soliciting the asset, as stated in the accompanying materials;
- b) The expressed intent of the entity or person providing resources to Global Alliance for the Advancement of refugees and Migrants (i.e. does the resource provider state its intent is to support Global Alliance for the Advancement of refugees and Migrants' programs or that it anticipates specified benefits in exchange);
- c) Whether the method of delivery of the asset is specified by the resource provider (exchange transactions) or is at the discretion of Global Alliance for the Advancement of refugees and Migrants' contribution;
- d) Whether payment received by Global Alliance for the Advancement of refugees and Migrants is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by Global Alliance for the Advancement of refugees and Migrants, or the cost of those assets plus a mark-up (exchange transaction);
- e) Whether there are provisions for penalties (due to non-performance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution); and
- f) Whether assets are to be delivered by Global Alliance for the Advancement of refugees and Migrants to individuals or organisations other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or organisations closely connected to the resource provider.

Accounting for Contributions

Global Alliance for the Advancement of refugees and Migrants recognises contribution income in the period in which Global Alliance for the Advancement of refugees and Migrants receives unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of Global Alliance for the Advancement of refugees and Migrants in the period that Global Alliance for the Advancement of refugees and Migrants receives evidence that a promise to support the organization has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management.

Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return, compiled based on an average of rates applicable to the current year.

When support in the form of volunteer labour is received, Global Alliance for the Advancement of refugees and Migrants shall record contribution income and assets or expenses, if one of the following two criteria is met:

- I. The contributed service creates or enhances a non-financial asset (such as a building or equipment), or
- II. The contributed service possesses all three of the following characteristics:
 - ❖ It is the type of service that would typically need to be purchased by Global Alliance for the Advancement of refugees and Migrants, if it had not been contributed,
 - ❖ It requires specialized skills (i.e. formal training in a trade or profession), and
 - ❖ It is provided by an individual possessing those specialized skills

Contributed services that meet either one of the two preceding criteria shall be recorded at the fair market value of the service rendered.

Contributions of non-cash assets (art-facts, food, clothing, etc.) shall be recorded at fair market value as of the date of the gift. The value assigned to such non-cash assets shall be determined by Global Alliance for the Advancement of refugees and Migrants' Managing Director. Values provided by donors shall be considered in establishing these valuations, however, the final value used for accounting purposes shall be the value determined by Global Alliance for the Advancement of refugees and Migrants. Further, it is the policy of Global Alliance for the Advancement of refugees and Migrants not to certify any valuation of non-cash assets provided by donors. If necessary, a third party professional evaluator may be called upon by the Executive Director to establish a valuation.

Receipts and Disclosures

Global Alliance for the Advancement of refugees and Migrants and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. To comply with those rules, Global Alliance for the Advancement of refugees and Migrants shall adhere to the following guidelines with respect to contributions received by the organisation.

For any separate contribution received by Global Alliance for the Advancement of refugees and Migrants, it shall provide a receipt to the donor. The receipt shall be prepared by the Managing Director's office. All receipts prepared by Global Alliance for the Advancement of refugees and Migrants shall include the following information;

- a) The amount of cash received and/or a description of any non-cash property received;
- b) A statement of whether Global Alliance for the Advancement of refugees and Migrants provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received from the donor, and
- c) If any goods or services were provided to the donor by Global Alliance for the Advancement of refugees and Migrants, a description and good faith estimate of the value of those goods or services.

Disclosures of Promises to Give

As stated earlier, Global Alliance for the Advancement of refugees and Migrants shall record an asset and an increase in net assets for unconditional promises to give. In addition, in connection with its annual financial statements, Global Alliance for the Advancement of refugees and Migrants shall prepare a schedule of unconditional promises to give that discloses the annual amounts to be collected in each of the next five years, and a total amount due thereafter, less the amount representing interest as a result of discounting long-term promises to give to net present value.

In connection with conditional promises to give, which shall not be recorded on the financial statements, Global Alliance for the Advancement of refugees and Migrants shall nonetheless prepare a similar schedule of future payments for disclosure in the organisation's annual financial statements.

Gift Acceptance Policy

Global Alliance for the Advancement of refugees and Migrants may accept charitable contributions of all types of assets from any type of donor, with the following exceptions:

- I. Contributions of non-liquid assets or assets possessing legal or other characteristics rendering the asset difficult to sell or convert to liquid assets, as determined by the Executive Director and the Managing director.
- II. Contributions with donor-imposed restrictions that provide excessive control to the donor over future uses of the donated asset(s), as determined by the Executive Director.
- III. Contributions with donor-imposed restrictions that violate or involve uses that go beyond Global Alliance for the Advancement of refugees and Migrants' current mission statement and tax-exempt purposes, as determined by the Executive Director; and
- IV. Contributions from donors involved in businesses or activities that are deemed inconsistent with Global Alliance for the Advancement of refugees and Migrants' mission.

FINANCIAL OPERATION PROCEDURES

1. INTERNAL CONTROL STRUCTURE

The Executive Director and the Managing Director will have the primary responsibility of executing all financial matters. All members of the fiscal management team will work together to make certain that all financial matters of the organization are addressed with care, integrity, and in the best interests of the organization.

The Executive Director is responsible for administering adopted policies and ensuring compliance with procedures that have been approved by the Board of Trustees. Exceptions to written policies may only be made with the prior approval of the Finance Committee. Changes or amendments to these policies shall be conducted by the Finance Committee and approved by the Board of Trustees at least once a year.

Any violation of these policies and procedures is considered to be cause for termination or removal and, depending upon the nature of the infraction, civil and/or criminal prosecution.

