



BRAVO SHOES
— COMMUNITY SUPPORT —
EVERY CHILD, EVERY CHANGE, EVERY DAY

Bravo Shoes Community Support (BSCS) Finance Policy

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Microsoft account

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Title: Finance Policy for Bravo Shoes Community Support (BSCS)

1. About BSCS

BSCS is a non-profit organization dedicated to making a positive impact on individuals and communities through various programs and initiatives. As an organization driven by a mission to support and uplift vulnerable populations, BSCS recognizes the critical importance of responsible financial management.

This comprehensive Finance Policy reflects BSCS's commitment to sound financial practices, transparency, and accountability. It provides a framework that guides the organization in effectively planning, utilizing, and reporting its financial resources. By following this policy, BSCS aims to ensure that its financial operations align with its mission and objectives, and that funds are allocated in a responsible and purposeful manner.

One of the key objectives of this policy is to establish robust financial controls and procedures to safeguard BSCS's assets, prevent fraud, and maintain accurate records. By implementing internal control policies, BSCS ensures that financial transactions are carried out in a controlled and accountable manner, minimizing the risk of misappropriation or misuse of funds. This commitment to financial integrity allows BSCS to build trust and maintain the confidence of its stakeholders, including donors, partners, and the communities it serves.

BSCS also places a strong emphasis on compliance with relevant laws, regulations, and financial reporting standards. By adhering to these requirements, BSCS ensures that its financial practices meet legal and ethical standards, providing transparency and accountability in its operations. This commitment to compliance enables BSCS to maintain the trust and support of its stakeholders, while also facilitating effective decision-making and strategic planning.

Furthermore, BSCS recognizes the importance of optimizing the utilization of its financial resources. By following responsible financial planning and budgeting practices, BSCS aims to maximize the impact of its programs and initiatives. Through efficient and effective practices, BSCS strives to ensure that financial resources are allocated in a manner that aligns with its mission and objectives, ultimately benefiting the individuals and communities it serves.

Finally, BSCS is dedicated to providing timely and accurate financial information to its stakeholders. By enhancing transparency and accountability in financial management and reporting, BSCS enables informed decision-making and fosters a culture of openness

within the organization. This commitment to transparency allows stakeholders to have a clear understanding of how financial resources are utilized and the impact of BSCS's initiatives.

In summary, this Finance Policy reflects BSCS's unwavering commitment to responsible financial management, transparency, and accountability. By implementing the principles and procedures outlined in this policy, BSCS ensures that its financial operations are conducted in a manner that aligns with its mission, values, and the expectations of its stakeholders. Through effective financial planning, utilization, and reporting, BSCS aims to maximize its impact and create positive change in the lives of those it serves.

2. Introduction

2.1 Purpose of the Finance Policy

The purpose of the Finance Policy within Bravo Shoes Community Support (BSCS) is multifaceted and crucial for the organization's overall financial management. This policy serves as a comprehensive framework that guides and governs the organization's financial activities and decision-making processes.

Effective Financial Management: The Finance Policy aims to establish effective financial management practices within BSCS. It provides guidelines and procedures for financial planning, utilization, and reporting of resources. By adhering to these practices, BSCS can optimize its financial performance, ensure the efficient allocation of resources, and achieve its financial goals effectively.

Financial Planning: The policy outlines the importance of financial planning within BSCS. It emphasizes the need to set clear financial objectives, develop strategies, and determine the actions required to achieve those objectives. Financial planning involves forecasting and budgeting processes that enable BSCS to allocate its resources effectively, prioritize activities, and make informed financial decisions.

Financial Utilization: The Finance Policy establishes guidelines for the responsible and efficient use of financial resources within BSCS. It emphasizes the importance of utilizing funds in accordance with approved budgets and financial plans. Proper financial utilization ensures that resources are allocated appropriately to support BSCS's programs, projects, and operational needs.

Financial Reporting: Transparency and accountability are key principles addressed in the Finance Policy. The policy emphasizes the need for accurate and timely financial reporting. Financial reports provide stakeholders, including management, board members, donors, and regulatory authorities, with an overview of BSCS's financial performance, position, and cash flows. Transparent

financial reporting enhances trust, accountability, and decision-making within the organization.

Sound Financial Practices: The Finance Policy promotes the adoption of sound financial practices throughout BSCS. These practices are aligned with industry standards, best practices, and regulatory requirements. By adhering to these practices, BSCS ensures the integrity, reliability, and ethical conduct of its financial activities. Sound financial practices encompass proper financial controls, internal audits, and compliance with applicable financial regulations.

By establishing a Finance Policy, BSCS demonstrates its commitment to transparency, accountability, and responsible financial management. The policy provides clarity and guidance to all stakeholders involved in financial activities, including management, employees, volunteers, and contractors. It sets a standard for financial decision-making, promotes consistency, and helps create a culture of financial responsibility and good governance within the organization.

Regular review and assessment of the Finance Policy ensure its effectiveness and relevance in a dynamic financial landscape. By regularly evaluating the policy, BSCS can identify areas for improvement, adapt to changing financial requirements, and align its financial management practices with the organization's strategic objectives.

2.2 Scope of the Policy

The Finance Policy of Bravo Shoes Community Support (BSCS) has a broad scope and applies to all financial activities and transactions conducted by the organization. It encompasses various areas of financial management, ensuring consistency and adherence to established principles and procedures across BSCS. The policy applies to:

Budgeting: The Finance Policy governs the budgeting process within BSCS. It outlines the procedures for developing, reviewing, and approving budgets to ensure that financial resources are allocated appropriately and in alignment with the organization's strategic priorities.

Accounting: The policy provides guidelines for proper accounting practices within BSCS. It defines the standards for recording, classifying, and reporting financial transactions to ensure accuracy, reliability, and compliance with applicable accounting principles and regulations.

Procurement: The Finance Policy covers procurement activities within BSCS. It establishes guidelines for the acquisition of goods, services, and works, including

vendor selection, bidding processes, contract management, and financial control measures. These guidelines promote transparency, fairness, and value for money in BSCS's procurement processes.

