 <b>Policy Title</b>	<b>Financial Budgeting and Reporting Policy</b>	<b>Policy Number:</b>	
		<b>Issue Date:</b>	
		<b>Revision No./Date:</b>	

<b>Title:</b>	<b>Financial Budgeting and Reporting Policy</b>		
<b>Reviewed by:</b>	Head, Finance Chief Executive Office	<b>Approved by:</b>	Committee of Management

## 1. PURPOSE AND OBJECTIVE

1.1. This policy document elucidates practices to be applied with respect to all activities pertaining to Financial Budgeting and Reporting. Its purpose is to provide a clear understanding of the lines of authorities and responsibilities and thereby ensure consistency in recording and processing of transactions.

### 1.2. Scope

- 1.2.1. Budget preparation
- 1.2.2. Approval of budget
- 1.2.3. Budget monitoring and reporting
- 1.2.4. Preparation of Financial Statements

### 1.3. Responsibility

- 1.3.1. The overall responsibility for ensuring correct application of the policies rests with the Board, who will be assisted by the Management.
- 1.3.2. Compliance is compulsory for all staff and volunteers.

## 2. DEFINITION

- 2.1. CEO – Chief Executive Officer
- 2.2. CM – Centre Managers
- 2.3. FN – Finance Department

## 3. Budgeting Process

### 3.1. Budget Preparation


3.1.1. The organisation shall include financial budgeting, cashflow budgeting and reporting process in their financial policy. The policy should indicate timeline for budget preparation, personnel involved in budget preparation, and the review process.

### 3.2. Approval of Budget

3.2.1. The draft budget should be reviewed by both the CEO, Treasurer, and the Chairman before being presented to the Board for final approval.

### 3.3. Budget Monitoring and Reporting

3.3.1. Every month all the centres shall perform an analysis between actual results versus


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budgeted. All significant variances shall be explained and included in the analysis.

- 3.3.2. The Chairman and Treasurer shall review the analysis and present a summary at each Board meeting.
- 3.3.3. A half-yearly variance analysis should be performed to explain the differences between the budget/forecast and actual.
- 3.3.4. Material variances (i.e., more than 20%) and justifications for variances would be included in the presentation at meeting.

#### 3.4. Preparation of Financial Statements

- 3.4.1. Financial year is defined as a period of 12 months or, as a transitional measure to change the next financial year, such other period shall not exceed 18 months.
- 3.4.2. Monthly closing of account shall be performed as soon as possible after month end. Upon finalisation of monthly closing, the organisation shall prepare Statement of financial position as at month end, Statement of Profit and Loss to date
- 3.4.3. Statement of Cash Flow to be prepared yearly at the end of financial period.
- 3.4.4. The Financial Statement shall be prepared based on Singapore Financial Reporting Standard ("FRS").
- 3.4.5. Evidence of reconciliation between sub-ledger accounts and general ledger balance performed should be documented. Variances identified should be investigated and results documented on a timely basis.
- 3.4.6. The governing Board Member shall prepare a set of Financial Statement, which comprises of:
  - Statement of financial activities for the period;
  - Statement of financial position at the end of financial period;
  - Statement of Cash Flow for the financial period; and
  - Notes to the financial statements.
- 3.4.7. All three Financial Statements shall be given equal prominence and shall not be relegated to the notes.
- 3.4.8. The Financial Statements are subject to external auditor examination. Depending on the gross income or expenditure, the requirements of external examination will vary. Please refer to Charities (Accounts and Annual Report) Regulations fourth schedule for the details.
- 3.4.9. The audited Financial Statements together with Annual Report, Statement by Directors, Director's report and auditor/examiner's report shall be presented to the Board for approval and subsequently tabled at the Annual General Meeting.

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<b>Title:</b>	<b>Payment Control &amp; Processing Policy</b>		
<b>Reviewed by:</b>	Head, Finance Chief Executive Office	<b>Approved by:</b>	Committee of Management

**1. Purpose**

The purpose of this policy is to ensure all payments are authorised and that there are no undetected wrongful payments.