Internal Control Procedures

Global Alliance for the Advancement of refugees and Migrants has adopted a number of internal financial controls. These procedures are set up to strengthen Global Alliance for the Advancement of refugees and Migrants' internal control structure in order to safeguard the organization's assets. The internal financial controls consist of the following:

Segregation of Duties: A hierarchical structure of authority and responsibility has been developed at Global Alliance for the Advancement of refugees and Migrants. Tasks are divided and allocated to guard against one individual having the ability to make an accounting error (either knowingly or unknowingly). This protects the organization from any potential fraud or misappropriation of funds. In situations where there are an insufficient number of employees to achieve this because of budget constraints, a compensating control has been created at the organization.

Restricted Access: Physical access to valuable and moveable assets is restricted to authorized personnel.

Document Control: In order to ensure that all documents are captured by the accounting system, all documents must be initialled and dated when recorded and then filed appropriately.

Records Retention: To provide an accurate and auditable record of all financial transactions, the organization's books, records, and accounts are maintained in conformity with generally accepted accounting principles. Records will be maintained for the periods sufficient to satisfy IRS regulations and other legal needs as may be determined. Record retention requirements are reviewed annually with legal counsel and independent auditors to determine any necessary changes.

Processing Controls: These are designed to identify any errors before they are posted to the general ledger. Common processing controls are the following: (1) Source document matching; (2) Clerical accuracy of documents; and (3) General ledger account code checking.

Reconciliation Controls: These are designed to identify any errors after transactions have been posted and the general ledger has been run. The process involves reconciling selected general ledger control accounts to subsidiary ledgers. Reconciliation is completed by the Managing Director and approved by the Executive Director.

Annual Independent Audit: Global Alliance for the Advancement of refugees and Migrants' financial statements are audited annually by an independent audit firm selected by the Board of Trustees on the recommendation of the Finance Committee.

Security of Financial Data: Global Alliance for the Advancement of refugees and Migrants' accounting software is accessible only to the Executive Director and the Managing Director. Individual ID codes and passwords are in place for every user and limit their access and functionality depending on their role. All other hard copies of financial data, when not in use, will be secured in a closet or cabinet at the office.

Risk Assessment: This is designed to identify, analyse, and manage risk relevant to the preparation of accurate financial statements. It includes mitigating risks involving internal and/or external factors that might adversely affect the organisation's ability to properly record, process, summarize and report financial data.

Accounting Cycle

The accounting cycle is designed to accurately process, record, summarize, and report transactions of Global Alliance for the Advancement of refugees and Migrants. The organization accounting records and related financial reports are recorded and reported on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when services are incurred or goods are received. The component book keeping cycles fall into one of five primary functions:

Revenue, Accounts Receivable and Cash Receipts

Key tasks in this area include:

- ❖ Processing cash receipts
- ❖ Making deposits
- ❖ Recording cash receipts in the general ledger and subsidiary records
- ❖ Performing month-end reconciliation procedures
- ❖ Processing general ledger integration for private donations/revenue
- ❖ Processing wire transfers into accounts

Purchases, Accounts Payable and Cash Disbursements

Key tasks in this area include:

- ❖ Authorizing the procurement of goods and/or services
- ❖ Processing purchases (credit card, cheque, reimbursement)
- ❖ Processing invoices
- ❖ Issuing cheques
- ❖ Recording cheques in the general ledger and in cash disbursement journals
- ❖ Performing month-end reconciliation procedures
- ❖ Year-end reporting
- ❖ Processing wire transfers out of organization accounts

Payroll

An outside service provider will be sourced at such an appropriate time to perform and manage the payroll process. Their responsibilities include calculating appropriate amounts for taxes to be remitted to government agencies and voluntary and/or statutory deductions that may or may not require remittance to appropriate bodies.

Key tasks in this area include:

- ✓ Obtaining and gathering payroll information
- ✓ Preparing payroll cheques and depositing payroll taxes
- ✓ Performing quarterly reconciliation
- ✓ Preparing quarterly payroll tax returns
- ✓ Preparing annual payroll tax returns

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General Ledger and Financial Statements

Key tasks in this area include:

- ✓ Preparing monthly journal entries
- ✓ Reconciling bank accounts and other general ledger accounts
- ✓ Reviewing general ledger activity and posting adjusted journal entries
- ✓ Producing the financial statements
- ✓ Producing the annual budget

The general ledger process consists of posting the period's transactions to QuickBooks

(The accounting software), which produces the financial statements. The Managing Director will reconcile bank and debit card accounts, enter payroll, review the general ledger and prepare for the annual audit.

Financial Reporting

At the 15th of each month, the following key financial statements are produced:

- ✓ Balance Sheet
- ✓ Income Statement
- ✓ Statement of Cash Flow
- ✓ Profit and Loss

- ✓ Statement of Functional Expenses
- ✓ Profit and Loss Comparison by month

2. PROCESSING CASH RECEIPTS AND REVENUE

Processing and Recording Cash Receipts

The Managing Director is responsible for recording cash receipts as well as various other functions.

The Managing Director sorts all mail. Any mail addressed to a specific staff member should be stamped as “Received” with the date, and transferred, unopened, to the addressee. Any mail addressed generally to the organization that is not a credit card statement or bank statement may be opened by the Managing Director, Managing Director, or Executive Director. All documents contained within should be stamped as “Received” with the date and the initials of the person who opened the mail and transferred to the most appropriate individual. Magazines and catalogues addressed generally to organization do not need to be stamped, but should be transferred to the most appropriate individual.

