



Financial and Administrative Manual

TABLE OF CONTENT

1. Preface	3
2. Methodology	3
3. Financial reports.	4-5
4. Account's Procedure	6-7
5. Bank Account	8-9
6. Internal Control	9-10
7. Authorization.	10
8. Filing	11-12
9. Correspondence	13-14
10. Fund Raising	14-16
11. Purchases.	16-18
12. Payments	19
13. Travel on duty (Outside the duty office)	20-21
14. Fixed Assets	21-23
15. Vehicles	23-25
16. Construction and Maintenance	26-27

1. Preface

The objective with this manual is to facilitate the work for staff involved in administrative and financial work tasks. The manual will also work as a tool for the management in the implementation of internal control. The manual shall be considered as a daily work tool.

It is also important to consider the manual as a temporary document, which need to be revised at times when terms and rules are changed. It is recommended that a revision of the manual should be done at least once per year to guarantee the validity of the manual.

2. Methodology

The manual is worked out in a way, where each paragraph is divided into two parts. The first part is describing the general rules, including information which shall be considered by the project management for the internal control and the second part is describing the system how to implement the rules described under part one.

3. Financial reports

General rules

Financial reports shall be elaborated quarterly.

The reports are as follows:

- Budget follow up
- Annual report
- Reconciliation of donors account
- Reconciliation of bank account
- Reconciliation of 90-account

The financial report shall be controlled and signed by the Secretary in General.

The financial reports shall be presented at the following board meeting.

Implementation.

Budget follow up.

The actual costs and incomes shall be compared with the quarterly budget. Deviations of 5 % or more shall be explained. The forms for SFI shall be used and deviations from their key figures shall be explained and include suggestions how to fulfil the SFI regulations. (See encl. No.1 and 1B)

Overall responsibility

Secretary in General

Frequency

Quarterly

Responsible.

Head of Admin/ Finance

Implementaion
Annual Report

A closing of all account shall be done in the end of the year and thereafter the profitand loss account and the balance sheet shall be worked out and presented for the board of directors for approval. (See encl. No.2)

Reconciliations

Reconciliation shall be done for the bank, donors, and the 90-account and shall include information about initial amount, funds received, payments and closing amount for the period. The closing amount shall correspond to the extract from the bank.
(See enclosure No.3)

Frequency

Annual

Responsible

Head of Admin/Finance

Quarterly

Head of Admin/Finance

4. Accounts Procedure

General rules

1. The Accounts procedure shall follow the recommendations issued by the Swedish Authority for fund raising control, SFI.

2. The system shall be computerized by the purchasing of a suitable account's program, including trial balance, profit and loss account, budget options, trade and debtors ledger, objective and profit codes.

3. Financial transactions shall be entered on a daily basis.

4. A Monthly control shall be carried out for the following accounts:

- Bank
- Tax balance
- VAT balance
- Trade and debtors ledger

5. The vouchers shall contain the following Information:

- Date
- Description of the transaction
- Amount

6. The vouchers shall be filed in chronological order.

Overall Responsibility

Secretary in General

Implementation	Frequency	Responsible
1. The recommendations issued by SFI shall be printed out and distributed to account's staff or implementation.	Annual	Head of Admin/Finance
2. Account's program shall be purchased by using the advices from the reg. audit company and considering the rules lined out by SFI.	At demand	Head of Admin/Finance
3. Star for Life shall engage a person with a high degree in economy and with a good knowledge of accounts procedures and system, to guarantee that the accounts ledgers are updated and accurate.	On going	Secretary in General
4. The book balances shall be Compared with bank statements, tax authorities statements, debtors and suppliers invoices.	Monthly	Head of Admin/Finance
5. Before a voucher is entered in the account's ledger, a control shall be carried out by the book-keeper, to guarantee that the voucher contains the required information and thereafter the book-keeper shall sign the voucher, before it is registered in the account's system.	On going	Head of Admin/Finance
6. A special file shall be opened, there all vouchers are filed in chronological order.	On going	Head of Admin/Finance

5. Bank Account

General rules

1. The bank account shall be opened with the Bank approved by the board of directors and with a saving account offering a competitive interest.
2. The bank account shall have at least two registered signatories at the bank, which have been appointed by the board of directors.
3. If the name of the signature is changed, immediately a letter for information shall be sent to the bank.
4. The bank documents shall be filed in a separate file and kept in a locked cabinet.
5. The bank account shall be reconciled monthly.