Expenditure Control: The policy includes procedures for managing and controlling expenditures within BSCS. It sets forth guidelines for authorization, documentation, and verification of expenses to ensure that financial resources are used efficiently and in accordance with approved budgets and policies.

Revenue Management: The Finance Policy addresses the management of revenue streams within BSCS. It outlines procedures for recording and tracking incoming funds, ensuring accuracy, and establishing controls to safeguard against misappropriation or mishandling of revenues.

Reporting: The policy emphasizes the importance of accurate and timely financial reporting. It sets guidelines for the preparation and dissemination of financial reports, including financial statements, budget variance analysis, and other relevant financial information. These reports provide stakeholders with a comprehensive view of BSCS's financial performance and enable informed decision-making.

The Finance Policy applies to all departments and functions within BSCS, ensuring consistency and compliance across the organization. It extends to all employees, contractors, and stakeholders involved in financial matters, emphasizing their responsibilities in adhering to the policy's principles and procedures.

By encompassing a wide range of financial activities, the Finance Policy promotes efficiency, transparency, and accountability in BSCS's financial management. It establishes a framework that fosters good financial governance and helps safeguard the organization's financial resources, reputation, and sustainability. Regular monitoring, review, and compliance with the policy's provisions are essential to maintaining the integrity of BSCS's financial operations.

2.3 Policy Objectives

The key objectives of the Finance Policy are as follows:

- Ensure responsible financial planning and budgeting to support BSCS's mission and objectives.
- Establish robust financial controls and procedures to safeguard assets, prevent fraud, and maintain accurate records.
- Promote compliance with relevant laws, regulations, and financial reporting standards.

- Enhance transparency and accountability in financial management and reporting to stakeholders.
- Optimize the utilization of financial resources through efficient and effective practices.
- Facilitate informed decision-making by providing timely and accurate financial information.
- Foster a culture of financial responsibility and integrity within BSCS.

This Finance Policy provides a framework that aligns BSCS's financial practices with industry best practices and ensures the organization's financial sustainability and credibility. It is essential for all staff and stakeholders to familiarize themselves with this policy and adhere to its principles and procedures to maintain the highest standards of financial management within BSCS.

3. Framework of Financial Policy

Framework Matrix for Finance Policy	Principles	Procedures	Responsibilities
1. Responsible Financial Planning and Budgeting	- Align budgets with BSCS's mission and objectives	- Budget development process	- Senior management
	- Allocate resources efficiently and effectively	- Budget review and approval	- Finance department
	- Ensure financial sustainability	- Budget monitoring and adjustments	- Budget owners
2. Robust Financial Controls and Procedures	- Establish internal control policies and procedures	- Expenditure control procedures	- Finance department
	- Safeguard assets and prevent fraud	- Procurement policies and procedures	- Procurement department
	- Maintain accurate financial records	- Fixed asset management procedures	- Asset management team
3. Compliance with Laws, Regulations, and Standards	- Adhere to applicable financial laws and regulations	- Financial reporting in compliance with accounting standards	- Finance department
	- Follow relevant financial reporting standards	- Compliance with donor requirements and grant agreements	- Fundraising team
	- Comply with tax and regulatory requirements	- Internal and external audit procedures	- Audit department
4. Transparency and Accountability in Financial Management	- Maintain open and transparent financial reporting	- Timely delivery of financial reports	- Finance department

	- Disclose relevant financial information to stakeholders	- Sharing financial information with management and board	- Senior management
	- Adhere to ethical and professional standards	- Confidentiality and data protection policies	- All employees
5. Efficient Utilization of Financial Resources	- Optimize resource allocation and utilization	- Expenditure monitoring and control	- Budget owners
	- Minimize unnecessary costs and expenses	- Inventory management procedures	- Inventory management team
	- Evaluate cost-effectiveness of programs and activities	- Grant management procedures	- Program managers
6. Timely and Accurate Financial Information for Decision-Making	- Provide timely financial reports and information	- Financial statement preparation and dissemination	- Finance department
	- Present accurate and reliable financial data	- Financial analysis and performance evaluation	- Senior management
	- Facilitate informed decision-making	- Budget-to-actual comparisons	- Budget owners

4. Financial Planning and Budgeting

2.1 Annual Budget Preparation

At Bravo Shoes Community Support (BSCS), the annual budget preparation process is carefully structured to ensure effective financial planning and resource allocation. The Finance Policy provides clear guidelines for this process, outlining the roles and responsibilities of key stakeholders involved.

Department heads play a vital role in the budget preparation process. They are responsible for providing accurate and comprehensive information related to their department's financial needs and priorities. This includes details on expected expenses, project requirements, and anticipated revenue sources.

The finance team at BSCS collaborates closely with department heads to consolidate the budget data and ensure its accuracy and consistency. They review the proposed budgets, verify the calculations, and assess the financial feasibility of the submitted plans.

Management plays a crucial role in overseeing the budget preparation process. They provide guidance and strategic direction to align the budget with BSCS's overall objectives and mission. They review and evaluate the proposed budgets to ensure they are in line with the organization's strategic goals.

The Finance Policy emphasizes the importance of aligning the budget with BSCS's strategic goals and objectives. This ensures that financial resources are allocated to activities and initiatives that contribute most effectively to the organization's

mission and desired outcomes. It promotes transparency, accountability, and efficient use of resources.

By following the guidelines outlined in the Finance Policy, BSCS ensures that the annual budget preparation process is thorough, collaborative, and aligned with the organization's strategic priorities. This enables BSCS to allocate its financial resources effectively and efficiently, supporting its mission of improving the lives of vulnerable children in Uganda.

2.2 Budget Approval and Monitoring

Budget approval and monitoring play a crucial role in ensuring effective financial management and accountability at BSCS. The organization follows a structured process to approve and monitor its budget, as outlined below:

Budget Review and Analysis:

After the budget is prepared, it undergoes a comprehensive review by the finance team and senior management. They assess the accuracy, completeness, and alignment of the budget with organizational goals and financial objectives. This review involves analyzing income and expense projections, considering any external factors or risks that may impact the budget, and verifying compliance with relevant financial policies and regulations.