In the case of credit card or bank statements, the unopened envelope should be stamped as received by the Managing Director with the date. The envelope should then be transferred to the Managing Director. Any credit card or bank statements must be marked “Reviewed by” (with initials and date) and “Approved by” (with signature). The credit card or bank statements should then be transferred immediately to the Managing Director for review, payment and filing.

The Managing Director may open mail that appears to contain a cheque and is addressed generally to Global Alliance for the Advancement of refugees and Migrants. Once opened by the Managing Director, all cheques must be stamped immediately in the designated endorsement area with “For Deposit Only”, then photocopied, and recoded to the daily cheque log. The receipt of the cheque must be logged in Cheque Log, maintained as an ongoing Excel file. The Excel file will be printed and handed to the Managing Director who then records the transaction into QuickBooks. The Managing Director will reconcile the Excel Cash Receipts Log with the Cash, cheque and Credit Logs and Transfers Binder to ensure that all cheque receipts have been accounted for and the end of the month and give the Executive Director a formal report. Any correspondence accompanying the cheque should also be retained. The cheque,

cheque copy, and any accompanying documents should be transferred in a secure manner to the Executive Director.

Whenever reasonably possible, the Managing Director or Managing Director will deposit all cheques on the day received. At the latest, cheques must be deposited no later than the next banking day. Cheques that cannot be deposited immediately will be placed in a locked location. Before depositing a cheque, the Managing Director will prepare a deposit slip, copy it, and staple this to the copied cheque and the internal deposit log which must be signed by two employees. When deposited, a deposit receipt with bank-endorsed proof of deposit will be obtained for each cheque.

Deposits may be recorded either as invoices or as general ledger entries. After the cheque has been deposited, the Managing Director records the receipt of funds in the accounting system, organized by cheque number, date and name. If an invoice has already been created, then the deposit will be applied against the outstanding invoice(s). If not, a sales invoice is created, recognizing the revenue in the correct month(s). If the cash is not yet earned, it will be applied against the deferred revenues/unearned income general ledger account.

The Managing Director prints a Cash Receipts Journal to show the transaction as posted in the accounting system. This (or a document showing an invoice has been paid) is attached to the front of the copy of the cheque, copy of deposit slip, deposit receipt with bank-endorsed proof of deposit, and any correspondence that arrived with the cheque. Together, these documents comprise the Cash Receipts Packet for the respective transaction, with the Cash Receipts Journal on top. The Cash Receipts Packet is sent to the Executive Director for approval. The Executive Director verifies the QuickBooks entry reflects the same data as the copied cheque and proof of deposit, and initials and dates all documents to indicate approval. Once signed, the Managing Director files the Cash Receipts Packet in the Cash Receipts and Transfers Binder, separated by bank account and in date order. All cash receipts and authorized transfers between accounts starting on January 1st and Ending December 31st will be maintained in each fiscal year's Cash Receipts and Transfers Binder.

Accounts Receivable Aging

Accounts receivables outstanding are aged on a thirty, sixty, ninety, and over-ninety day basis. The Managing Director should review the accounts receivable aging monthly, determine which invoices are collectible, follow the necessary requirements based on the type of funding, and select which items to collect. The Business Manger must present to the Finance Committee an aging Account Receivable report that he deems uncollectable to be written off so the committee may present it to the board for removal from the books.

3. PROCESSING PURCHASES

Background

Global Alliance for the Advancement of refugees and Migrants records expenses on the accrual basis of accounting, consistent with generally accepted accounting principles.

Global Alliance for the Advancement of refugees and Migrants adheres to the following objectives:

1. Procurements will be completely impartial based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, quality, etc.
2. Global Alliance for the Advancement of refugees and Migrants will make all purchases in the best interests of the organization and its funding sources.
3. Global Alliance for the Advancement of refugees and Migrants will obtain quality supplies/services needed for delivery at the time and place required.
4. Global Alliance for the Advancement of refugees and Migrants will buy from reliable sources of supply.
5. Global Alliance for the Advancement of refugees and Migrants will obtain maximum value for all expenditures.
6. Global Alliance for the Advancement of refugees and Migrants will deal fairly and impartially with all vendors.
7. Global Alliance for the Advancement of refugees and Migrants will be above suspicion of unethical behaviour at all times; avoid any conflict of interest, related parties or even the appearance of a conflict of interest in Global Alliance for the Advancement of refugees and Migrants supplier relationships. The

organization's conflict of interest policies are described in its bylaws.

Competitive Bidding Procedure

- **Contracts and/or purchases under \$1,000:** Global Alliance for the Advancement of refugees and Migrants use sound business practices when procuring goods and services for amounts less than \$1,000.
- **Contracts and/or purchases greater than \$1,000:** Global Alliance for the Advancement of refugees and Migrants seeks price quotes from at least three vendors and awards the contract to the responsible vendor offering the supply or service needed for the lowest price. The Managing Director is responsible for soliciting these quotes, and the Executive Director provides final approval. Award may be made to a vendor other than the low bidder in circumstances where the higher bid demonstrates best value to the organization. In such situations, the Managing Director shall prepare a justification statement for such awards, furnishing a brief explanation of the factors leading to such a decision. The Executive Director approves the final bid.

Approval

Approval to fulfil a purchase order is garnered by first filling out a Purchase Request form. Any staff member may fill out a Purchase Request form. Once complete, the form is submitted to the Managing Director who will present it to the Executive Director for reviewed, signed to indicate approval, and transferred to the Managing Director for processing.

