



US Office Financial Policy

Philosophy	2
Authority	2
Responsibilities	2
Budget	3
Gift Acceptance	3
Asset Protection	3
Accounting Procedures	4
Accounting Policy	4
Recognition of Revenue	4
Journal Entries	4
Reconciliation of bank accounts	5
Monthly Close	5
Recordkeeping	5
Internal Controls	5
Conflict of Interest	5
Segregation of Duties	6
Disbursement of funds (more than \$5000) are executed in the following manner:	6
Physical Security	6
Financial Planning & Reporting	6
Audit	7
Tax Compliance	7
Revenue & Accounts Receivable	7
Revenue Recognition	7
Revenue	7
Payroll	8
Payroll Additions, Deletions, and Changes	8
Payroll Preparation & Approval	8



Philosophy

The purpose of this financial policy is to fulfill the organization's mission in the most effective and efficient manner and to remain transparent and accountable to stakeholders, including beneficiaries, partners, funders, employees, and the community. SAMA commits to providing accurate and complete financial data for internal and external use by the US office and the Board of Directors (BOD).

Authority

The BOD is responsible for the financial management of all activities. The Treasurer (or whom they deputize) is authorized to act on the Board's behalf on financial matters when action is required.

The Treasurer is responsible for the day-to-day financial management of US Office activities.

The BOD authorizes the Treasurer to:

- hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
- to enter into contracts for activities that have been approved by the BOD as a part of budgets or plans.
- is authorized to manage expenses within the parameters of the overall approved budget, reporting to the BOD on variances and the reasons for these variances.

Responsibilities

The Treasurer (or whom they deputize) shall:

- Report the financial results of SAMA operations according to the schedule established by the BOD at least quarterly.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate purchases without specific approval of the Board.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing in excess of USD 5,000 per unit. Selection will be based on cost, service, and other elements of the contract
- SAMA may award the bid to any provider and is not required to accept the lowest cost proposal.
- Submit monthly financial reports to the BOD.



Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-term organization goals, and specific five-year objectives, the Treasurer shall:

- Submit operating and capital budgets to the BOD prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Gift Acceptance

- SAMA will accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards.
- The Treasurer shall sell any stock given to the organization immediately upon receipt by the organization.
- The liquidated asset will be deposited into the SAMA Trust fund account.
- SAMA shall accept contributions of goods or services other than cash that are related to the programs and operations of SAMA. Any other contributions of non-cash items must be reviewed and approved by the Treasurer (or whom they deputize) before acceptance.

Asset Protection

In order to ensure that the assets of SAMA are adequately protected and maintained, the Treasurer shall:

- Insure against theft and casualty losses to the organization and against liability losses to BOD members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment. • Avoid actions that would expose the organization, its board, or its staff to claims of liability. • Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payment.
- The Treasurer will be responsible for reporting SAMA US assets on a quarterly basis - including any movement of assets.



Accounting Procedures

Accounting Policy

- The organization uses the accrual basis of accounting
- Financial year starts on 1st January and ends on 31st December each year.
- Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are closed no later than the 5 days after the close of the month.
- Invoices received after closing the books will be counted as a current-month expense. ● At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year, are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the financial year.
- Year-end books are closed no later than 90 days after the end of the fiscal financial year

Recognition of Revenue

- Revenue is recognized in the organization's books in the period in which it is earned by applying the accrual basis of accounting.
- Revenue and related accounts receivables shall be recorded in the organization's books at net realizable value.
- The company's primary revenue streams comprise the following:
 - Donations both cash and in kind
 - Grants
 - Gifts
 - Advance payments and progress payments for activities to be conducted in the next financial year are classified as deferred revenues and recognized as revenue only when the revenue generating event has occurred.
 - Other receivables will consist primarily of amounts recoverable from employees for the following:
 - Salary advances/ loans; and
 - any other personal expenses paid for by the organization on behalf of employees..
 - Receivables from employees will be deducted from the concerned employees' monthly salaries and accounted for through their respective personal accounts.

Journal Entries

- Journal entries are recorded for in kind donations of goods or services as occurred.
- The Treasurer shall be responsible for all journal entries as goods or services are received.



Reconciliation of bank accounts

- The Treasurer will review and approve reconciliation reports by signing and dating the report in the upper right-hand corner.

Monthly Close

- Books shall be closed by the 5th day of the following month.
- Books will be closed after reviewing and entering all petty cash expenditure.
- Some key tasks in the closing process include:
 - Ensuring validity and consistency in the charts of accounts;
 - Completing journal entries;
 - Running trial balances;
 - Correcting errors;
 - Reconciling and analyzing accounts;
- Preparing and distributing financial reports; and
- Supervising closing tasks and reviewing key accounts and reports.
- The Treasurer is responsible for closing the books.
- Treasurer reviews the closing of the books by the 10th day of each month.

Recordkeeping

- All accounting documents are filed immediately in online Accounting Software.
- Financial documents including purchase requests, invoices, signed approval and receipts are retained for 5 years.
- Accounting records are archived in the online Accounting Software.

Internal Controls

- The Treasurer (or whom they deputize) approves and reviews financial policies, annual budget and program expenses annually.
- Treasurer approves expenses in accordance with the approved budget and programs
- Financial policies are developed by the Treasurer and approved by the BOD of the Trustees. • Financial policies may be changed by the BOD every 2 years if necessary.