Board Approval:

Once the budget review is completed, the finalized budget is presented to the Board of Directors for approval. The Board carefully evaluates the budget, seeking clarifications if necessary, and ensures that it aligns with the organization's strategic priorities and financial sustainability. Upon approval, the budget becomes the authorized financial plan for the fiscal year.

Budget Implementation:

After approval, the budget is implemented, and financial transactions and activities are carried out in accordance with the approved budget. The finance team works closely with department heads and program managers to ensure adherence to the budgetary allocations and financial guidelines. Any deviations or significant changes from the approved budget are documented and reported for proper evaluation and decision-making.

Ongoing Monitoring:

Throughout the fiscal year, the finance team monitors the actual financial performance against the budget. They track income and expenses, compare them to the budgeted amounts, and analyze any variances. Regular financial reports are

prepared and shared with relevant stakeholders, including senior management and the Board. This monitoring helps identify potential financial risks, address budgetary discrepancies, and make informed decisions to optimize resource allocation.

Financial Reporting and Accountability:

BSCS maintains transparency and accountability by regularly reporting on the organization's financial performance. Timely and accurate financial reports, including budget-to-actual comparisons, are shared with stakeholders to ensure transparency and facilitate effective decision-making. The Board and senior management review these reports, assess the financial health of the organization, and take appropriate actions as needed.

BSCS will prepare financial reports using formats consistent with international accounting standards and similar organization best practices. These reports will be used to prepare financial ratios to measure the progress of BSCS toward its goal of operational and financial sustainability. The reports shall be circulated to all senior management and submitted to the Board of Directors.

- a. Monthly Reports (within 10 days after the end of the month):
 - I. Balance Sheet
 - II. Income & Expenditure Statements
 - III. Cash flow projections
 - IV. Cash flow statement
 - V. Key Management Report (Budget utilization reports, funds status, operating ratios)
- b. Quarterly Reports (within 15 days after the end of the quarter):
 - I. Balance Sheet (actual to budget)
 - II. Income & Expenditure Statement (actual to budget)
 - III. Key Management Report (Funds Utilization and balance report)
 - IV. Cash-flow review
- c. Annual Reports (Not more than 90 days after the end of the fiscal year):
 - I. Three-year business plan

- II. Annual budget, including a financing plan, and income and expenses for the following fiscal year.
 - d. Annual Reports (within 90 - 120 days after the end of the fiscal year):
 - I. iii. Annual financial statements audited by a certified auditor and prepared in conformity with International Accounting Standards.

2.3 Budget Amendments

At Bravo Shoes Community Support (BSCS), the Finance Policy provides guidelines for budget amendments to ensure effective financial management and decision-making. Budget amendments may be necessary due to changing circumstances, emerging needs, or unforeseen circumstances.

When a budget amendment is required, the responsible department or individual must submit a formal request detailing the reasons for the amendment and the proposed changes. This request is reviewed by the finance team, who assess its financial implications and feasibility.

The finance team evaluates the impact of the proposed budget amendment on BSCS's overall financial position and strategic goals. They consider factors such as available funds, the priority of the proposed changes, and the potential consequences for other budgetary allocations.

The budget amendment request is then reviewed by senior management and, if necessary, the Board of Directors. They carefully consider the merits of the proposed changes and their alignment with BSCS's mission and objectives. The decision to approve or reject the budget amendment request is based on a thorough assessment of its financial, operational, and strategic implications.

Once a budget amendment is approved, it is documented, and the necessary adjustments are made to the budget records. These adjustments are communicated to the relevant departments and stakeholders to ensure transparency and accountability.

The Finance Policy emphasizes the importance of maintaining accurate and up-to-date budget records. This includes documenting any approved budget amendments and keeping track of the overall budgetary changes over time.

By adhering to the guidelines outlined in the Finance Policy, BSCS ensures that budget amendments are carefully considered, transparent, and aligned with the organization's strategic objectives. This promotes financial stability, effective resource allocation, and accountability in managing the financial resources of BSCS.

5. Budget Review and Analysis:

After the budget is prepared, it undergoes a comprehensive review by the finance team and senior management. They assess the accuracy, completeness, and alignment of the budget with organizational goals and financial objectives. This review involves analyzing income and expense projections, considering any external factors or risks that may impact the budget, and verifying compliance with relevant financial policies and regulations.

3.1 Board Approval:

Once the budget review is completed, the finalized budget is presented to the Board of Directors for approval. The Board carefully evaluates the budget, seeking clarifications if necessary, and ensures that it aligns with the organization's strategic priorities and financial sustainability. Upon approval, the budget becomes the authorized financial plan for the fiscal year.

3.2 Budget Implementation:

After approval, the budget is implemented, and financial transactions and activities are carried out in accordance with the approved budget. The finance team works closely with department heads and program managers to ensure adherence to the budgetary allocations and financial guidelines. Any deviations or significant changes from the approved budget are documented and reported for proper evaluation and decision-making.

3.3 Ongoing Monitoring:

Throughout the fiscal year, the finance team monitors the actual financial performance against the budget. They track income and expenses, compare them to the budgeted amounts, and analyze any variances. Regular financial reports are prepared and shared with relevant stakeholders, including senior management and the Board. This monitoring helps identify potential financial risks, address budgetary discrepancies, and make informed decisions to optimize resource allocation.

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management review these reports, assess the financial health of the organization, and take appropriate actions as needed.

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The Finance Policy emphasizes the importance of maintaining accurate and up-to-date budget records. This includes documenting any approved budget amendments and keeping track of the overall budgetary changes over time.

6. Financial Controls and Procedures at BSCS

In order to ensure sound financial management and accountability, BSCS has established a comprehensive set of controls and procedures. These controls and procedures cover various aspects of financial operations, including authorization and approval limits, expenditure controls, cash management and banking, and purchasing and procurement.