In the event that an item must be pre-approved and the Executive Director is not available to provide an in-person signature, the Executive Director may send an email stating his or her name and granting permission to create the Purchase Order, with the promise to sign the Purchase Request form in person at the first opportunity. The Purchase Order may then be created. As soon as the Executive Director is back on site, the original Purchase Request form will be signed in person and attached to the email granting permission. Any and all such correspondence must be retained and filed with the corresponding purchase documents. In the event that the Executive Director needs to request a purchase, the Purchase Request form must be approved by the Treasurer of the Board.

Issuance and Monitoring of Purchase Orders

The Managing Director will work closely with the Executive Director to ensure that all necessary administrative purchases are made in a timely and cost-effective manner and, when applicable.

Receipt of Goods

All goods purchased by Global Alliance for the Advancement of refugees and Migrants are delivered directly to the office. It is the responsibility of the Managing Director to sign for delivery. The Managing Director is also responsible for opening the box (es) and retaining the packing slip(s). The packing slip will be reviewed for accuracy, checked against the original PO, stamped as received and signed by the Managing Director.

Exemption from Sales Tax

Global Alliance for the Advancement of refugees and Migrants is exempt from state tax. As such, the organization is exempt from sales taxes on goods purchased for their own internal use and services. It is the responsibility of the Managing Director to ensure that all vendors have a copy of the sales tax exemption letter allowing the organization to be exempt from sales taxes.

Reimbursable Expenses

In situations where a purchase is required in short order, staff may make the purchase with their own funds and apply for reimbursement. Reimbursable expenses will require pre-approval by the Executive Director and or Managing Director via the Expense Reimbursement Pre-Approval form whenever practical. Expenses that have not been pre-approved may not be reimbursed. It is the employee's responsibility to seek approval prior to incurring costs.

In the event that an item must be purchased and the Executive Director and Managing Director is not available to provide an in-person signature on the Expense Reimbursement Pre-Approval form, the Executive Director and Managing Director may send an email stating name and granting permission to execute the purchase, with the promise to sign the Expense Reimbursement Pre-Approval form in person at

the first opportunity. The purchase may then be executed. As soon as the Executive Director is back on site, the original Expense Reimbursement Pre-Approval form will be signed in person and attached to the email granting permission. Any and all such correspondence must be retained and filed with the corresponding purchase documents.

Receipts are required for all expenditures requiring reimbursement. Once expenses have been incurred, requests for reimbursement should be made within 30 days of expense via an Expense Reimbursement form. All receipts should be taped onto blank sheets of paper and attached to the form, along with a copy of the original Expense Reimbursement Pre-Approval form. These documents are submitted to the Managing Director for review and approval. Upon approval, they are will be processed. Reimbursement will be processed via separate check.

Employees should note that the organization is tax exempt and therefore does not reimburse employees for tax. A copy of the Tax Exempt Certificate may be obtained from the Managing Director.

4. TRAVEL EXPENSES

Board of Directors Travel Fund and Reimbursement

No compensation will be paid to any member of the Board of Directors for services as a member of the Board. Board members will be reimbursed for expenses incurred for travel to Global Alliance for the Advancement of refugees and Migrants Board meetings for up to one thousand dollars (\$5,000) per fiscal year.

Reimbursement will not be issued to any member who did not attend the given meeting.

Board members may also be reimbursed for expenses not directly relating to Global Alliance for the Advancement of refugees and Migrants meetings upon approval by the Executive Director and President. In the event of expenses incurred by the President, approval must be given by the Executive Director and Treasurer.

Reasonable expenses for travel (excluding meals, alcohol and other food and beverages) will be reimbursed for attendance at regular or special meetings of the full Global Alliance for the Advancement of refugees and Migrants Board of Directors. The request for reimbursement must be submitted in writing to the Managing Director using

the required reimbursement form with original receipts within 30 days of the given meeting. Reasonable non first-class travel expenses may include airfare, train, airport shuttle service, taxi, and/or mileage reimbursement.

Mileage Reimbursement

Board members requesting mileage reimbursement are required to furnish a Travel Report providing the starting point and destination of each trip, its purpose and the miles driven, and parking fees and tolls, along with supporting documents such as a MapQuest route. All corresponding receipts must be taped to blank sheets of paper and attached to the Travel Report. This packet must be submitted to the Managing Director for approval within 30 days of the travel date in order to receive reimbursement. Mileage reimbursement will be allowable only if it is equal to or less than the cost of travel by air or train for the same departure and destination points. Mileage reimbursement will be made at the standard rate as determined by the Internal Revenue Service for the given period.

Board members should note that the organization is tax exempt and therefore does not reimburse Board Members for tax. The Executive Director will approve all payments in advance of reimbursement. Reimbursement will be made within 15 days of submission of the Reimbursement.

Employee Reimbursement

Travel arrangements will be purchased using the organization credit card whenever possible and practical. In situations where expenses are incurred during the course of business travel, staff may apply for expense reimbursement. Per Diem allowance for food will be \$50.00 (subject to annual review for cost of living increases). Expectations for daily expenses or per diem allowances will be determined and communicated prior to the employee trip. Employees should file for reimbursement in the manner described in the above section, although pre-approval for each business travel expense will not be required. Receipts are required for all expenditures requiring reimbursement whenever possible, and requests for reimbursement must be made within 30 days of expense.

Employees should note that the organization is tax exempt and therefore does not reimburse employees for tax. A copy of the Tax Exempt Certificate may be obtained

from the Business Manger's Office.

Mileage Reimbursement

Employees are subject to the same rules on mileage reimbursement as above.