**2. Definitions**

- a. CEO – Chief Executive Director
- b. FN – Finance Department
- c. AP – Accounts Payable
- d. HOD – Head of Department
- e. CM – Centre Manager
- f. HCM – Head of Centre Management

**3. Payment Control & Processing**

- a. The proper controls in payments aim to ensure all payments are authorised and there are no undetected wrongful payments. Payments are to be handled in such a manner to ensure:
  - i. Expenses incurred are for authorised purposes;
  - ii. Payments are made on a timely basis and in accordance with the purchase orders and contracts, and
  - iii. Proper funds and accounts are charged and recorded accordingly.

Supporting documents:


- i. PO as per purchasing policy and SOP;
- ii. Contract / Agreement - as per purchasing policy and SOP;
- iii. Approvals from the levels of authority accordingly, with the accompanying 3 quotations and Evaluations, as required;
- iv. Training forms as per HR policy, approved by HCM (CM) or CEO (HQ).

PO/Agreement Exception:

- i. Advance payment – via Payment Request Form
- ii. Urgent - for example Medical, hospitalisation bills, hampers, and wreath
- iii. No PO – for purchases less than \$300

**b. Processing of Invoices:**

The item description, quantity and price in the supplier’s invoice must match with the purchase/service order and delivery order or service report where applicable. Supplier’s invoice should be processed for payment on a timely basis based on batch processing timeline after the invoice is approved by the HOD.

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<b>Title:</b>	<b>Procurement Policy</b>		
<b>Reviewed by:</b>	Head, Corporate Affairs & Administration Chief Executive Officer	<b>Approved by:</b>	Committee of Management

### A. Purpose

This policy aims to provide guidance on the procurement practices within SASCO Senior Citizens' Home (SASCO Home).

### B. Definitions

1. Quotation - A quotation is a statement of price, terms of sale and description of goods/services provided by vendor to the purchaser.
2. Verbal Quotation - A verbal quotation is an unwritten statement of the price, terms of sales and descriptions of the goods/ services provided by the vendor to the purchaser.
3. Written Quotation - A written quotation is a hardcopy statement of the price, terms of sales and descriptions of the goods/ services provided by the vendor to the purchaser received through email, fax or by post.
4. Tender - A tender is a definite offer in writing to do certain work or to supply certain goods at a certain sum of money or rate which is provided to a purchaser. The vendor is bound by the contract to fulfill the offer contained in the tender document, failing which will result in a breach of contract.
5. Open Tender - An Open Tender is where a tender notice is published in the local newspapers such as "The Straits Times" or any other approved publication inviting any vendor/ contractor to bid based on the requirements specified.
6. Closed Tender - A Closed (or Invited) Tender does not require a tender notice to be published. A panel of pre-approved vendors/contractors is invited to tender in writing.
7. Procuring Department - the Centre/Department/Unit initiating the procurement.
8. Purchase Order ("PO") – A commercial document and the official offer issued by SASCO Home to a vendor, indicating types, quantities, and agreed prices for products or services. It is used to control the purchasing of products and services from external suppliers. It sets out the terms and conditions of purchases. A standard set of approved SASCO Home terms and conditions will accompany the SASCO Home PO.

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9. Purchasing System – A new system implemented to replace the hard copy Quotation Evaluation (QE) and Waiver of Competition (WOC) forms to justify purchases from vendors.

### C. Principles

The principles governing **procurement** are:

1. Code of Ethics
2. Conflict of Interest (including Personal Purchases) Segregation of Duties
3. Value for Money
4. Clarity, Transparency and Fair Competition

#### 1. Code of Ethics

Ethical business standards shall govern all procurement transactions. All SMU personnel shall not solicit or accept a significant gift from a supplier or prospective supplier.

A 'significant gift' is defined as an item, service, favor, monies, credits, or discounts not available to others which could influence purchasing decisions, and also may include the payment of travel costs for SMU personnel to visit a vendor's location (airfare, hotel, etc.).

Acceptance of social invitations to occasional business meals, entertainment and hospitality will be subject to prudent judgement as to whether the invitation places or appears to place the recipient under any obligation.