Implementation

The following documents shall be issued at the opening of a bank account:

1. An official letter to the bank signed by the Project Manager.
2. A filled in bank form with signature-prove of the approved signatories.
3. An extract from the Board of Directors' decision to open a bank account and the selection of signatures.
4. The bank file shall be maintained regularly and contain up to date information.

Overall responsibility
Secretary in General

Frequency	Responsible
When necessary	Head of Admin/Finance
Monthly	Head of Admin/Finance

5. The bank reconciliation shall be done by comparing the transactions in the book-keeping with the amounts specified on the bank extract. If there are any deviations between the bank's figures and the Project records a written letter to the bank shall be issued immediately for clarification.

Monthly

Head of Admin/Finance

6. Internal Control

General rules

The internal control contains the following:

- Bank reconciliation
- Budget follow up
- Physical verification of fixed assets
- Physical verification of stock on hand

Overall responsibility
Secretary in General

Implementation

Frequency
Monthly

Responsible
Head of Admin/Finance

a) The bank reconciliation shall be done by the formula:
opening balance + deposits – withdrawals
+/- interest – bank costs = Closing balance, which shall be compared with the balance shown on the bank extract.
(See enclosed form No. 3)

Quarterly

Head of Admin/Finance

b) Budget follow up; shall be done by comparing the summarized amounts in the book-keeping for each cost and income account with the amounts budgeted for each quarter. (See enclosed form No. 1)

Quarterly

Head of Admin/Finance

c) Physical verification of fixed assets; a physical count shall be done for each asset

and compared to the fixed assets register. Any deviation has to be reported in written form to the Project Manager. (See enclosed form No.4)

d) Stock control; shall be done by a physical count of the stock by two persons and shall be compared with the stock register. Any deviation exceeding 5 % shall be explained on the form and reported to the Project Manager.
(See enclosed form No. 5)

Quarterly

Head of Admin/Finance

7. Authorization

General rules

An Authorization list shall be worked out, indicating the staff who has the right to authorize the following transactions:

Purchases above 3.000 SEK

Payments above 10.000 SEK

- Staff advances
- Staff benefit
- Sales of assets
- Signing of agreements

Implementation

A list of proposal shall be worked out by the Head of Administration for approval by the Board of Directors.

(Se enclosed Form No. 6)

Frequency

Annual

Responsible

Head of Admin/ Finance

Overall responsibility

Secretary in General

8. Filing

General rules

All written correspondence and other official documents shall be filed in folders with index, separating the documents in the file.

The filing systems to be used shall be chronological or alphabetic.

Important documents such as bank papers, official correspondence, vouchers, tax documents and other legal papers shall be filed for a period of at least 10 years, depending the validity of the document.

Confidential papers shall be kept in a locked Cabinet.

Important documents filed on a computer shall be safety copied on an external hard Drive (USB or CD Rom).

Implementation

Each department shall buy office files for their filing system with suitable index.

Each document shall be filed according to

- The first letter of the document (alphabetic order)
- The date of the letter (the Latest date always on top, (Chronological order).

In the end of the year, all documents stored in the files for the present year shall be transferred to special storage files, for safe keeping for the period required. At the same time new files shall be opened for the new year's Filing.

Overall responsibility

Secretary in General

Frequency

On going

On going

Once per year

Responsible

Head of Admin/Finance

Head of Admin/Finance the following:

Head of Admin/Fnance

The following documents shall be kept under locked cabinet:

- Staff documents
- Bank documents
- All type of agreements
- All type of guarantees
- Tender documents
- Vouchers and receipts
- Profit and loss statements
- Final Accounts
- Financial reports
- External hard drives for computer documents

The key for the locked cabinet shall be kept by the section head. The safe copying of important documents on the computer shall be done on memory stick (USB) and CD-ROMs.