Travel Incidentals

Global Alliance for the Advancement of refugees and Migrants does not reimburse for incidental hotel expenses, including in-room movies, fitness room, pool, laundry (except on trips over seven days long) or personal phone call (Beyond one call home per day). Whenever possible, travellers should use a cell phone or calling card rather than the hotel billing for long-distance calls.

Global Alliance for the Advancement of refugees and Migrants will reimburse for the actual, reasonable cost of internet access in a traveller's hotel room or through the hotel's business centre if such service is used for business purposes.

The traveller must consider the available options and choose the lowest-cost method that will meet the need. For instance, if the need is to check email once a day and that can be done at the hotel's business centre for free, then the traveller would not be reimbursed for purchasing room Wi-Fi for the length of stay or for adding hot-spot service to their cell phone for the month.

The traveller must observe and obey local parking regulations and parking payment methods – Global Alliance for the Advancement of refugees and Migrants will not reimburse for parking violation tickets.

Meals

Global Alliance for the Advancement of refugees and Migrants will reimburse for the actual, reasonable cost of meals at no higher than \$10 per meal, which should be used as a benchmark for what constitutes reasonable costs. The traveller must submit a receipt for any meal, including a reasonable tip, for which they wish reimbursement. Please note that Global Alliance for the Advancement of refugees and Migrants does not reimburse for room-service meals except in extraordinary circumstances or as pre-approved by the Reviewing Party.

NON-BUSINESS TRAVEL

Expenses of Traveling Companion

Global Alliance for the Advancement of refugees and Migrants will not reimburse for expenses that are attributable to a traveller's spouse, partner child or any other traveling companion, unless the companion is also conducting business on behalf of Global Alliance for the Advancement of refugees and Migrants and the companion's travel is approved in advance by the Executive Director or the Executive Director's designee. Attending business events in the company of the traveller is not considered to be conducting business, even if an event invitation specifically includes spouses or partners.

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Third Party Reimbursement of Travel Expenses

If an employee participates in an outside event as part of his or her official duties, then the organizing party (or some other third party) must be requested to reimburse Global Alliance for the Advancement of refugees and Migrants for related reasonable travel expenses and compensation from the organizing party for their time away from their normal duties, in the form of a speaker's honorarium or other consideration.

Reimbursement must be requested, but is not required for travel. Travel approval may be granted by the Reviewing Party only within the annual budget authority of Global Alliance for the Advancement of refugees and Migrants; therefore the Reviewing Party must check with the Managing Director to determine the amount available for such a purpose, if any, in the travel budget for the year before approving any travel expense.

5. PROCESSING CASH DISBURSEMENTS

All invoices are mailed to Global Alliance for the Advancement of refugees and Migrants directly. The Office Manager is responsible for sorting, opening, signing and dating all invoices. If an invoice is received prior to receipt of goods, the Office Manager files the invoice in the Purchasing Binder under the Invoices without Packing Slips tab, in order by vendor name. Once the goods have been received (or in the case that the shipment had already been received at the time of invoice arrival), the Office Manager staples the invoice to the top of the corresponding packet composed of packing slip, purchase order, and Purchase Request form. This expanded packet is now a complete Cash Disbursement packet (invoice/packing slip/purchase order/purchase request). The Cash Disbursement packet is filed in the Purchasing

Binder under the Invoices to be Posted tab, in order by vendor name.

In instances where invoices cannot be obtained and a payment is required, a Cheque Request form is filled out. In this case, any applicable documentation to back up payments requested should be attached. The Check Request form will document the payee, payment due date, amount of payment, etc.

Invoices shall be processed weekly by the Managing Director. The Managing Director establishes the vendor file in the accounting system and reviews the invoice for any purchase discounts dates and properly captures the discount period in the system. The Managing Director posts invoices to the accounting system with the correct general ledger codes and then moves the Cash Disbursement packet to the Invoices to be Paid tab of the Purchasing Binder, sorted by vendor name.

Cutting Cheques

The Managing Director will maintain all blank check stock in a locked location. All cheques will be pre-numbered, voucher style, containing one stub for the vendor (attached to all outgoing checks) and one to be filed by the Managing Director with all supporting disbursement documents.

Checks are run on a weekly basis, and vendors are paid based on terms of the invoices, as recorded within the system. Check preparation and signatures are prepared no later than the due date, consistent with available discounts if available.

The Executive Director is the **only** signatory on the checking account. The Managing Director must obtain the Executive Director's signature all checks.

The Managing Director processes payment for the invoice and creates a check. The check is submitted to the Executive Director for signature, along with the corresponding Cash Disbursement packet (invoice/packing slip/purchase order/purchase request). At the time the check is signed, any required signatories should review the supporting documentation to ensure they are signing a check for the correct amount and to the correct payee. He/she should also initial and date each page of the supporting documentation to indicate that the item was received and appropriate payment has been disbursed. The Managing Director staples the check stub or copy

of the signed check to the top of the Cash Disbursement packet and files it in the Cash Disbursements Binder in check number order, starting with the first check after January 1st and ending with the last check on December 31. The Office Manger mails the check to the vendor awaiting payment. Electronic fund transfers may also be used, where the same authorizations as checks will be obtained using an Electronic Payment Authorization form. See below for details.

In no event shall an authorized signatory approve an invoice, execute a check, or authorize a disbursement of any kind, payable to him/herself.

Any and all voided checks should be stamped “void” with the date and filed in the Cash Disbursements Binder in check number order. If a check has gone missing, use a Missing Voided Check Substitute form to act as a placeholder in the Cash Disbursements Binder.