- At BSCS, we have established clear policies and procedures for making payments to ensure transparency, accuracy, and accountability. The following guidelines outline our payment process:

- All payments, including individual salaries exceeding US\$ 150/-, will be made through cheques, depending on the availability of banking facilities in the provinces.
- Employees' salaries exceeding US\$ 150/- will be paid through direct bank transfer.
- Under no circumstances should a cheque be signed before full details of the transactions are fully understood and appropriately backed up by relevant documentation.
- Signing of blank cheques is strictly prohibited.
- Bank accounts will never be overdrawn, except in circumstances where an overdraft facility has been established.
- Staff responsible for payments will initiate the process by presenting appropriate source documents to the head of the department for authorization. These documents will then be sent to the Finance Department - Finance Manager for verification, including:
 - Checking budgeting provision,
 - Checking arithmetic accuracy,
 - Checking authenticity of supporting documentation, and
 - Verifying the correctness of procurement procedures.
- The Finance Manager will sign the requisition, indicating that the verification has been carried out.
- The Accountant will fill out and complete the Payment Voucher, providing a brief description of the nature of payment and indicating the accounts to be debited and credited. The Accountant will then attach the above documentation to the Payment Voucher.
- The Payment Voucher and attached documentation will be sent to the Director for approval. After approval, they will be returned to the Finance Department to the Accountant for the preparation of a cheque.
- The Accountant will prepare the cheque and, together with the documentation, present them to the authorized signatories to sign (the cheque leaf and the folio (Cheque stub)).

The cheque signatories will be responsible for ensuring the correctness and validity of the payment. The following aspects will be verified:

- Correctness of procurement procedures,
- Correctness and adequacy of supporting documentation,
- Amount of payment,
- Correct account code details according to the approved Chart of Accounts,
- Authorization at all levels.
- All transaction documentation will then be returned to the Finance Department - the Accountant to proceed with the payment.
- The Accountant will stamp the vouchers as "PAID" before filing them chronologically according to the filing system explained in the next section.
- The Accountant will ensure that the payee provides a receipt for the cheque or evidence that the cheque has been delivered to the rightful payee. This can be done through a signature on the payment voucher or a Cheque Register Log.
- The receipt will be attached to the other supporting documents mentioned above and filed accordingly.
- Based on the particulars on the payment voucher, the Accounting Assistant will make the necessary entries in the accounting software. The Finance Department will ensure appropriate entries are made in the accounting software.

By following these payment policies and procedures, we ensure the accuracy, accountability, and compliance of our financial transactions at BSCS.

6.1 Authorization and Approval Limits:

At BSCS, we have established clear authorization and approval limits to govern financial transactions. These limits determine the levels of authority necessary for approving various types of expenses, contracts, and financial commitments within the organization.

By defining these limits, we ensure that expenditures are authorized by individuals who have the appropriate responsibility and authority to make financial decisions. This helps to prevent unauthorized spending and ensures that financial transactions align with our policies and guidelines.

The authorization and approval limits are carefully designed to distribute decision-making authority across different levels of the organization. For smaller expenses or routine transactions, lower-level managers or department heads may have the authority to approve them. On the other hand, larger expenditures or significant financial commitments may require approval from higher-level executives or the finance department.

Adhering to these limits helps us maintain financial discipline and accountability throughout the organization. It ensures that financial resources are allocated appropriately and in line with our strategic priorities. By empowering individuals with the authority to make financial decisions within their defined limits, we streamline processes, enhance efficiency, and mitigate the risk of unauthorized or inappropriate spending.

Regular review and assessment of these authorization and approval limits are conducted to ensure they remain relevant and effective in supporting our financial management practices. We are committed to upholding the highest standards of financial governance and maintaining transparency and integrity in all our financial transactions.

Financial Thresholds	Minimum Threshold	Maximum Threshold
Threshold Type	Amount/Percentage	Amount/Percentage
Minimum Approval Limit for Expenditure	[Amount]	[Amount]
Maximum Approval Limit for Expenditure without Board Approval	[Amount]	[Amount]
Minimum Threshold for Capital Expenditure	[Amount]	[Amount]
Maximum Threshold for Petty Cash Reimbursement	[Amount]	[Amount]
Minimum Threshold for Vendor Selection	[Amount]	[Amount]
Maximum Threshold for Single Bid Exemption	[Amount]	[Amount]
Minimum Threshold for Donor Reporting	[Amount]	[Amount]
Maximum Threshold for Bank Reconciliation Discrepancies	[Amount]	[Amo

6.2 Expenditure Controls:

At BSCS, we place great emphasis on implementing robust expenditure controls to effectively monitor and regulate spending within the organization. These controls are crucial for maintaining financial discipline, ensuring compliance with policies and guidelines, and aligning expenditures with our approved budgets and strategic objectives.

One of the key elements of our expenditure controls is budgetary oversight. We carefully develop and allocate budgets across departments and projects, taking into account our financial resources and strategic priorities. By closely monitoring expenditures against these budgets, we can track and control our spending to prevent unnecessary or unauthorized expenses.

Additionally, we have implemented expense verification processes to ensure the accuracy and legitimacy of expenditures. This includes the review and approval of invoices, receipts, and supporting documentation by authorized personnel. By thoroughly examining expense claims and verifying their alignment with approved

budgets and expense categories, we can identify and rectify any discrepancies or potential issues in a timely manner.

Regular reviews of expenditures are also conducted to assess their compliance with relevant policies and guidelines. These reviews help us identify any deviations from established procedures and address them promptly. By continuously monitoring our expenditures, we can make informed decisions, identify cost-saving opportunities, and ensure that our resources are utilized effectively and efficiently.

Furthermore, BSCS promotes a culture of financial responsibility and accountability among its employees. We provide training and guidance to our staff on financial policies and procedures to enhance their understanding of expenditure controls and their role in maintaining financial discipline.

Through the implementation of these rigorous expenditure controls, BSCS strives to safeguard its financial resources, optimize spending, and ensure that every expense contributes to the achievement of our organizational objectives. We are committed to maintaining transparency, integrity, and responsible financial management throughout the organization.

6.3 Cash Management and Banking:

BSCS recognizes the importance of efficient cash management to ensure financial stability and liquidity. We have implemented robust cash management practices to effectively manage our cash flows, optimize financial resources, and mitigate the risk of financial fraud.

One of the key components of our cash management practices is the establishment of proper cash handling procedures. We have defined clear guidelines and protocols for the receipt, disbursement, and recording of cash transactions. These procedures are designed to promote accuracy, transparency, and accountability in our financial operations.