On going

Head of Admin/ Finance

On going

Head of Admin/Finance

9. Correspondence

General rules

All official correspondence shall be signed by the Secretary in General And/or the Deputy Secretary in General.

Incoming mail which require an action or reply shall be handled without delay.

Mail which require attention shall be Printed out and filed in a special Correspondence file.

For external correspondence the logo for the organisation shall be used.

For all correspondence by e-post, a website shall be bought and opened.

Implementation

Important correspondence shall be issued in the way which guarantee the presence of the signatory.

Mail, which require immediate administration/ attention and reply shall be stamped URGENT.

A special file shall be opened
With the index incoming/outgoing mail and shall be filed in chronological order.

Each organisation shall print up a designed logo, which shall be used for all external correspondence.

A web hostage shall be opened and contain the following information:

- Org. name and address
- Description of program

Overall responsibility

Secretary in General

Frequency

On going

On going

On going

At the start

At the start

Responsible

Head of Admin/Finance

Head of Admin/ Finance

Head of Section

Head of Admin/Finance

Head of Admin/Finance

- Purpose for the organisation
- Activities
- Contact persons
- Contact means; telephone and e-mail addresses

10. Fund Raising

General rules

1. All fund raising shall follow the ethic rules lined out by FRII.
2. All fundraising material shall contain the following information:
 - The name of our organisation
 - Office address and telephone
 - Contact persons
 - Objective with the fundraising
 - Account No. (90-Account)
3. A letter of thanks shall be issued.
4. Persons working with fundraising shall bear documents, showing that they are working with Star for Life.
5. A policy document showing the norms and standards for all type of fund raising shall be elaborated and used for its purpose.
6. A donor register shall be elaborated and maintained.
7. The costs for the fundraising shall not bear unnecessary costs and not exceed 15 % of the total amount raised.

Overall Responsibility

Secretary in General

8. Information regarding the use of raised money shall be presented on Star for Life webpage and via a special newsletter to registered donors and partners

Implementation

1. The FRII ethic rules shall be distributed to all staff involved in Fund Raising and the staff shall be trained in these principles to guarantee that the rules are implemented.

2. All material shall be pre-printed with required information.

3. A Standard letter of thanks to be worked out for different types of donation.

4. Special documentation needed for identification for people involved in fundraising to be elaborated.

5. A special policy document to be elaborated containing the following information:

- The different forms of fundraising
- The fund raising methods to be used
- How to handle the funds
- Routines how to meet complaints
- Ways of information to be used

6. A special donor register to be elaborated and adopted to the on going present number of donors. The register shall contain the following information:

- Name and address of the donor
- E-mail address
- Type of donor
- Amount donated
- Objective with the donation

Frequency

Annual

On Going

At demand

On going

At the start

At the start

Responsible

Fund Raising Manager

Fund Raising Manager

Fund Raising Manager

Fund Raising Manager

Fund Raising Manager

Fund Raising Manager

7. At each fundraising activity a budget shall be elaborated to make sure that unnecessary costs will not occur.

On Going

Fund Raising

8. On going information shall be collected from the project fields and thereafter presented in a newsletter as well as on the web-page.

On Going

Monitoring/Specialist

11. Purchases

General rules

Purchases above 3.000 SEK to be approved by Section Head.

All purchases above 10.000 SEK have to be authorized and three performa invoices have to be obtained before the purchase.

In case of purchases of goods or services above the value of 100.000 SEK, a public tender procedure shall be opened.

All documents for purchases, which involve Performa invoices and tender procedures shall be filed in a separate file and be kept in a locked cabinet.