Online/Phone/Fax/EFT Payments

Payments made online or by phone, fax, or electronic funds transfer (EFT) may be processed by the Business Manger only after an Electronic Payment Authorization form is approved by the proper signatories (detailed above). The same controls should be followed except that the completed, approved Electronic Payment Authorization form will take the place of a traditional check. Any such payment is documented by a printed confirmation and stapled to the invoice. QuickBooks creates journal entries based on the vendor as cash is credited and the appropriate expense type is debited. Electronic payments will be recognized in QuickBooks just as if it were a check, by entering a unique transaction number in place of the check number. The Electronic Cash Disbursement packet composed of Electronic Payment Authorization form, confirmation page, and any other supporting documentation, is filed in the Online/Phone/Fax/EFT Disbursements Binder in date order.

Recurring Expenses

Recurring expenses do not require any sort of special treatment. Payments for goods and services that are required on a regular basis (e.g. equipment lease, insurance payments, rent) are handled in the same manner as non-recurring expenses, as

described above.

Accounts Payable Aging

Accounts payables outstanding are aged on a thirty, sixty, ninety, and over-ninety day basis. The Managing Director will review the accounts payable aging monthly, determine the available cash balances while taking into consideration other cash requirements in the near future, and present a report to the Executive Director, who will select which items to pay.

Petty Cash Account

It is the policy of Global Alliance for the Advancement of refugees and Migrants not to use petty cash and instead to reimburse employees for pre-approved expenses.

Insurance Coverage

Insurance coverage is maintained pursuant to applicable law. Currently, Global Alliance for the Advancement of refugees and Migrants maintains the following insurance policies: General Liability, including Workers' Compensation and Directors and Officers insurance.

Political Contributions

No funds or assets of Global Alliance for the Advancement of refugees and Migrants may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. Global Alliance for the Advancement of refugees and Migrants also cannot be involved with any committee or other organization that raises funds for political purposes. Examples of prohibited activities are:

- Political contributions by an employee that are reimbursed by Global Alliance for the Advancement of refugees and Migrants.
- Purchase by the organization of tickets for political fundraising events.
- Contributions in kind, such as lending employees to political parties or using Global Alliance for the Advancement of refugees and Migrants assets in political campaigns.

6. MANAGEMENT OF CASH

Accounts

Global Alliance for the Advancement of refugees and Migrants banks with Equity Bank (U) Limited and has a total of two bank accounts. They are all current accounts. In all instances, the organization is utilizing its accounts in a way that safely maximizes its overall interest income. The organization accounts have two authorized Signatories: the Executive Director and Ms. Nakalyango Prossie. Bank statements are received monthly at the Office, and are always opened by the Managing Director.

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Bank Statements

When bank statements are received at the office, the unopened envelope should be stamped as received by the Office Manager with the date. The unopened envelope should then be transferred immediately to the Managing Director.

Bank Reconciliation

Using QuickBooks bank reconciliation function, reconciliations are prepared monthly for all bank accounts. This preparation is accomplished by the Managing Director, who identifies reconciling items to ensure that cash is being accounted for properly. Any irregularities shall immediately be reported to the Executive Director and the Treasurer of the Board. A bank reconciliation report from QuickBooks showing the un-reconciled amount as zero, along with the original bank statement or a copy, respectively, is printed and attached to the bank statement. The report is submitted to the Executive Director and Treasurer of the Board of Trustees for review, initialled by each and returned to the Managing Director. The Managing Director files the statement and reconciliation report in the Bank Reconciliation Binder in date order, sorted by bank account.

Investment of Funds

The Board of Trustees sets the investment policy for Global Alliance for the Advancement of refugees and Migrants. The investment policy provides general guidelines regarding the type of investments deemed appropriate and the objectives of each investment (e.g., overnight deposits for excess cash, 90 day Treasury notes for excess working capital, etc.). The Treasurer of the Board of Trustees has been designated to implement the Board's investment policy. The Executive Director has

been granted authority to:

- Purchase and sell investments
- Have access to investment certificates
- Keep records of investments and investment earnings
- Review and approve investment accounting, bank and broker statement reconciliations, adjustments to the carrying value of investments, and other decisions regarding investments

7. PAYROLL

Hiring

Requests for new employees are initiated by the Executive Director via a Personnel Action Form and compared with the approved annual personnel budget. Once the new employee is hired, the Managing Director will collect all necessary payroll data and communicate it to the outside payroll service provider. New employees complete an Application for Employment. Unless otherwise documented, employees are classified as 'exempt.'

Salary Determination

Salary is negotiated by the Executive Director and must be equal to or less than the budgeted salary for the employee in Global Alliance for the Advancement of Refugees and Migrants' budget for the relevant fiscal year. Any changes to a staff member's salary will be approved by the Executive Director in writing or electronically and documented via a Personnel Action Form. A copy of this form will be maintained in the employee file.

Bonus Policy

Bonuses are awarded at the discretion of the Executive Director within the FY budget and based on individual performance.

Compensation Accrual

Although each fiscal year starts on January 1st and ends on December 31st, not every staff member's service start and end dates will mirror the fiscal year. In order to accurately record these expenses according to GAAP, wages may be accrued.

Employees vs. Independent Contractors

When Global Alliance for the Advancement of refugees and Migrants makes the choice to utilize an independent contractor, it first ensures that the individual does qualify as an independent contractor and should not be categorized as a regular employee. True independent contractors do not have taxes withheld and typically invoice the organization to receive payment. Before the organization engages an independent contractor, the Managing Director and Executive Director set up the relationship in such a way as to ensure that the status is in accordance with employment and tax law. Generally, if a worker is being managed closely on a day-to-day basis, he or she must be paid as an employee and have statutory deductions taken from his/her paycheque. In analysing whether or not a worker qualifies as an independent contractor, the organization should review each of the questions below. Independent contractors must submit a Certificate of work completion signed by the employee responsible and approved by the Managing Director prior to issuance of the first payment for services provided.