Conflict of Interest

- Upon or before hire, election, or appointment each employee and BOD member must sign the Conflict of Interest Policy on an annual basis by Feb 15th of each calendar year.
- The COI policy calls for disclosure of all direct or indirect financial interests that could potentially result in a conflict of interest. Examples include employer, business, and other



nonprofit affiliations, and those of family members or a significant other. This written disclosure will be kept on file and will be updated annually and as needed.

- Employees and BOD members must disclose any interests in a proposed transaction or decision that may create a conflict of interest. After disclosure, the employee or BOD member will not be permitted to participate in the transaction or decision.
- Should there be any dispute as to whether a conflict of interest exists: The Treasurer shall determine whether a conflict of interest exists for an employee and shall determine the appropriate response.
- The BOD shall determine whether a conflict of interest exists for the Treasurer or Executive Director or a member of the BOD and shall determine the appropriate response.

Segregation of Duties

The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

All checks and income are opened and logged by the Treasurer.

Disbursement of funds (more than \$5000) are executed in the following manner:

- Expenses are requested by the Treasurer
- Expenses are approved by the BOD
- Checks and electronic payments are made by the Treasurer.

Physical Security

- Blank checks are kept with the Treasurer & two other BOD members.
- Checks will be signed by the Treasurer
- Accounting software will be protected by passwords.
- Cash of over USD 1,000 will be deposited on the same day.
- Bank deposits shall be made by Friday of each week.
- No cash will be left in the office over the weekend.

Financial Planning & Reporting

- The Treasurer ensures that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- The Treasurer is responsible for developing the organizational budget.
- The Treasurer will ensure that the budget is developed using the organization's standard revenue recognition and cost allocation procedures.



- The Treasurer will present a draft budget to the BOD at least 60 days prior to the end of the financial year.
- The BOD will review and approve the budget at its last meeting prior to the start of the fiscal year.

Audit

- The Treasurer hire and oversee the external Certified Accountant firm.
- The Treasurer liaises with the Certified Accountant firm.
- The draft audit report is presented to the treasurer (or whom they deputize).

Tax Compliance

The CPA prepares the financial statements that were approved by the Board, to be submitted to the IRS before December 1st of the following year on annual basis

1. The Treasurer serves as the staff liaison to the tax preparer.
2. The Treasurer reviews and approves the financial statements.
3. Financial documents are presented to the BOD by the Treasurer

Revenue & Accounts Receivable

Revenue Recognition

- The Treasurer reviews all revenue and indicates on the online software how the revenue shall be recognized (as earned/contributed, conditional/unconditional and restricted/unrestricted).
- If there is a question or uncertainty about how to recognize a particular contribution, the Treasurer will ensure that the donor is contacted to clarify the intent of the contribution.
- The Treasurer is responsible for posting revenue to the online software in accordance with the determination made by the Treasurer.

Revenue

1. **Grants:**
 - A contract/agreement between the Donor and the organization will be prepared showing the amount, the period and the agreed project to be achieved.
 - The Treasurer, on behalf of the organization, signs the agreement/contract with the Donor.
 - According to the terms of the contract, the Treasurer will post the transaction in the related revenue grants accounts.



- On receipt of donations through the bank account, the Treasurer will post the transaction in the related donors and bank accounts. The amount is recorded in base currency according to the agreed exchange rate at the date of the transaction.
- 2. **Individual donations**
 - Donations are received online or as checks by the Treasurer
 - Checks are scanned prior to deposit by the Treasurer
- 3. **Processing of Collections**
 - Collections include the following transactions:
 - Donations
 - settlement of advances.
 - Collections will be banked by the Treasurer once the amounts and the bank deposit slip will be forwarded to the Treasurer on the online shared drive.
 - The Treasurer will match the total collections with the details provided and the supporting documents and the cash register book. Discrepancies in collections will be reconciled immediately.
 - The Treasurer records the transaction in the books to related bank and cash collection accounts.
 - Bank deposits are made on a weekly basis or by mobile banking

Payroll

Payroll Additions, Deletions, and Changes

Treasurer has overall authority to execute payroll changes that are approved by the BOD. BOD approves salary increases; after conducting performance review, and review of the job description on semi-annual basis that are documented by addendum to contracts within 7 days of approval

Payroll Preparation & Approval

1. The salary sheet of all the employees will be prepared by the payroll service company, reviewed & approved by the Treasurer.
2. Salaries should be paid into the employee's bank accounts.
3. The salary that is not paid to or deducted from the employee, will be cashed only on approval from the Treasurer.
4. Any salary in advance is paid on approval by the Treasurer.
5. Personal loans to the employees must be repaid within 6 months unless there is approval from the Treasurer. It will be deducted from the employees salary or bonuses...etc. and scheduled according to what the finance department sees suitable.
6. The organization will make the deductions as stated by law.
7. These deductions are enforceable by law from the salaries and wages:-



- a. Taxes
 - b. The loans given by the organization policy.
 - c. The penalties implemented on employees according to the organization's policy.
 - 4. The benefits and the advance salaries.
8. Employees will be asked to work overtime in necessity only and on approval of their managers.
9. The overtime will be calculated and paid according to the local regulations and laws.
10. Payroll is prepared no later than 22nd day of each calendar month by the Treasurer
11. Payroll is issued monthly by the US office Treasurer.
12. In the absence of a US office Treasurer, the BOD deputizes a member to issue payroll.

President	Secretary General
<i>Nuha Mirghani</i>	<i>Nahla Gadalla</i>
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December 14, 2022

December 13, 2022