Furthermore, we prioritize regular account reconciliation to ensure that our cash balances align with our financial records. By reconciling our accounts on a timely basis, we can identify any discrepancies or errors and take corrective measures promptly. This helps us maintain accurate financial information and make informed decisions based on reliable data.

Secure banking arrangements are also a critical aspect of our cash management practices. We have established relationships with reputable financial institutions that provide secure and reliable banking services. We maintain separate bank accounts for different purposes, such as operating expenses, payroll, and project funds, to effectively manage and track our cash flows.

Additionally, we closely monitor our cash position and cash flow forecasts to ensure timely payments to vendors, suppliers, and employees. By optimizing our

cash flows, we can meet our financial obligations on time and maintain healthy working relationships with our stakeholders.

BSCS is committed to safeguarding our financial resources and mitigating the risks associated with cash management. We adhere to industry best practices and continuously evaluate and enhance our cash management processes to align with changing business needs and regulatory requirements.

By implementing effective cash management and banking practices, BSCS strives to maintain financial stability, optimize cash flows, and ensure the smooth operation of our organization. We remain vigilant in our efforts to protect our financial assets and maintain the trust and confidence of our stakeholders.

6.4 Purchasing and Procurement:

At BSCS, we recognize the significance of a structured and transparent approach to purchasing and procurement. We have established comprehensive policies and procedures to guide our procurement processes, ensuring transparency, fairness, and cost-effectiveness in all our vendor relationships.

One of our key priorities is to select vendors based on fair and objective criteria. We follow a diligent vendor selection process that considers factors such as quality, pricing, delivery capabilities, and compliance with ethical and sustainability standards. By evaluating vendors based on these criteria, we ensure that we engage with suppliers who can meet our needs while upholding our organization's values.

Bidding processes play a crucial role in our procurement activities. We conduct competitive bidding whenever appropriate, inviting qualified vendors to submit their proposals or quotations. This approach promotes fair competition, allowing us to select the most suitable vendor for a particular requirement while ensuring that we obtain goods and services at competitive prices.

For procurement of **supplies above 500 USD**, we have implemented a specific threshold. In such cases, we subject the procurement process to a thorough analysis by calling three quotations from registered and reputed firms. A three-member committee, assigned by the Director, finalizes the procurement process after analyzing the quotations with quality control considerations.

Negotiating contracts with our chosen suppliers is another important aspect of our procurement process. We engage in transparent and collaborative negotiations to establish mutually beneficial terms and conditions that protect the interests of both BSCS and the supplier. Our goal is to foster long-term partnerships with our vendors, built on trust, open communication, and shared objectives.

Supplier management is an ongoing process at BSCS. We maintain regular communication with our suppliers to address any concerns, ensure timely delivery of goods and services, and monitor performance. We actively evaluate our suppliers based on their adherence to contractual obligations, quality standards, and responsiveness. This allows us to make informed decisions regarding our vendor relationships and make adjustments if necessary, to optimize our procurement processes.

Throughout our purchasing and procurement activities, we uphold the values of integrity and accountability. We strictly adhere to ethical practices, maintain accurate records, and ensure compliance with relevant laws and regulations. We promote transparency in our procurement activities and maintain proper documentation to facilitate audits and reviews.

BSCS is committed to obtaining high-quality goods and services at competitive prices while promoting fairness, transparency, and accountability in our purchasing and procurement practices. By following our established policies and procedures, we strive to meet the needs of our organization efficiently and effectively while upholding the highest standards of integrity in all our procurement activities.

7. Accounting and Reporting

7.1 Chart of Accounts:

BSCS recognizes the importance of a standardized Chart of Accounts as a key component of its accounting system. The Chart of Accounts serves as a structured framework that categorizes and organizes financial transactions into specific accounts. Each account represents a distinct aspect of BSCS's financial activities, such as revenue, expenses, assets, and liabilities.

The Chart of Accounts used by BSCS follows a systematic numbering or coding system, ensuring consistency and uniformity across all financial records and reports. This standardized approach allows for easy identification and classification of transactions, enabling efficient financial analysis, tracking, and reporting.

By utilizing a well-defined Chart of Accounts, BSCS benefits from several advantages. It promotes accuracy and reliability in financial reporting by providing a clear structure for recording transactions in their appropriate categories. It also facilitates financial analysis and decision-making by enabling easy identification and comparison of financial data.

The Chart of Accounts is regularly reviewed and updated to reflect any changes in BSCS's financial structure, operations, or reporting requirements. This ensures that the Chart of Accounts remains relevant and aligned with the evolving needs of the organization.

Overall, the use of a standardized Chart of Accounts is a critical component of BSCS's accounting practices. It supports accurate financial recording, streamlined reporting, and effective financial management, ultimately enhancing transparency and providing valuable insights into the organization's financial performance and position.

7.2 Financial Record-Keeping:

BSCS places great importance on maintaining accurate and reliable financial records. The organization follows established accounting principles and standards to ensure the integrity and accuracy of its financial information. All financial transactions, including income, expenses, assets, and liabilities, are recorded systematically and comprehensively. BSCS maintains a structured approach to record-keeping, ensuring that all relevant financial data is captured and properly documented.

Regular updates are made to the financial records to reflect the latest transactions and changes. This includes recording income from various sources, tracking expenses incurred by different departments or projects, and documenting the organization's assets and liabilities. BSCS maintains a centralized system for financial record-keeping, which allows for easy access and retrieval of information when needed.

The security and confidentiality of financial records are paramount to BSCS. Adequate measures are in place to protect the integrity and confidentiality of financial data. Access to financial records is restricted to authorized personnel, and proper controls are implemented to prevent unauthorized access or tampering.

Accurate and reliable financial record-keeping enables BSCS to meet its reporting obligations, support decision-making processes, and ensure transparency and accountability. These records serve as a valuable resource for financial analysis, auditing, and compliance purposes. By maintaining meticulous financial records, BSCS can effectively monitor its financial health, track performance, and demonstrate responsible financial management to its stakeholders.

7.3 Financial Reporting:

At BSCS, the preparation and dissemination of accurate and transparent financial reports are of utmost importance. The organization follows established accounting principles and standards to ensure the integrity and reliability of its financial reporting process.