Processing Payroll

Global Alliance for the Advancement of refugees and Migrants uses an outside service provider, to process its payroll. The Managing Director will develop a spreadsheet containing Global Alliance for the Advancement of refugees and Migrants' entire payroll semi-monthly. The contents of this spreadsheet must be approved by the Executive Director. After the Executive Director's approval has been obtained; the data from the spreadsheet is transmitted into the service Provider's system, creating an official Payroll Register Preview. The service provider Payroll Register Preview is again approved by the Executive Director. Once approved, the Service provider's Payroll Register Preview as well as the original Excel spreadsheet is filed in the Payroll binder. This process is repeated every pay period, with any and all changes to Payroll recipients or amounts reflected in the spreadsheet. Pay periods are semi-monthly in length. Both salaried and hourly employees are paid on the same schedule. Employees will be paid on the 15th and 30th of each month. In the event that the 15th or 30th of the month falls on the weekend, the pay date will be the preceding business day. In February, pay will be distributed on the 28th, or the next business day.

Once payroll documents are received from the payroll vendor (e.g., calculations, payrolls and payroll summaries), they are compared with timesheets, pay rates, payroll

deductions, compensated absences etc by the Managing Director. The Managing Director verifies gross pay and payroll deductions and compares with the totals in the Payroll Register. The Payroll Register is reviewed and approved by the Managing Director, who then forwards the payroll cheques and the Payroll Register to the Executive Director for signature. Once signed, payroll payments by cheque, direct deposit or cash are distributed to employees and independent contractors by the Managing Director, the Payroll Register is filed and all data is entered into QuickBooks. The Managing Director controls and monitors all undelivered and un-cashed payroll cheques. If an employee is given a paper pay-cheque and loses that it, he or she must submit a written request for a new cheque to be issued to the Executive Director. The request must indicate the date on the cheque, the pay period it covered, and the amount. The employee must also certify that he or she believes the cheque to be lost and that if the employee recovers the cheque, he or she will return it to the Managing Director. A new pay-cheque will be issued to the employee as soon as practicable after the request is submitted.

Payroll Tax Compliance

The payroll vendor is responsible for the preparation of the periodic payroll tax filings. The Managing Director is responsible for reviewing and approving all payroll tax documents and supporting schedules for accuracy and completeness.

PERIODIC PAYROLL RECONCILIATIONS

Reconciling Employee Payroll Deductions

On a monthly basis, the Managing Director reconciles deductions made from employees to the payments made to insurers, benefit plan providers, and other payees.

Quarterly Reconciliation of Payroll to Accounting Records

The Payroll Register, the Payroll Register Preview and expense reimbursements (if any) are filed in Quarterly Payroll binders, according to each pay date by fiscal year. On a quarterly basis, the Managing Director performs a reconciliation of all salary accounts in the general ledger, as compared to the salary reported by the payroll processing company and/or other Quarterly Payroll Return. Any variances are researched and cleared within the month following quarter end.

Annual Reconciliation of Payroll to Accounting Records

On an annual calendar basis, Global Alliance for the Advancement of refugees and Migrants' Managing Director performs a reconciliation of the following:

- Gross salaries per all Forms
- Gross salaries per General Ledger
- Variances are researched and cleared by January 31 of the following year

Protecting Payroll Information

Salary information constitutes sensitive information. It is the responsibility of the Managing Director to ensure that all payroll information is kept secure and confidential. In addition, the Managing Director will maintain in a locked cabinet the payroll registers that are delivered with pay stubs as well as the vouchers and live checks for those that are not enrolled in the direct deposit program.

Changes to Payroll Information

Changes to personnel data are initiated with a Personnel Action form. This is used when making any changes that affect payroll; new hires, terminations, pay rate changes, or payroll deductions. The Executive Director authorizes any change to payroll data. The payroll vendor processes authorized changes to the payroll data and a copy of the Personnel Action Form is retained in the employee's personnel file.

Terminations and Resignations

The Managing Director ensures that any departing employee, whether terminated or resigned, is removed from the payroll immediately after his or her last payment is made.

In the absence of the Managing Director, the Executive Director performs this function.

Whether an employee has elected to resign or is being terminated, a Personnel Action form must be completed. An exit interview is held between the departing employee, Executive Director, and one witness. In the case of employee termination, a copy of the termination letter is presented to the departing employee at the exit interview. In the case of a resignation, this interview is used to document the departing employee's reasons for resignation. This information is critical when assessing staff turnover data.

Upon termination or effective resignation date, all employee belongings are removed immediately, and all files and other materials belonging to the employer are returned immediately if off-site or left *in situ* if on-site. This applies to all electronic documents and systems as well, including the employee's organisation email account and all of its messages, contacts and calendar items. The Personnel Action form is filed in the employee's personnel file.

8. UNCERTAINTY

For any action or decision an employee is expected to make on behalf of Global Alliance for the Advancement of refugees and Migrants but such employees are not sure or have doubts, such employees are required to refer to the Managing Director and or Executive Director of guidance and direction.

