



FINANCIAL POLICY

November 2018

Finance Policy
Young Men's Christian Association
YMCA of Liberia
126 Crown Hill, broad Street
P.O. Box 10 – 0147
1000- Monrovia, 10 – Liberia

I. Introduction:

This financial policy is being prepared as an operational guide for the effective management of finances and assets of the YMCA of Liberia. It is a revision of the financial policy approved in 1991 and revised in 2002.

II. Management

The YMCA is a not-for-profit organization. The Association is divided into two basic functioning bodies: the lay structure and the National Secretariat. The lay structure consists of National Council, National Board and Local Boards. The lay is responsible for policy matters of the Association. The National secretariat is the management arm and is responsible for the day-to-day running of the Association. The Secretariat is the chief implementer of policies and key decisions taken by the Board.

III. Budget

An annual budget of the Association shall reflect all projected income and expenditure of the individual functions, programs, and special projects. The budget shall cover the fiscal year of the Liberia YMCA, which runs from July 1 to June 30, and shall be submitted to the National Board for approval during the first (1st) quarter of the budget year. Expenditures where applicable, and the previous year's financial report should be submitted to the board by the time of budget presentation.

IV. Bank Account

All funds of the Association shall be deposited into accounts established with recognized banking institutions. The establishment of accounts must meet the approval or concurrence of the National Board.

V. Authorized Signatures for Bank Account

Signatories to the YMCA's accounts are grouped into categories "A" and "B". the "A" category is assigned to Board members, while staff signatories are grouped under the "B" category. The authorized "A" signatories are: (1) Chairman, and (2) Treasurer. The "B" signatories are: (1) the National General Secretary and (2) the Principle Deputy to the NGS – Resource Mobilization Director. Any two signatures, one "A" and one "B", will constitute sufficient authorization to effect any banking transaction. For the purpose of consistency, however, the National General Secretary and the Chairman of the National Board shall be regular signatories. The Resource Mobilization Director shall sign in the absence of the National General Secretary. If the Chairman is absent, the Treasurer shall sign.

All checks must be validated by the YMCA seal, which will be in the custody of the Finance Officer,

VI. Local Board Chapters with separate Banking Accounts

In local chapters or branches where there exist functional and reputable banks, an account shall be designated for the local chapter. The National secretariat shall be a signatory to all local branch bank accounts. Signatures of the branches shall include the Chairman of the Board, the Vice Chairman and the National General Secretary in the 'A' Category with the Branch Coordinator and the Development Secretary in the 'B' Category. Any two signatures, one "A" and one "B", will constitute sufficient authorization to effect any banking transaction. Special procedures and limits may be put in place for project funds from external partners.

The following procedures shall be followed by local branches using separate banking accounts:

- a. Submit quarterly cash flow budget for expenditure to the Finance & Administrative Director (at the National Secretariat) for approval by the National General Secretary before the disbursement of funds. A withdrawal outside of the approved cash flow must meet the approval of the National General Secretary.
- b. Submit a quarterly financial report to the Finance & Administrative Director, with copies to the NGS, using the form at the back of this manual;
- c. Submit copies of the bank statements to the National secretariat on a quarterly basis.
- d. Must submit to quarterly audits, or as the National Finance Office requires.

VII. Social Enterprise/Business with separate Banking Accounts

For the purpose of sustainability, YMCA shall establish social enterprise activities. These activities shall be semi-autonomous and managed by a management team appointed by the National General Secretary. To ensure that the interest of the YMCA is protected, the National General Secretary shall serve as the Chairman of the Board to all social enterprise ventures of the YMCA and ensure that the YMCA maintains ownership through majority shares (if shares are opened). Major Social Enterprise ventures shall establish separate bank accounts (approved by the National Board) to promote efficiency and accountability in the running of these ventures. The signatories to these accounts shall include the Chairman of the Board/NGS, and the Vice Chairman/Resource Mobilization Director in the 'A' Category with the Enterprise Manager and Deputy (where applicable) in the 'B' Category. Any two signatures, one "A" and one "B", will constitute sufficient authorization to effect any banking transaction. Special procedures and limits may be put in place for investment funds from external partners.

The following procedures shall be followed by social enterprise activities, using separate banking accounts:

- a. Submit quarterly cash flow budget for expenditure to the Finance & Administrative Director (at the National Secretariat) for approval by the National General Secretary before the disbursement of funds. A withdrawal outside of the approved cash flow must meet the approval of the National General Secretary.

- b. Submit a quarterly financial report to the Finance & Administrative Director, with copies to the NGS, using the form at the back of this manual;
- c. Submit copies of the bank statements to the National secretariat on a quarterly basis.
- d. Must submit to quarterly audits, or as the National Finance Office requires.