BSCS generates comprehensive financial statements, including the income statement, balance sheet, and cash flow statement, on a regular basis. These statements provide a snapshot of the organization's financial performance, position, and cash flows. The

financial statements are prepared in accordance with the applicable accounting standards, ensuring consistency and comparability of financial information.

The financial reporting process at BSCS adheres to strict timelines to ensure timely delivery of information to stakeholders. Monthly, quarterly, and annual financial statements are prepared and shared with management, board members, and other relevant parties within the organization. These statements serve as vital tools for decision-making, performance evaluation, and strategic planning.

In addition to the standard financial statements, BSCS also prepares supplementary reports and analysis to provide deeper insights into its financial performance and trends. These reports may include financial ratios, variance analysis, and budget-to-actual comparisons. By presenting such information, BSCS aims to enhance understanding and facilitate meaningful discussions around financial matters.

To maintain transparency and accountability, BSCS ensures that its financial reports are accessible to key stakeholders. They are shared through appropriate channels, such as meetings, presentations, or digital platforms, to ensure that relevant parties have the necessary information to make informed decisions and fulfill their oversight responsibilities.

Furthermore, BSCS recognizes the importance of external audits and maintains a robust system of internal controls to enhance the accuracy and reliability of its financial reporting. External audits are conducted periodically by independent auditors to provide an objective assessment of the organization's financial statements and internal controls.

Overall, BSCS's commitment to timely and transparent financial reporting strengthens trust, accountability, and stakeholder confidence in the organization's financial management. By providing accurate and reliable financial information, BSCS enables effective decision-making, fosters transparency, and supports the achievement of its mission and goals.

Financial Reporting Template
Objective
- To prepare and disseminate accurate and transparent financial reports
Financial Statements
- Income statement
- Balance sheet
- Cash flow statement
Preparation Standards
- Adherence to established accounting principles and standards
- Consistency and comparability of financial information
Reporting Frequency
- Monthly, quarterly, and annual financial statements
Supplementary Reports and Analysis
- Financial ratios

- Variance analysis
- Budget-to-actual comparisons
Accessibility of Reports
- Shared through meetings, presentations, or digital platforms
- Accessible to relevant stakeholders
External Audits and Internal Controls
- Periodic external audits conducted by independent auditors
- Robust system of internal controls
Benefits
- Strengthened trust, accountability, and stakeholder confidence
- Facilitates effective decision-making and transparency
- Supports the achievement of organizational goals and mission

7.4 Audit and Internal Controls:

BSCS places great emphasis on maintaining robust internal controls and engaging in regular audits to uphold compliance, accuracy, and accountability in its financial operations. Internal controls serve as essential safeguards to protect assets, prevent fraudulent activities, and ensure the reliability of financial reporting.

BSCS follows a systematic approach to establish and maintain effective internal controls throughout its financial processes. These controls encompass various areas, including authorization and approval procedures, segregation of duties, documentation requirements, and the use of technology to enhance accuracy and efficiency.

To provide an independent assessment of its financial practices, BSCS engages external auditors to conduct periodic audits of its financial statements and internal controls. These auditors are experienced professionals who evaluate the organization's financial processes, systems, and controls to assess their effectiveness and compliance with applicable regulations and accounting standards.

The audit process involves a thorough examination of BSCS's financial records, transactions, and supporting documentation. The external auditors review the organization's internal controls and testing procedures to identify any potential weaknesses or areas for improvement. They also assess the accuracy and completeness of financial statements, ensuring that they fairly represent the financial position and performance of BSCS.

Based on their findings, the auditors provide recommendations for enhancing internal controls, mitigating risks, and improving financial processes. BSCS takes these recommendations seriously and promptly implements necessary corrective actions to strengthen its internal controls and address any identified deficiencies.

BSCS views audits as valuable opportunities for continuous improvement. The organization actively addresses audit findings and strives to enhance its financial controls and reporting processes. By doing so, BSCS ensures transparency, accuracy, and

accountability in its financial operations, building trust with stakeholders and demonstrating its commitment to sound financial management practices.

8. Revenue and Fundraising

BSCS recognizes the significance of sustainable revenue streams to support its mission and operations. The organization follows strategic approaches to revenue generation and implements effective management practices for donations and grants. BSCS also adheres to relevant regulations and best practices in conducting fundraising activities while ensuring compliance.

8.1 Revenue Generation Strategies

BSCS recognizes the importance of diversifying its revenue sources to ensure financial sustainability. To achieve this, the organization develops comprehensive revenue generation strategies that encompass various avenues for income. By exploring opportunities such as program fees, product sales, or partnerships with other organizations, BSCS aims to generate funds beyond traditional sources.

Market research and trend analysis play a crucial role in identifying potential revenue streams. BSCS evaluates market demand, identifies emerging trends, and assesses the organization's capabilities to determine the feasibility and viability of different revenue generation channels. This strategic approach allows BSCS to leverage its strengths and expertise while addressing the needs of its target audience.

By implementing these revenue generation strategies, BSCS seeks to achieve stable and sustainable funding for its programs and initiatives. Diversifying income sources helps to reduce reliance on a single funding stream, mitigating financial risks and providing greater flexibility to adapt to changing circumstances. Through careful planning and execution, BSCS aims to establish a solid financial foundation that supports its mission and enables it to make a positive impact in the community it serves.

8.2 Donation and Grant Management

BSCS places great importance on effective management of donations and grants to ensure transparency, accountability, and compliance. The organization has established robust systems and processes to handle these financial contributions.

When accepting donations, BSCS follows clear guidelines that outline the criteria for accepting funds and the procedures for acknowledging donors. This ensures transparency and establishes trust with donors by demonstrating how their contributions are being utilized to support BSCS's mission.

In the case of grants, BSCS maintains meticulous records of all grant funds received, including the specific requirements and conditions set by the grantors. The

organization carefully tracks the allocation and utilization of these funds, ensuring they are used in accordance with the grant agreements. By closely monitoring grant funds, BSCS maintains accountability and ensures compliance with donor expectations.

Furthermore, BSCS is committed to upholding ethical standards and legal obligations related to donor confidentiality and data protection. The organization treats donor information with utmost confidentiality, implementing appropriate measures to safeguard donor data and comply with data protection regulations.