If you have any questions about the value of a gift or the appropriateness of an invitation, please refer to your supervisor or Head of Department to ensure compliance with SASCO Home's conflict of interest policy.

#### 2. Conflict of Interest (including Personal Purchases)

A SASCO Home's purchase order is not allowed for personal purchases. Suppliers are under no obligation to offer discounts to SASCO Home's employees. If they choose to do so, their offer does not obligate the Charity to do business with them in future.

#### 3. Segregation of Duties

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The procuring department must implement the following segregation of duties:

- i) The person who creates the PR, PO or performs Goods Receipt ('GR') will not approve a Purchase Order ('PO') in the same acquisition process.
- ii) Staff with access to process payments (Accounts Payable and Treasury) will be restricted from creating PRs and POs.
- iii) Staff will be restricted from creating PRs, POs, and Goods Receipt ('GR') in the same acquisition process.

#### 4. Value for Money

Purchases entered into by SASCO Home shall yield the best possible returns for each dollar spent in terms of quality, timeliness, reliability, after-sales service, upgradeability, price, and source.

#### 5. Clarity, Transparency and Fair Competition

Purchases entered by SASCO Home at any point in time shall be clear and specific to facilitate better understanding of the requirements and specifications to vendors.

Purchasing procedures shall offer equitable access opportunities to all suppliers of goods, services, and construction services. We must demonstrate that the procuring party remains impartial and ensure there is no conflict of interest at all times.


### D. CALLING FOR QUOTES

To achieve the above objectives, a minimum of three (3) quotations are to be obtained from suppliers for purchases of more than or equal to S\$3,000 as follows:

- a) Price information of three vendors is required for amounts from S\$1,000 and to S\$3,000 unless waiver of competition is obtained.
- b) A minimum of three written quotations for amounts from S\$3,000 unless waiver of competition is obtained.

### E. INVITATION AND SELECTION OF QUOTATIONS

1. An invitation to submit a quotation or a quotation issued, or quotation received can be verbal or written depending on the value of the purchases.
2. The written quotation shall be received before the deadline specified on the invitation.
3. After the closing date, all the quotations received shall be handed to the


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purchaser who initiated the PO for selection. In general, the lowest quotation shall be selected.

4. Other factors to be considered in the selection of vendor are:-
  - Quality of goods/services
  - Reliability and Performance of the Vendor
  - Ability to supply the goods/services within the required period
  - After sales service (if applicable)

#### **F. RESPONSIBILITY OF HEAD OF DEPARTMENT / CENTRE**

1. Ensure that minimum 3 quotations for purchases amounting to S\$3,000 and above are obtained or opt for “Waiver of Competition” (paragraph K below).
2. Ensure that for larger purchases, where it is required to call for a tender, the procedures are adhered to, or the relevant approved waiver is obtained.
3. Ensure submission date of written quotation falls within the deadline specified in the written invitation for quotations;
4. Take the necessary measures to minimize and disallow access by unauthorised persons to all quotations, whether received by hand, email, fax, or post;
5. Ensure proper evaluation has been carried out by the Tender Evaluation Committee, award the contract within the validity period of the tender, and ensure that the recommended tenderer is not under any debarment or suspension pending debarment (applicable for tenders).
6. Ensure proper evaluation has been carried out by the Tender Evaluation Committee, award the contract within the validity period of the tender, and ensure that the recommended tenderer is not under any debarment or suspension pending debarment (applicable for tenders).
7. Ensure a PO is raised for all purchases except for those with amounts of less than S\$300 per transaction and those which are based on usage charge. Approval of PO is as per Annex A – Approval Authority Guide. Such an approval represents the approval of the purchases. No separate authorisation on the hard copy invoice is required.
8. Ensure that purchases without a PO still go through proper approval with proper evidence on the hard copy invoices and/or any other purchase agreements or documents. Such approval must follow the approved limits as per Annex A – Approval Authority Guide.
9. Discourage staff from making purchases of S\$1,000 and above directly from vendors

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and seeking subsequent reimbursement as this will bypass the proper procurement process which includes ensuring proper commitment of funds against budget.