Implementation

For purchases above 1.000 SEK a request form shall be filled in and approved by the Secretary in General. (See encl. Form No. 7)

Overall Responsibility

Secretary in General

Frequency

When necessary

Responsible

Head of Admin/Finance

To evaluate Performa invoices, the following parameters shall be used:

- Price
- Quality
- Delivery time
- Service and maintenance
- Guarantee
- Payment terms

For purchases of goods or Services for a value of above 100.000 SEK a public tender shall be worked out according to Sida's standard forms and be advertised in official newspapers. To evaluate the tenders a special selection committee shall be elected, preferably consisting of:

- The Chairman of the Board
- The Secretary in General
- The Head of Administration

For the evaluation of the tenders, the following parameters shall be used:

- Price
- Financial capacity
- Technical capacity
- Service conditions
- Availability
- Stocks of spare parts

When necessary

Head of Admin/Finance

When necessary

Head of Admin/Finance

When necessary

Head of Admin/Finance

One special file shall be opened for Performa procedures with the following indexes:

- Contracts
- Performa invoices
- Guarantees
- Maintenance contract
- Correspondence

When necessary

Head of Admin/Finance

For the tender procedure another file shall be opened and contain the following indexes:

- Public tender documents
- Register for delivery forms
- Register for receipt of forms
- Selection protocol
- Correspondence
- Contract

When necessary

Head of Admin/Finance

12. Payments

General rules

1. All Payments shall be done through the bank account.
2. Payments above 10.000 SEK shall be approved by the Secretary in General.
3. The authorization person shall not be the same as the payer.
4. The person, who is doing the payment, shall physically check the receipt of the goods or service

Implementation

1. For the bank payments, the project shall open a bank account and connect to internet service or bank giro service.
2. To effect payments above 10.000 SEK a special request for payment form shall be filled in and approved by the Secretary in General. (Se enclosed form No.8)
3. The receipt of the goods or service paid for, shall be verified by the payer and be noticed on the receipt by date and signature.

Overall Responsibility

Secretary in General

Frequency

When necessary

Responsibility

Head of Admin/Finance

When necessary

Head of Admin/Finance

When necessary

The Payer

13. Travel on duty (Outside the duty office)

General rules.

1. Each duty travel shall be planned and included in the annual workplan.
2. A special request, referring to the annual work plan, shall be issued and approved by each Section Head.
3. The travel refund includes the following costs:
 - Ticket for the cheapest alternative (economy class)
 - Subsistence allowance according to Government rates for travelling interior and exterior.
 - At use of own vehicle, fuel compensation according to rate decided by Star for Life.
4. In case of the subsistence allowance is not sufficient, the claimant shall be refunded according to receipts presented in original and justified by the head of administration as reasonable.
5. A travel advance can only be received, after previous advances have been settled.

Overall Responsibility

Secretary in General

Implementation

1. Before a duty travel, the head of administration shall justify that the planned travelling is included in the annual work plan and has a budget line.
2. A special request travelling form shall be filled in and approved by the section head.
(See enclosed form No. 11)
3. At travelling abroad, a short written report shall be presented to the program manager, before any travelling refund can be effected. The report

Frequency

When necessary

When necessary

When necessary

Responsible

Head of Admin/Finance

Head of Admin/Finance

Head of Admin/Finance

shall reveal the outcome of the travelling compared to the travel objective.

4. For each travelling refund and settlement of advances a special refund form shall be filled in and original receipts to be enclosed.
(See enclosed form No. 12)

When necessary

Head of Admin/Finance

14. Fixed Assets.

General rules

1. Inventories with a life span for three years or more and with a value of 10.000 SEK or above shall be considered as fixed asset.
2. A special register for the fixed assets shall be opened.
3. A physical inventory of the fixed assets shall take place quarterly, to guarantee the existence of the assets.
4. In case of sale or scrap of an old fixed asset, an approval by the Secretary in General shall be obtained.
5. All fixed assets shall be stored in premises with security to avoid thefts.
6. A maintenance plan shall be elaborated, in order to guarantee a good functioning.
7. At the purchase of a fixed asset, a guarantee or insurance shall be obtained.