Through effective donation and grant management, BSCS strives to maintain strong relationships with its donors and grantors, demonstrating responsible stewardship of financial resources. This enables the organization to maximize the impact of donations and grants, ultimately benefiting the individuals and communities it serves.

8.3 Fundraising Activities and Compliance

BSCS is committed to conducting fundraising activities in compliance with applicable laws, regulations, and ethical standards. The organization ensures that all necessary licenses and permits are obtained to legally engage in fundraising efforts. Transparency and integrity are paramount, and BSCS provides donors with accurate and comprehensive information about its mission, projects, and financial needs. Respecting donor privacy and preferences, BSCS adheres to any specific guidelines or restrictions regarding the use of donated funds.

BSCS actively monitors and evaluates its revenue and fundraising activities to assess their effectiveness and identify areas for improvement. The organization aims to establish strong relationships with donors, nurturing a culture of philanthropy within its community. Transparency is a core value, and BSCS strives to maintain clear and open communication about financial matters related to revenue and fundraising.

Through its commitment to compliance, transparency, and donor stewardship, BSCS seeks to ensure sustainable financial support for its programs and projects. By upholding these standards, BSCS can effectively pursue its mission and create positive impact within the communities it serves.

9. Asset and Liability Management

9.1 Fixed Assets Management

BSCS has implemented effective practices for managing fixed assets. The organization maintains a comprehensive register of fixed assets, including buildings, equipment, and vehicles, along with relevant details such as acquisition date, cost, and depreciation. BSCS conducts regular inspections and assessments to ensure that fixed assets are properly maintained and utilized. The organization also establishes procedures for asset tracking, disposal, and replacement, aiming to optimize asset utilization and minimize the risk of loss or obsolescence.

As part of our asset management practices, BSCS has established eight categories of fixed assets with corresponding depreciation rates. These rates determine the annual depreciation expense for each category. The categories and their respective depreciation rates are as follows:

- Land: 0% depreciation rate
- Building: 10% depreciation rate
- Office Equipment: 20% depreciation rate
- Furniture: 20% depreciation rate
- Fixture and Fitting: 20% depreciation rate
- Computer Equipment: 33% depreciation rate
- Vehicle: 20% depreciation rate
- Software: 33% depreciation rate

By applying these depreciation rates, we ensure accurate accounting for the wear and tear of our fixed assets over their useful lives. This helps us maintain the integrity of our financial statements and make informed decisions regarding asset management and replacement.

Fixed Assets Management
Objective
- To effectively manage fixed assets and ensure their proper utilization and maintenance
Fixed Assets Register
- Comprehensive register of fixed assets
- Details: acquisition date, cost, depreciation, etc.
Inspections and Assessments
- Regular inspections to ensure proper maintenance
- Assessments to optimize asset utilization
Asset Tracking, Disposal, and Replacement
- Procedures for tracking, disposing, and replacing assets
- Minimizing risk of loss or obsolescence
Categories and Depreciation Rates
- Land: 0% depreciation rate
- Building: 10% depreciation rate
- Office Equipment: 20% depreciation rate
- Furniture: 20% depreciation rate
- Fixture and Fitting: 20% depreciation rate
- Computer Equipment: 33% depreciation rate
- Vehicle: 20% depreciation rate
- Software: 33% depreciation rate
Depreciation Rates and Accounting
- Accurate accounting for wear and tear
- Maintenance of financial statement integrity
- Informed decisions on asset management and replacement

9.2 Inventory Management

BSCS employs efficient inventory management practices to ensure optimal control and utilization of inventory items. The organization maintains accurate records of inventory levels, including quantities, values, and locations. BSCS establishes inventory control procedures, such as periodic stocktaking and reconciliation, to monitor and manage inventory effectively. The organization aims to strike a balance between maintaining sufficient inventory levels to support operations and minimizing excess or obsolete inventory. By implementing sound inventory management practices, BSCS aims to improve operational efficiency, reduce costs, and fulfill program requirements in a timely manner.

Inventory Management
Objective
- To employ efficient inventory management practices
- Optimal control and utilization of inventory items
Inventory Records
- Accurate records of inventory levels
- Quantities, values, and locations
Inventory Control Procedures
- Periodic stocktaking and reconciliation
- Monitoring and management of inventory
Balancing Inventory Levels
- Sufficient inventory to support operations
- Minimizing excess or obsolete inventory
Operational Efficiency and Cost Reduction
- Improved operational efficiency
- Reduction of costs
Timely Fulfillment of Program Requirements
- Meeting program requirements in a timely manner

9.3 Debt and Liability Management

BSCS adopts a proactive approach to manage its debt and liabilities responsibly. The organization carefully assesses the financial implications and risks associated with taking on debt and establishes guidelines for prudent borrowing. BSCS monitors its debt levels and ensures timely repayment of loans and obligations. The organization also maintains open communication with lenders and stakeholders regarding debt-related matters, fostering transparency and accountability.

In terms of liability management, BSCS maintains an accurate record of its liabilities, including accounts payable, accrued expenses, and other obligations. The organization establishes procedures for timely payment and ensures compliance with contractual obligations. BSCS actively manages its liabilities to maintain financial stability and credibility, minimizing the risk of financial distress and reputational harm.

Through effective asset and liability management practices, BSCS aims to optimize the utilization of its resources, mitigate financial risks, and maintain a solid financial position to support its mission and programs.

10. Compliance and Legal Requirements

10.1 Tax Compliance

BSCS is committed to upholding its tax obligations and complying with applicable tax laws and regulations. The organization maintains accurate records of its financial transactions and income sources to ensure proper reporting and payment of taxes. BSCS conducts periodic reviews and assessments of its tax compliance practices to identify any potential risks or areas for improvement. The organization seeks professional guidance when necessary to ensure accurate tax reporting and compliance with tax laws

10.2 Regulatory Compliance

BSCS recognizes the importance of adhering to relevant regulatory requirements specific to its operations. The organization stays informed about applicable laws, regulations, and industry standards that govern its activities. BSCS establishes internal controls and procedures to monitor and ensure compliance with these regulations. Regular assessments and audits are conducted to identify and address any areas of non-compliance. BSCS also maintains open communication with regulatory authorities and seeks guidance when needed to ensure ongoing compliance.