10. Take note that IT Department is the recommended point of contact for placing orders for IT Assets, such as hardware and software on behalf of the organisation, except for IT peripherals or personal productivity tools.
11. Ensure that there is a sufficient budget for all purchases.
12. Ensure acknowledgement of physical goods received is being carried out and timely completion of goods receipt function in the Purchasing System. Performing goods receipt function in system records accruals for expenses incurred but not yet paid.
13. Ensure that all redundant unfulfilled POs are cancelled timely. This can prevent any unauthorized purchases from being receipted using such open POs, resulting in unauthorized payment.

#### **G. AVAILABILITY OF BUDGET**

1. Each Head of Department / Centre is accountable for managing his/her department's budget. When the purchaser raises a PR in the Purchasing System, **they will be required to check the availability of budget for the expenditure to be incurred.**
2. In cases where there is insufficient budget, HOD will be required to see approval for addition budget. They will have to ascertain from the Office of Finance whether a virement can be obtained.

#### **H. APPROVAL AUTHORITY GUIDE**


1. The Chairman, as authorised by the Board, will be the approving authority to authorise delegation of approval limits for procurement of goods and services and payment of expenditures.
2. The approval limits are delegated to the appointed officers based on their specific designation example the Heads of Departments/Centres/Units.

See Annex A for a detailed guide of the approval authority and limits.

#### **I. LESS THAN S\$3,000 PURCHASES**

1. For purchases that are less than S\$3,000, three quotations are not required.



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However, the guiding principles for procurement i.e., Codes of Ethics, Conflict of Interest, Segregation of Duties, Value for Money & Clarity, Transparency and Fair Competition shall still apply.

2. The Individual Department is to source for required vendors directly. The selection and appointment of vendor(s) shall be approved by the Head of Department/ Head of Centre or Unit.
- 3 . The Procuring Department is encouraged to procure from the approved list of vendors.
4. Please refer to Paragraph M below.

#### **J. PURCHASES REQUIRING TENDERS**

##### 1. Open Tender

- a) All intended procurement of S\$100,000 and above requires an Open Tender.
- b) A minimum of 3 written quotations is required.

##### 2. Closed Tender

- a) If the Procuring Department wishes to opt for a Closed Tender, it shall apply to the relevant authority for approval based on Annex A - Approval Authority Guide.
- b) Closed Tenders requires a minimum of 3 written invitations.


##### 3. **Electronic Submission of Tenders (Future proofing)**

Electronic submission of tender bids (E-Tender) should only be permissible under exceptional cases such as where there is no local presence AND the Tender documents are expected to be bulky. Approval shall be sought from the relevant authority based on the Annex A - Approval Authority Guide.

##### 4. Security Deposit

A security deposit amounting to 5% of the tendered sum (in the form of a Banker's Guarantee) is collected for accepted tenders with a value of \$500,000 or more. This is to ensure that any financial loss from the risk of non-performance from the awarded tenderers is adequately secured.

Where tenders are called which do not have an upfront fixed committed sum, such a

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security deposit can be waived. Such tenders will include tenders called to appoint a panel of pre- approved vendors or recommended vendors where the organisation does not commit upfront any lump sum business. For the latter tenders, the billings and subsequent payments will only be effected upon the satisfactory delivery of the requisite goods and services. (Refer to Section M for examples of goods and services provided by approved and recommended vendors.)

#### K. WAIVER OF COMPETITION

1. In a situation where the intended procurement is more than or equal to S\$3,000 and the Procuring Department wishes to opt for “Waiver of Competition”, or where the intended procurement attracts less than the required number of quotations, it is required to apply to the following authorities for a Waiver of Competition to award to the preferred vendor which will be carried out via the Purchasing System. It must be shown clearly that in a waiver of competition circumstance, the decision will still result in good value and impartiality by SASCO Home
  - a) Up to S\$3,000  
Waiver of Competition can be approved by Head of Department / Centres / Institutes of Procuring Department.
  - b) All amounts up to S\$30,000  
Waiver of Competition will be approved by CEO.
  - c) All amounts up to S\$200,000  
Waiver of Competition will be approved by Finance Sub-Committee.
  - d) All amounts more than S\$500,000  
Waiver of Competition will be approved by Committee of Management.