Overall Responsibility

Secretary in General

Implementation	Frequency	Responsibility.
1. In the books, fixed assets shall be entered with a notice of depreciation, dividing the total cost for the estimated life span.	When necessary	Head of Admin/Finance
2. A fixed register shall be opened, containing the following information:	When necessary	Head of Admin/Finance
<ul style="list-style-type: none"> • Name of the asset • Description (Make) • Purchase value • Purchase date • Estimated life span • Actual value • Location • Condition • No. for identification (internal) 		
3. A special register for vehicles shall be opened and contain the following information:	When necessary	Head of Admin/Finance
<ul style="list-style-type: none"> • Make • Reg. No • Fabrication year • Chassis No • Motor No. • Location • Initial value • Actual value • Life span • Condition 		
4. The inventory shall include a physical count and also an estimate of the present condition of the asset. (See enclosed form No.9)	Quarterly	Head of Admin/Finance

5. At sales of old assets, a special request form shall be issued, explaining the reason to the sale and be addressed to the Secretary in General for approval. (See enclosed form No. 10)

When necessary

Head of Admin/Finance

6. At purchase of a new fixed asset, a negotiation with the delivery company shall take place for a maintenance contact.

When necessary

Head of Admin/Finance

15. Vehicles

General rules

1. All new vehicles shall obtain a comprehensive insurance covered for a period of three years.

2. A maintenance contract shall be signed with a reputable company and considered for an annual renewal.

3. The vehicles shall be parked at a place with full security and preferably at the working station.

4. The vehicles shall be used according to the purchase objective.

5. All vehicles shall maintain a log-book to control the costs and circulation.

6. The lifespan for a vehicle shall be considered to five years.

7. The vehicles shall not run after working hours or at week ends, except from special duty service, which has been authorized by the section head of each program.

Overall Responsibility

Secretary in General

Implementation

1. For the purchase of an insurance policy, three quotations shall be obtained in order to receive the best offer.

2. The insurance policy shall be filed in the special vehicle file, containing the following index:

- Purchase document
- Maintenance contract
- Tax documents
- Insurance policy
- Sheet for cost control

3. To ensure a maintenance program for each vehicle, three reputable workshops shall be invited for request of Performa invoices or tender, according to paragraph 6, point 2 and 3. The contract for maintenance shall be evaluated on annual basis.

4. At the end of the day, each driver shall park the vehicle at assigned places and hand over the key and logbook to the section head for safe keeping and Control.

5. Each section head shall draw up a daily route plan for each vehicle, in order to avoid abuse utilization of the vehicles.

6. When the lifespan of a vehicle is elapsed , a special technical evaluation shall take place by an expert, in order to decide if the vehicle shall be sold or continue its service.

Frequency

Annual

Annual

Annual

Daily

Daily

When necessary

Responsible

Head of Admin/Finance

Head of Admin/Finance

Head of Admin/Finance

Section head

Section head

Section head

7. Each circulation of a program vehicle has to be registered in the logbook and be approved by the section head. In the end of the day, the logbook shall be handed over to the section head for control and signature.

Daily

Section head

The logbook shall contain the following information:

- Date
- Driver's name
- Designation
- Kilometre at start and end
- Kilometre total for each trip
- Fuel in litre and cost
- Oil in litre and cost
- Approval for each trip

16. Construction and Maintenance

General rules

1. Construction and maintenance, involving amount above 100.000 SEK, shall be put on official tender with at least three competitors.
2. For construction and maintenance, involving amount below 100.000 SEK, three Performa invoices shall be obtained from company with a good working reputation.
3. Tender documents shall be prepared by an architect approved by the Secretary in General.
4. The evaluation of tenders and contract shall be approved by the Secretary in General before the construction can take place.
5. For construction and maintenance according to point 1, a construction engineer shall be contracted to supervise the work quality and progress.

Implementation

1. In order to allow a selection of the best constructor, the tender procedure shall be open and advertised in the local newspaper.
2. Before the tender, an estimation of the total construction cost shall be done by a civil construction engineer. This estimation shall be used to assess the costs specified by the tendering companies.
3. For the tender procedure, the official tender documents shall be elaborated by a civil engineer.

Overall Responsibility

Secretary in General

Frequency

When necessary

Responsible

Head of Admin/Finance

When necessary

Head of Admin/Finance

When necessary

Head of Admin/Finance

4. For the selection of the winner of the tender, read paragraph 9.

When necessary

Head of Admin/Finance

5. The complete of the contract, shall be verified and controlled by a contracted work supervisor. The contract with the work supervisor shall contain the following clauses:

When necessary

Head of Admin/Finance

- Fee conditions
- Supervision frequency
- Specification of technical control
- Information system



Star for Life
– empowering young people