VIII. Income

All income of the Association shall first be deposited into a YMCA Bank account as discussed above. The Young Men's Christian Association of Liberia is funded through the following means:

- a. Membership fees, cash gifts and other contributions from local individuals or groups,
- b. Social Enterprise Activities (fees-for service)
- c. Grants, contracts and donations from YMCA partners, international and national,
- d. Revenue generated from YMCA assets (current and those to be developed),
- e. Subsidy from the Government of Liberia

IX. MEMBERSHIP

Membership of the YMCA of Liberia shall be opened to all persons, institutions, and groups of persons who subscribe to its, Vision, Mission and core Values as contained in the approved by-Laws and constitution of the YMCA of Liberia. Payment of membership dues is arranged in categories and is based upon one's ability and interest.

Dues and fees of each membership category shall be determined by the National Secretariat, subject to the approval of the National Board. A minimum of fifty percent (50%) of the membership income of branches shall be remitted to the National Secretariat for the payment of Liberia YMCA's Fair share to the World Alliance and Africa Alliance of YMCAs and for Secretariat costs.

X. PROCUREMENT

As much as possible, all procurement must be made in accordance with the three (3) quotes guideline. Purchases must be initiated from the concerned section or department recommended by the program/department head, verified by the Finance & Administrative Director, and approved

by the National General Secretary or Resource Mobilization Director. Copies of the Check/Cash Requisition Form and the Stationary Supplies Requisition Form are at the back of this manual. For details, please see the Procurement Policy.

These procedures must be replicated at the branch level with the relevant staff in those capacities.

XI. STAFF TRAVEL

Staff traveling for YMCA business must make a written request using the Travel Authorization Request Form at the back of this manual, which identifies the purpose of travel and outlines the destination(s). It should include a projected budget of all costs including meals/perdiem, accommodations, fuel, and driver expenses and should indicate the program or project against which the funds are to be used. The form also requires signatures of authorization by the staff supervisor, verification of funds by the Finance & Administrative Director, and approval by the NGS.

To ensure that a travel advance is available in time, the authorization form should be made at least three working days before the intended travel date. Once approved, payment will be issued in the amount requested. These funds are an advance, and proper documentation must be carried out to clear all advances. Within three working days of return from travel, the traveler must turn in receipts for each expenditure or the Finance Office will take action as per the Cash Advance Form attached to this manual.

The following per diem rates and rules applies:

IN-COUNTRY TRAVEL (OVERNIGHT ONLY)

The below figures are rates/day

Category	Lodging	Perdiem	Total
Board Officials, NGS	50.00	25.00	75.00
Board Members, Senior Management Staff	40.00	20.00	60.00
Program/Junior Staff Level	30.00	15.00	45.00
Support Staff and Interns/Volunteers	20.00	15.00	35.00

Note: *The YMCA Administrative Policy has provision for self-lodging for all staff at a rate of US\$10.00 per night. For details on this, please see the Administrative Policy.*

- 10% of total trip cost should be provided for incidentals. Expenditure of this should be recorded by relevant staff, with proper supporting documentations (receipts).
- Fuel will be calculated based on distance (done by Operations Officer). Beginning and ending mileage must be recorded by Operations Officer at the start and end of each trip.
- Receipts must be provided for all other expenses, except allocated per diem.
- Fuel will be provided through coupons or cash and should be properly accounted for through receipts and mileage recording.
- If a rural staff/volunteer travels to Monrovia, **with the approval of a senior management staff ONLY**, he/she should be provided the daily per diem and self-lodging cost for the period of stay in Monrovia.
- A formal report must be submitted to the Finance Office, with receipts within three working day of the trip. Before receiving funds for trip, staff should sign for amount as salary advance and such amount (or outstanding amount) shall be deducted from the next salary of staff, if the staff fails to account for the funds properly.

OUT OF COUNTRY TRAVEL

The below figures are per diem rates/day. In the case where lodging needs to be provided by YMCA, the same amount will be provided for lodging in addition to per diem.

Category	Within Africa	Outside Africa
Board Member, NGS	60.00	75.00
Senior Management Staff (DS, FO, PO, AO)	50.00	60.00
Junior Staff Level	40.00	50.00
Support Staff and Interns/Volunteers	25.00	30.00

Note: Amount will be doubled if lodging needs to be provided.

In the event where a youth or staff is attending a training program for a duration of more than 20 days, a bulk allowance of US\$500.00 will be given for youth interns/volunteers and US\$1,000.00 for staff.