#### L. PURCHASES SPECIFIED IN REVENUE CONTRACTS

1. These are referring to purchases as specified in signed revenue contracts with external parties where the purchases will be reimbursed fully by the external parties or recovered adequately through the revenue from the external parties.
2. These generally relate to conference venues and eating places and are pre-selected by the external parties and included as part of their written requirement to be fulfilled in the revenue contracts. The purchases may also extend to hotel accommodation, training materials, team building trainers and industry visits.
3. For such purchases, where they are directly associated to the revenue contracts and are specifically included in the signed revenue contracts or in subsequent formal or


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written communication from the external parties, it is not necessary to obtain the 3 quotes or to obtain approval for Waiver of Competition. However, it is necessary to ensure there is no conflict of interest when dealing with the specified vendors and/or to make the proper declaration as required under the SASCO Home's Code of Conduct.

#### **M. RECURRING PURCHASES**

1. Recurring purchases refer to those that are procured on a regular and frequent basis and can be generally classified into 2 categories: Generic Items and Non-Generic Items purchases.
  - a. Generic items purchases refer to procurement of generic homogeneous products/services that can be widely supplied by a large group of Approved Vendors. Such items include general office supplies, office computers and laptops, small office equipment, printing, photography, travel, postage, and courier services; and
  - b. Non-Generic items purchases refer to procurement of non-generic or an assortment of products/services which are difficult to procure from a particular vendor which offers the lowest quote for the full range of products/services. A list of Recommended Vendors has been appointed to provide such services. Examples of such services include general logistics and maintenance services and specialised services such as legal and financial services, specialized IT equipment.
2. The offices which are in charge of initiating the appointment of Approved and Recommended vendors are tabulated below.

Types of Goods/Services	Departments/Units in charge
<u>Generic</u>	
General Office Supplies	CAA
Computers/IT	IT
Printing, Photography, etc	CAA
Travel	CAA
Postage & Courier	FIN
<u>Non-Generic</u>	
Logistics & Maintenance	CAA
Specialised services	Respective units/depts
Specialised IT Equipment	IT

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The list of Approved and Recommended Vendors are appointed through competitive bidding by tender on a regular basis. Departments/Centres must procure the generic products/services from Approved Vendors unless the items are not available from these vendors. For recurring purchases of non-generic items, Departments/Centres can use them as reference to facilitate such purchases.

3. Approval to award Approved or Recommended vendors shall be obtained from the relevant authority based on Annex A - Approval Authority Guide.
4. The number of Approved/Recommended Vendors for recurring purchases shall be capped at not more than 15 for each type of goods/service to be procured. Or:
  - a. if there was an agreement with the vendor for a consignment of a predetermined number, usually specified in the ITQ;
  - b. if there was an agreement for a minimum number of purchases for the year but on a consignment basis.
5. Orders placed with these Approved/Recommended Vendors need not go through the required quotation or Waiver of Competition approval process.

#### **N. PURCHASES OF GOODS AND SERVICES WITH PRE-ESTABLISHED RATES**


1. For purchases of goods and services where pre-established rates for the goods and services have been established with SASCO Home, it is not necessary to obtain 3 quotes or to obtain approval for Waiver of Competition (WOC). Pre-established rates can be in the form of a signed agreement. Likewise, when purchases are made from sole suppliers with published rates, justification for such purchases via WOC **will not** be required.
2. For purchases of goods and services **without** pre-established rates with SASCO Home, the Procuring Department will have to put up for WOC. However, where payment is required to professional associations / bodies, accreditation associations / institutions, attending training / conferences and the applicable rates are published and standardised for all subscribing organisations and individuals, the Procuring Department **will not** be required to put up WOC.
3. For purchases of goods and services which are in line with HR's policy (or with exceptions which are approved by Head, HR) relating to Learning and Development, specifically in-house training, external training, team building and team retreat, the Procuring Department **will not** be required to put up Waiver of Competition.