9. DEPOSITS

Requirement:

- ✓ All cheques on hand must be deposited into Global Alliance for the Advancement of refugees and Migrants' bank account by Friday of each week.
- ✓ All cheques are to be collected by the Office Manager, photocopied, and then recorded onto the Check log and signed off by the Office Manager who also enters the information in the Excel check logs.
- ✓ The Office Manager hands checks to the Managing Director who in turns enters them into QuickBooks, and then ensures that they are deposited via QuickBooks. She/he will deposit the physical cheques into Global Alliance for the Advancement of refugees and Migrants' operational banking account at Equity bank after completing the deposit forms and having another staff member inspect the cheques against the amount and sign the deposit slip.

10. CODING EXPENSES TO ANOTHER MANAGER'S P & L

Requirement:

- ✓ The Executive Director should never be "surprised" by a revenue or expense item hitting the Profit & Loss report (P&L).
- ✓ **In Most Cases** Employees receive invoices for work efforts that they manage, then forward them to the Managing Director to code the expenses.
- ✓ **Employees must notify** Managing Director by email and provide documented

details where appropriate each time they incur an expense or hand in an expense report.

- ✓ **Confidential Information** should not be sent or shared between employees or Board members. Salary is one example of confidential information; another is the amount of donation(s) made by an individual.

11. MONTHLY CLOSE

Closing Global Alliance for the Advancement of refugees and Migrants books every month is an important bookkeeping task that should be part of the monthly bookkeeping routine. Closing books on a monthly basis will help have cleaner books. The following process must be followed when you closing monthly accounting records.

I. **Accounts Receivable**

Verify all clients have been invoiced for work completed during the month. Double check deposits and monies received have been posted to QuickBooks. Reconcile Aging Accounts Receivables report against Balance Sheet and against General Ledger. Make any changes or adjustments to ensure all records match.

II. **Accounts Payable**

Make sure all bills have been paid. Double check all automatic bill payments and any recurring payments have been posted to QuickBooks (example – Rent, etc). Post any outstanding bills to Accounts Payable so they can track what needs to be paid next month. Reconcile your outstanding vendor bills and vendor statements against Accounts Payable Reports and Balance Sheet. Make sure records match those of vendors. Make any adjustments or changes.

III. **Monthly Reconciliations**

Reconcile Bank Accounts - Reconcile all bank accounts using monthly bank statements and monthly credit card merchant statements. Print and file the reconciliation reports and bank statements when finished.

IV. **Reconcile Loan Balances and Lines of Credit**

Reconcile loan balances and lines of credit against monthly statements. Print and file the reconciliation reports. (If Any)

V. Track your Fixed Assets

Record monthly depreciation.

VI. Prepaid Income and Expenses Adjustments

Record monthly journal entries to allocate your prepaid income and expenses.

VII. Write Off Bad Debt

Write off any uncollectable invoices to bad debt. In QuickBooks, this can be done using a Credit Memo.

VIII. Verify all Checks and Invoice Numbers are Accounted For

Checks and Invoices are generated in numerical order. If any check numbers or invoice numbers are missing, figure out why and record the missing transactions. If they were voided or deleted, make sure you keep a record as to why they were voided and/or deleted.

IX. Review Financial Statements

Look for any unusual balances, missing items, or mistakes. If anything looks or feels “off” look into it and figure out why the balance seems odd to you. Make any corrections or necessary adjustments.

X. Update Budget

Update your budget and review your budget vs. actual numbers. Determine why some budget amounts are off for the month. Feel free to adjust your budget as needed.

XI. Print and File Financial Statements and Financial Reports

XII. Close Books

Using QuickBooks; use the “Closing Date” feature. This great feature allows you to lock previous months and protect with a password. This keeps you and anyone else from accidentally changing previous months.

XIII. Back Up

Back up your QuickBooks.

12. PETTY CASH

Employee Reimbursements are PREFERRED over using petty cash.

Fill out a Petty Cash Slip before you receive cash. Include supervisor signature and account number to charge the expense to.

Return with Receipts within Three Days. Employees who do not turn in receipts will be denied additional petty cash.

Amount - Issued in increments of \$50 maximum with strict guidelines.

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13. BUDGETS AND BUDGETING

- 1) **Spend Authorization** – We are authorized to incur expenses up to the amount shown in the budget for each line item. Employees are not authorized to incur expenses that exceed total budget amount.
- 2) **Incurring Expenses Outside Your Authority** –Employees, Directors, Officers, and Board members who enter service contracts or incur expenses that are not authorized in the budget are acting outside of their authority. Unauthorized expenses are the responsibility of the individual who incurred them. They are not Global Alliance for the Advancement of refugees and Migrants' obligations.
- 3) **Manage Expenses Within Revenue** – to a large extent, revenue and expenses are variable and should track each other. If the revenue is less, expenses should be less by a proportional amount. The objective is for the Business Manger to manage the budget and monies to achieve the operating income and net income profit that is called for in the budget.

Mid-Course Budget Changes

- ❖ **EXPENSE** – The Managing Director will inform the appropriate stakeholders the amount in the current approved budget and what the incremental expense is on a monthly and annualized basis.
- ❖ **REVENUE** – The Managing Director will inform the appropriate stakeholders the incremental revenue that we should earn monthly and annually for taking on this additional expense.
- ❖ **PROGRAM** – How does this improve the quality and/or scope of the program?

Grant Budgeting Roles and Responsibilities – applies to original, modified, and reforecast corporate, grant, and contract budgets. To safeguard confidential information, only the Executive Director and Business Manger are permitted to see personnel salary information.

If the budget is for Global Alliance for the Advancement of refugees and Migrants, the Managing Director will ensure that all stakeholders receive a template and timelines. If the budget is for a new solicitation, the responsible personnel will ensure that the Managing Director has a copy of the template. The Managing Director will be responsible for drafting the initial budget for the grant application in a timely manner.