- 10% of total trip cost should be provided for incidentals. Expenditure of this should be recorded by relevant staff, with proper supporting documentations (receipts).
- If travel is by road, fuel will be calculated based on distance (done by Operations Officer). Beginning and ending mileage must be recorded by Operations Officer at the start and end of each trip.
- Receipts must be provided for all other expenses, except allocated per diem

- If travel is by road, fuel will be provided through cash and should be properly accounted for through receipts and mileage recording.
- A formal report must be submitted to the Finance Office, with receipts within one week of the trip. Before receiving funds for trip, staff should sign for amount as salary advance and such amount (or outstanding amount) shall be deducted from the next salary of staff, if the staff fails to account for the funds properly.

XII. Petty Cash

The petty cash fund shall be established for adhoc transactions such as supplies, transportation, postage, etc. that are relatively inexpensive and needed in a short period of time. It is not to be used for expenditures that could be dealt with through the procurement system described above.

- a. Generally, a petty cash payment should be limited to a maximum of US\$75.00 on a single transaction
- b. Petty cash shall be kept by a trusted staff other than members of the Senior Management Team.
- c. The payment of all petty cash shall be upon request of the head of the section/department and approved by the Finance & Administrative Director or Resource Mobilization Director.
- d. A receipt must be obtained showing the expenditure and petty cash advance must be reconciled with the actual cost.
- e. The fund shall be replenished when it is at least 75% depleted and accounted for with supporting documents. An allowance of US\$1,000.00 will be made available for petty cash and replenished upon liquidation.

XIII. SUPPLIES:

The Operations Officer shall request the purchase of common office supplies such as stationery, pens, makers, janitorial supplies, etc. in large amounts and store them for use by employees as needed. To request such supplies, use the “Stationery supplies Requisition” form at the back of this manual.

xiv. Receipts

- a. Expenditures are to be documented by invoice of sale or service. When an employee makes a payment with petty cash or a cash advance, receipts must be collected by the employee and returned to the Finance office.
- b. Whenever possible, receipts should be from a receipt pad showing the provider's name, address and phone number and should be stamped. Sometimes, especially upcountry, such receipts are not available. In this case the employee is responsible for obtaining a written statement, and the date. If the provider is unable to write, he/she should make a thumbprint or other mark to acknowledge receipt.
- c. When printed receipts are not available and the expenditure is under US\$10.00 (such as \$9.99 or lower) or the equivalent in local currency, the receipt is not required. However, the employee must still list such amounts in the report in order to account for it.

xv. Expenditure Recognition

Expenditures are to be recognized on the date when goods or service are received with supporting invoices that have been duly ordered for, and have been received, without regard to the actual date of payment. Such obligation will be held in Account Payable until payment is made.

- a. All disbursement of funds should be done through payment vouchers prepared by an Accountant, signed by the Finance & Administrative Director, the National General Secretary or in his absence, the Resource Mobilization Director and the Chairman of the National Board or in his absence the Treasurer.
- b. All expenditures must fall within the limit of the approved budget. Any exception must first meet the Board's approval, except for projects where the budget is based on a project proposal approved and funded by the partners.
- c. Specific authorization limits of each signatory will be recommended to the National Board by the Secretariat for approval.

xvi. Bank Reconciliation

- a. Bank reconciliation must be done monthly when bank statements are received, but no later than the 15th of the following month. The reconciliation must be prepared by an Accountant, signed by the Finance & Administrative Director and attested to by the National General Secretary or Resource Mobilization Director.
- b. The purpose of the bank reconciliation is to serve as a means of ensuring the accuracy of deposits and withdrawal over each bank account and for monitoring.

xvii. Capital Assets

Capitalization of fixed assets shall be for the purpose of keeping adequate track of such assets, which require depreciation. For this reason, adequate subsidiary records shall be established and maintained at least once a year.

xviii. INVENTORY

In order to keep track of YMCA's fixed assets, an update of inventory must be maintained at all times, reflecting the flow of supplies of all capital assets. Said record must be updated every six (6) months by each sector and branch of the Association. Records of assets shall be prepared and signed by the Branch Coordinator/section head, using the Inventory Form at the back of this manual, verified by the Finance & Administrative Director and attested by the National General Secretary.

xix. Reporting

It is required of the Finance & Administrative Director that all financial information required to make sound decisions and to effectively manage the organization be reported on a monthly basis to the National General Secretary and to all divisions concerned; on a quarterly basis to the Finance Committee and Board of Directors, but prior to board meetings; semi-annually to oversea donors and partners, or as may otherwise be required by donor contract; and annually to reflect the overall performance of the organization for the fiscal period to the Board and partners.

Forms

1. Check/cash Requisition
2. Stationery supplies Requisition
3. Receiving Record
4. Monthly Financial reports
5. Membership Form
6. Travel Authorization Request form
7. Inventory Form
8. Perdiem Request form
9. Trip Request Form
10. Perdiem Liquidation template
11. Time Sheet