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4. To ensure full compliance with procurement policies, a declaration that there is no conflict of interest (COI) is still required for all purchases. At all times, the HOD / HOC of procuring departments must ensure there is good value to SASCO Home.

**O. SUMMARY FOR CONFLICT OF INTEREST (COI) DECLARATION AND WAIVER OF COMPETITION REQUIREMENTS (FOR AMOUNTS > \$3,000)**

1. A summary for the COI Declaration and WOC requirements can be found in the following table:

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**Annex A - Approval Authority Guide.**

**Other Purchasing Situations**

**Waiver of Competition**

This is where the Procuring Department is considering waiving competition and inviting a single vendor or when the intended procurement attracts less than the required number of quotations.

**This must be completed as part of the purchases approval process where applicable.**

It must be shown clearly that the decision will still result in good value and impartiality.

Amount up to \$3,000	\$3,000 up to \$30,000	Above \$30,000
HOD approval	CEO approval	COM approval

**Purchases specified in Revenue Contracts**

These are referring to purchases as specified in signed revenue contracts with external parties where the purchases will be reimbursed fully by the external parties or recovered adequately through the revenue from the external parties.


- These are directly associated to the revenue contracts.
- These must be specifically included in the signed revenue contracts or in subsequent formal or written communication from the external party.
- Regardless of amount, there is no need to obtain the 3 quotes or to obtain approval for Waiver of Competition.
- Must ensure that there is no conflict of interest when dealing with the specified vendor

**Recurring Purchases / Purchases with or without pre-established rates**

Recurring purchases generally refers to items that are regularly and frequently purchased. Examples include office supplies and printing of brochures.

There are purchases which SMU may have pre-established rates with vendors or where there are published or standardized rates for all buyers

- Regardless of the type of purchase, a COI declaration is still required.
- Vendors for recurring purchases need to be appointed/recommended through Tender (Open or Closed) without exception.
- Approval is per the CAP 4.4 Annex A – Approval Authority Guide when appointing Approved / Recommended vendors

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Approvals

PR approval matrix:

<b>Amount</b>	<b>Approver</b>
Up to S\$3,000.00	HODs / CMs
>\$3,000.00 up to S\$30,000.00	CEO
Above S\$30,000.00	Evaluation Committee
Above S\$100,000.00	Committee of Management

**PO approval**

- All \$1,000.00 and above POs shall be approved by CEO (in the system).
- All POs below S\$1,000.00 shall be approved by HOD
- For urgent purchases where the POs are issued after the purchase/work done and hence the invoice issued, the respective HODs should have been informed and justifications given to CEO accordingly.


**P. Others**

Internal controls to follow the references as stated in the policy.

	FY2022	FY2021
<b>Assets</b>		
Land & Building	(1)	-
Other Tangible Assets	2,384,696	1,972,512
Investments	9,627,521	-
Inventories	(1)	-
Accounts Receivables	2,659,615	1,622,073
Cash & Deposits	39,452,112	46,072,437
Others (Intangible Assets)	67,494	62,168
<b>Total Assets</b>	<b>54,191,436</b>	<b>49,729,190</b>
<b>Funds</b>		
Total Unrestricted Funds	46,402,323	44,838,602
Total Restricted Funds	4,401,257	1,932,911
Endowment Funds	-	-
	50,803,580	46,771,513
<b>Liabilities</b>		
Total Current Liabilities	3,006,572	2,453,104
Total Non-current Liabilities	381,286	504,573
	3,387,858	2,957,677
<b>Total Funds Liabilities</b>	<b>54,191,438</b>	<b>49,729,190</b>
Total Employees	161	154
Total Employees Costs	9,266,944	7,969,533
Fun-raising Efficiency	25%	18%
Total Related Party Transactions (Note 20)	1,707,885	907,835





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c. *Processing of Payment Vouchers:*

- i. The payment vouchers with the approved invoices must be submitted for approval by the authoriser.
- ii. Invoice computations and pricing should be verified before payment approval.
- iii. Upon obtaining approval from the authorised signatory, the processed payment vouchers and supporting documents must be stamped "PAID", with particulars of dates and payment mode, to prevent their re-submission for duplicate payment.