10.3 Financial Policies and Procedures Review

BSCS conducts periodic reviews of its financial policies and procedures to ensure their relevance, effectiveness, and alignment with industry best practices. The organization engages in continuous improvement efforts to enhance its financial governance framework. These reviews involve assessing the clarity, consistency, and comprehensiveness of policies and procedures, as well as evaluating their implementation and adherence across the organization. BSCS actively seeks feedback from stakeholders, such as employees, auditors, and regulatory bodies, to identify areas for improvement and implement necessary updates to its financial policies and procedures.

By prioritizing compliance with tax laws, regulatory requirements, and internal financial policies, BSCS maintains its integrity, reputation, and financial stability. The organization aims to operate within a framework of legal and ethical standards to ensure transparency, accountability, and responsible financial management.

11. Fraud Prevention and Whistleblower Protection

11.1 Fraud Awareness and Prevention

BSCS is committed to preventing and detecting fraud within its operations. The organization promotes a culture of fraud awareness by providing training and resources to employees on recognizing and reporting fraudulent activities. BSCS establishes internal controls and procedures to mitigate the risk of fraud, including

segregation of duties, regular audits, and periodic reviews of financial transactions. The organization also encourages employees to report any suspected fraudulent activities promptly and provides a confidential reporting mechanism to ensure the protection of whistleblowers.

11.2 Whistleblower Protection and Reporting

BSCS recognizes the importance of creating a safe environment for employees to report potential wrongdoing. The organization has implemented a whistleblower protection policy that safeguards individuals who report suspected fraud, misconduct, or violations of policies and regulations. BSCS ensures that whistleblowers are protected from retaliation and guarantees their confidentiality throughout the reporting process. The organization investigates all reported concerns thoroughly and takes appropriate actions to address any substantiated issues.

BSCS encourages open communication and transparency in reporting potential fraud or misconduct. The organization promotes a culture where employees feel empowered to speak up without fear of adverse consequences. By fostering an environment that values integrity and accountability, BSCS aims to prevent and address fraudulent activities, protect the organization's assets, and maintain trust with stakeholders.

12. Policy Implementation and Review

12.1 Policy Dissemination and Training

BSCS is dedicated to ensuring that its policies are effectively communicated and understood by all employees. The organization establishes procedures for the dissemination of policies, which may include distributing policy manuals, conducting training sessions, and utilizing internal communication channels. BSCS emphasizes the importance of policy compliance and provides employees with the necessary resources and training to understand and adhere to the policies relevant to their roles and responsibilities.

12.2 Policy Review and Updates

BSCS recognizes that policies need to evolve in response to changes in the internal and external environment. The organization conducts regular reviews of its policies to assess their effectiveness, relevance, and compliance with legal and industry requirements. These reviews involve gathering feedback from stakeholders, evaluating policy outcomes, and considering emerging best practices. BSCS ensures that policies are updated and revised as necessary to address new challenges, improve operational efficiency, and maintain alignment with organizational goals.

12.3 Roles and Responsibilities

Clear roles and responsibilities are essential for effective policy implementation. BSCS defines the responsibilities of individuals and departments involved in policy compliance and enforcement. The organization designates policy owners or custodians who are accountable for the development, dissemination, and monitoring of specific policies. Additionally, BSCS establishes mechanisms for

ongoing policy oversight, such as establishing policy committees or assigning dedicated personnel to oversee policy implementation and review.

By emphasizing policy dissemination, providing training, conducting regular policy reviews, and assigning clear roles and responsibilities, BSCS aims to ensure that its policies are effectively implemented, understood, and aligned with the organization's values and objectives. This approach promotes consistency, accountability, and compliance throughout the organization.

Glossary of Terms

1. **Budget:** A financial plan that outlines the expected income and expenses for a specific period, typically one year. It serves as a guideline for managing financial resources and achieving financial goals.
2. **Financial Management:** The process of planning, organizing, controlling, and monitoring the financial resources of an organization to ensure efficient and effective use of funds.
3. **Financial Reporting:** The process of preparing and presenting financial information, such as financial statements, to stakeholders, including management, investors, and regulatory authorities. It provides an overview of an organization's financial performance and position.
4. **Assets:** Economic resources owned or controlled by an organization, which have the potential to generate future economic benefits. Examples of assets include cash, accounts receivable, inventory, property, and equipment.
5. **Liabilities:** Financial obligations or debts owed by an organization to external parties. Liabilities can include accounts payable, loans, and other forms of debt.
6. **Equity:** The residual interest in the assets of an organization after deducting liabilities. It represents the ownership interest or shareholders' equity in a company.
7. **Revenue:** The income earned by an organization from its primary activities, such as sales of goods or services. Revenue increases the organization's assets and is typically reported on the income statement.
8. **Expenses:** The costs incurred by an organization in generating revenue and conducting its operations. Expenses decrease the organization's assets and are recorded on the income statement.

9. **Financial Controls:** Policies, procedures, and internal controls implemented to safeguard an organization's assets, ensure accurate financial reporting, and prevent fraud and mismanagement of funds.
10. **Cash Flow:** The movement of cash into and out of an organization over a specific period. Positive cash flow indicates that more cash is coming in than going out, while negative cash flow indicates the opposite.
11. **Procurement:** The process of acquiring goods, services, or works from external suppliers or contractors. It involves activities such as sourcing, purchasing, and contract management.
12. **Auditing:** The independent examination and evaluation of an organization's financial records, statements, and internal controls to ensure accuracy, compliance, and reliability. Auditing is typically conducted by external auditors.
13. **Risk Management:** The process of identifying, assessing, and managing risks that may impact an organization's financial performance and objectives. It involves implementing strategies to mitigate risks and ensure business continuity.
14. **Compliance:** Adhering to laws, regulations, policies, and ethical standards relevant to an organization's financial operations. Compliance ensures that the organization operates within legal and ethical boundaries.
15. **Financial Policies:** Written guidelines and procedures that govern the financial activities and decision-making processes of an organization. Financial policies provide a framework for managing finances and ensuring consistency and accountability.