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FINANCIAL MANAGEMENT AND ACCOUNTABILITY POLICY

**APPROVED ON
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INTRODUCTION

The Emmanuel Ivorgba Center (TEIC) is committed to ensuring responsible stewardship of its financial resources. This Financial Management and Accountability Policy establishes the principles, procedures, and standards necessary to maintain transparency, integrity, and accountability in all financial activities. The goal is to promote effective use of funds, prevent fraud and misappropriation, and foster trust among stakeholders, including donors, beneficiaries, staff, and the community.

1. PURPOSE AND SCOPE

a. Purpose

The purpose of this policy is to provide a framework for managing the financial resources of EIC responsibly, ensuring compliance with relevant laws, regulations, and best practices.

b. Scope

This policy applies to all financial activities within EIC, including budgeting, accounting, reporting, procurement, and internal controls. It covers all staff, volunteers, and board members involved in financial decision-making.

2. FINANCIAL PRINCIPLES AND STANDARDS

- a. **Transparency:** All financial transactions shall be conducted openly and documented thoroughly.
 - b. **Accountability:** Staff and management are responsible for safeguarding assets and ensuring funds are used in accordance with donor intentions and organizational goals.
 - c. **Integrity:** Financial activities shall be conducted honestly, ethically, and in compliance with applicable laws.
 - d. **Efficiency:** Resources shall be managed prudently to maximize impact and minimize waste.
 - e. **Compliance:** All financial practices shall adhere to legal requirements and organizational policies.
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3. BUDGETING AND PLANNING

a. Annual Budget Preparation

- i. The Finance Committee, in collaboration with program managers, shall prepare an annual budget.
- ii. The budget should reflect organizational priorities, historical data, and anticipated income and expenses.
- iii. Draft budgets must be reviewed and approved by the Board of Directors before implementation.

b. Monitoring and Amendments

- i. Actual financial performance shall be monitored against the approved budget monthly.
 - ii. Significant deviations require review and approval before adjustments are made.
 - iii. A revised budget may be prepared, if necessary, subject to Board approval.
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4. FINANCIAL ROLES AND RESPONSIBILITIES

a. Board of Directors

- i. Approves the annual budget.
- ii. Reviews financial statements and reports.
- iii. Ensures adherence to policies and legal obligations.

b. Finance Committee

- i. Oversees financial management.
 - ii. Reviews financial reports, internal controls, and audit findings.
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- iii. Recommends financial policies and procedures.
- c. Executive Director/CEO
 - i. Implements financial policies.
 - ii. Ensures proper financial management and reporting.
 - iii. Approves expenditures within authorized limits.
- d. Finance Manager/Accountant
 - i. Maintains accounting records.
 - ii. Prepares financial statements.
 - iii. Manages day-to-day financial transactions.
- e. Staff and Volunteers
 - i. Follow established financial procedures.
 - ii. Report any irregularities or concerns promptly.

5. FINANCIAL TRANSACTIONS AND CONTROLS

- a. Expense Management
 - i. All expenses must be authorized by designated personnel.
 - ii. Receipts, invoices, and supporting documentation are required for all transactions.
 - iii. Expenses should be reasonable, necessary, and aligned with organizational priorities.
- b. Revenue Management
 - i. Donations, grants, and other income must be recorded accurately.
 - ii. Receipt of funds must be acknowledged promptly and documented.
- c. Cash Handling
 - i. Cash receipts should be recorded immediately.
 - ii. Cash disbursements must be made via bank transfers or checks; cash disbursements are discouraged.
 - iii. Dual signatures are required for bank withdrawals and checks above a specified threshold.
- d. Procurement
 - i. Goods and services must be procured through competitive processes whenever possible.
 - ii. Purchases must be justified, documented, and within budget.
 - iii. Conflicts of interest must be disclosed.

6. INTERNAL CONTROLS

- a. Segregation of Duties
 - i. Responsibilities for authorizing transactions, recording them, and asset custody must be divided among different personnel to reduce risk of error or fraud.
- b. Authorization Limits
 - i. Clear limits for authorization of expenditures and commitments are established.
 - ii. Any expenditure beyond authorized limits requires higher-level approval.
- c. Reconciliation
 - i. Bank reconciliations should be performed monthly by staff independent of cash handling.
 - ii. Discrepancies must be investigated and resolved promptly.

- d. Asset Management
 - i. Fixed assets should be recorded, maintained, and periodically audited.
 - ii. Assets must be safeguarded against theft or damage.
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7. FINANCIAL REPORTING AND RECORDKEEPING

- a. Financial Statements
 - i. Regular financial reports (monthly, quarterly, annual) shall be prepared.
 - ii. Key reports include income statements, balance sheets, cash flow statements, and donor reports.
 - e. Audit and External Review
 - i. An independent external audit shall be conducted annually.
 - ii. Audit findings and management responses shall be reviewed by the Board.
 - b. Recordkeeping
 - i. Financial documents, including receipts, invoices, bank statements, and reports, shall be retained for at least five years.
 - ii. Records must be stored securely to prevent unauthorized access.
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8. COMPLIANCE AND LEGAL OBLIGATIONS

- a. The Emmanuel Ivorgba Center shall comply with all applicable tax laws, reporting requirements, and donor stipulations.
 - b. Any financial misconduct or irregularities must be reported and addressed promptly.
 - c. Staff involved in financial management shall receive training on relevant policies and legal requirements.
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9. FRAUD PREVENTION AND WHISTLEBLOWER POLICY

- a. The Emmanuel Ivorgba Center promotes a culture of integrity and encourages staff and stakeholders to report suspected fraud or misconduct.
 - b. Reports shall be handled confidentially and investigated thoroughly.
 - c. Retaliation against whistleblowers is strictly prohibited.
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10. TRAINING AND CAPACITY BUILDING

- a. Regular training shall be provided to staff involved in financial activities.
 - b. Training topics include internal controls, financial policies, compliance, and use of accounting systems.
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11. REVIEW AND AMENDMENTS

- a. This policy shall be reviewed annually by the Finance Committee.
 - b. Amendments require approval by the Board of Trustees.
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CONCLUSION

The Emmanuel Ivorgba Center's Financial Management and Accountability Policy reflects its commitment to responsible stewardship, transparency, and integrity. By adhering to these principles and procedures, TEIC aims to maximize its impact, maintain stakeholder trust, and ensure sustainable growth.