d. *Segregation of Duties:*

Staff handling payments are to be separated to the extent possible with regards to:

- i. Initiation of purchase requisition,
- ii. Approval of vouchers and invoices, and
- iii. Signing of cheques, authorise online e-payments.

e. *Reconciliation of Accounts:*

Monthly statement of accounts received from suppliers should be checked and reconciled with the recorded account payable balances quarterly.

f. *Review of Expenditures:*

Periodic reviews by management, in comparing expenses incurred with the budget can provide an effective means of

- i. controlling expenses,
- ii. detecting errors and deviations from rules and policies.

g. *Proper Authorisation:*

Payments are to be made by cheques, Interbank GIRO, telegraphic transfer, or bank draft. Variations and amendments made should be approved and supported by authorised signatories.

#### 4. Bank Accounts


- a. The effective controls in management of bank accounts aims to prevent fraudulent practices that include unauthorised payments.

b. *Proper Authorisation:*

The opening and closing of bank accounts have to be authorised by the board members.

c. *Dormant Bank Account:*

Checks should be conducted to ensure that there are no dormant bank accounts. The aim is to prevent unauthorised payments, which may be undetected.

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d. *Bank Signatories:*

The board members must appoint responsible officers as bank signatories. There should be at least two bank signatories for each payment. Bank signatories should be unrelated, if at all possible. The appointed bank signatories with their specimen signatures and their approval limits must be duly endorsed by the banks.

e. *Authorising Payments:*

Bank signatories should ensure the following:

- i. Payments are accompanied by properly approved suppliers' invoices and payment vouchers.
- ii. Payee's name and amount agree with the details on the invoice.
- iii. Payments to be authorised must not be made payable to themselves.
- iv. Cheques issued without payee's name should not be signed.
- v. Cash cheques should be limited only to the top-up of petty cash float.

f. *Physical Security:*


Specimen signatures of bank signatories and monthly bank statements issued by the banks should be kept in a secured place. Access to blank cheque books should be limited to Finance Manager and they should be kept in a secured place.

g. *Bank Reconciliation:*

Bank reconciliation has to be carried out monthly. Checks are to be made between bank statements and records of receipts and payments in the accounts.

## 5. Employee Expense Reimbursement

- a. This policy shall apply to all our employees that need to spend money for work-related activities. Mileage and transport reimbursement claims will be in accordance with HR policy.
- b. Reimbursements will be made for all approved business expenses. 'Business expenses' are expenses related to our organisation operations. Employees must be able to show why they need to incur the expenditure in the course of duty.
- c. Expenses that are personal and private in nature are not allowable as they do not relate to our operations.
- d. Staff reimbursement/Expenses claim approval process:
  - i. Original copy of receipts or invoice must be submitted.
  - ii. Claims receipts more than 3 months will be subjected to CEO/HCM approval.
  - iii. Claimants must have obtained approval from their respective HODs.

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- iv. Reimbursements will be made through GIRO.
  - v. Purchases >\$300 will be paid directly to vendors, in exception circumstances, employee may be allowed to pay for purchases on behalf of the Home but will require approval.
    - Centre Management
    - Amount up to \$300.00 - approved by HOD/CM
    - Amount > \$300.01 to \$500.00 - approved by HCM
    - Amount > \$500.01 to \$1,000.00 - approved by CEO
    - HQ
    - Amount up to \$300.00 - approved by HOD
    - Amount > \$300.01 to \$1,000.00 - approved by CEO
  - e. Claiming of expenses on behalf of others are not allowed.
  - f. Information / Business purposes to be included in the claims. Finance's role in checking employees expense claims would be to check if the expense is business related, comply with organisation policies and if there is approval from HOD.
    - i. Transport - date, destination, mode of transport, Name and Designation of Person Incurring it, purpose, and amount.
    - ii. Travelling - date, destination, mode of transport, Name and Designation of Person Incurring it, reason for expenditure and amount.
    - iii. Entertainment - date, Place of Entertainment, Name and Designation of Person(s) Entertained, purpose, Name and Designation of Person Incurring it and amount.