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Glorious United For Rural Development

FINANCIAL PROCEDURE MANUAL



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1. Introduction

1.1 Purpose and Scope

The purpose of this Financial Procedures Manual is to establish a comprehensive framework for the financial management of GURD Rwanda. The manual sets out standardized procedures that ensure consistency, accuracy, and transparency in all financial transactions within the organization. It is a reference document for GURD's staff and management, guiding them in handling the organization's finances with integrity and compliance.

This manual is intended to cover all aspects of GURD's financial operations, including:

- **Budgeting:** Outlining the annual budgeting process and ongoing budgetary control.
- **Income Management:** Ensuring that income from grants, donations, and other sources is properly tracked and accounted for.
- **Asset Control:** Providing guidelines on managing and safeguarding GURD's physical and financial assets.
- **Staff Compensation:** Establishing clear guidelines for salary payments, benefits, and staff expenses.

The manual is designed to ensure that GURD Rwanda complies with local financial regulations, donor expectations, and best practices in financial management. It applies to all employees, consultants, and board members involved in financial transactions, whether directly or indirectly.

This manual is not just a static document but a "living document," reviewed regularly to ensure its relevance and alignment with organizational changes, new regulations, or shifts in the financial environment. As the organization grows and its operations expand, the manual will evolve to meet the changing needs of GURD Rwanda.

1.2 Importance of Financial Procedures

Financial procedures play a pivotal role in the effective management of any organization, and this is especially true for non-profit organizations like GURD Rwanda, where the primary mission is to serve vulnerable populations. Proper financial procedures provide the foundation for accountability, transparency, and sustainability in operations, which are essential for maintaining trust among donors, beneficiaries, and regulatory authorities.

Some of the key reasons for having established financial procedures include:

1. **Accountability:** Clear financial procedures ensure that funds are used for their intended purposes. Each transaction is documented, reviewed, and approved by authorized personnel, ensuring that the organization's funds are used responsibly and in accordance with donor expectations.
2. **Transparency:** By following documented procedures, GURD ensures that its financial activities are transparent. Regular reporting, audits, and reviews make it possible for stakeholders—such as the Board of Directors, donors, and partners—to see how funds are allocated and spent.
3. **Internal Control:** Financial procedures establish checks and balances to prevent fraud, errors, or mismanagement. These controls include the division of duties, authorization of payments, and reconciliation of bank accounts, which collectively safeguard GURD's financial resources.
4. **Sustainability:** By adhering to sound financial management principles, GURD can ensure its long-term sustainability. Proper budgeting, income tracking, and financial planning allow the organization to weather funding fluctuations and continue to deliver its programs effectively.

1.3 Legal and Donor Compliance

As a registered non-governmental organization operating in Rwanda, GURD must comply with a range of legal and regulatory requirements. These include Rwandan tax laws, labor regulations, and specific financial reporting standards set by government agencies. The procedures outlined in this manual ensure that GURD adheres to these legal requirements, avoiding penalties, audits, or legal action.

In addition to local legal obligations, GURD is also accountable to its donors. Many donors provide funds with specific conditions on how the money should be used and reported. This may include restrictions on overhead costs, requirements for specific reporting formats, or the need to track expenditures in detail for each project. Failure to comply with these donor requirements can result in the withholding of future funds or reputational damage.

The manual outlines the steps necessary for ensuring both legal and donor compliance, including:

- **Tax compliance:** Ensuring that GURD files all necessary tax returns and remits taxes such as PAYE (Pay As You Earn) for employees and VAT (Value Added Tax) where applicable.
- **Donor compliance:** Tracking restricted and unrestricted funds separately, providing detailed financial reports as per the grant agreements, and ensuring timely submission of reports.

The procedures set out in this manual, GURD ensures that it meets both its legal and donor obligations, protecting its reputation and securing ongoing funding.

1.4 Continuous Improvement

Financial procedures are not static; they must evolve to meet the changing needs of the organization, its donors, and the regulatory environment in which it operates. GURD Rwanda is committed to the continuous improvement of its financial procedures to ensure ongoing efficiency, accountability, and transparency.

This manual will be reviewed annually by the Finance Manager in collaboration with the Executive Director and the Board of Directors. The review process will include:

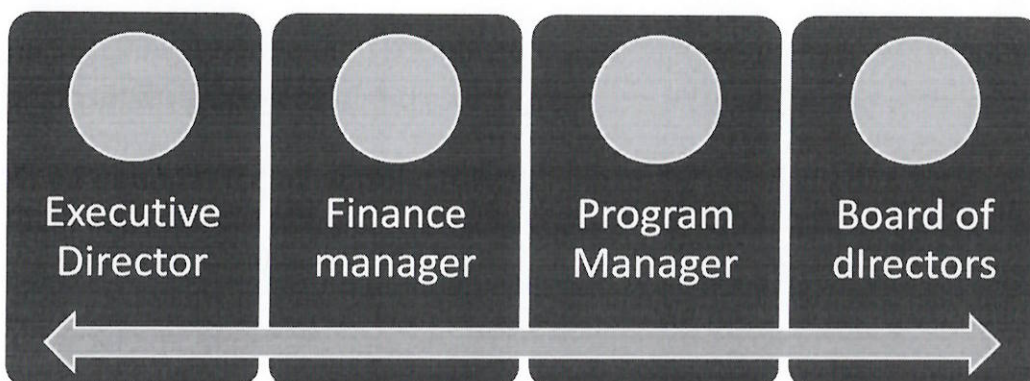
- **Feedback from staff:** Gathering input from those involved in the daily financial management of GURD's operations to identify potential areas for improvement.
- **Compliance with new regulations:** Ensuring that any changes in Rwandan law, donor requirements, or financial best practices are incorporated into the manual.
- **Audit recommendations:** Using the results of internal and external audits to update procedures and improve financial controls.
- **Technological advancements:** As new financial management tools and software become available, GURD will assess whether they can enhance the organization's financial operations.

2. Financial Responsibilities

2.1 Organizational Structure

To ensure effective financial management, GURD Rwanda has established a clear organizational structure that defines the roles, responsibilities, and accountability of its personnel. The structure promotes efficient decision-making and proper delegation of financial authority.

Key Financial Roles within GURD:



- **Executive Director (ED):**

The Executive Director holds overall responsibility for the financial management of the organization. This includes ensuring that financial activities are in line with GURD's mission and strategic goals, and that they meet the standards of accountability and transparency. The ED also represents the organization to external stakeholders such as donors, auditors, and regulatory bodies. In this capacity, the ED is responsible for approving significant financial transactions, overseeing the Finance Manager, and reporting to the Board of Directors.
- **Finance Manager (FM):**

The Finance Manager is tasked with the day-to-day financial operations of the organization. This includes budgeting, financial reporting, accounting, and ensuring compliance with both local regulations and donor requirements. The FM also manages GURD's cash flow, prepares financial reports, and works closely with program managers to ensure that program budgets are properly managed. The FM serves as the point of contact for external auditors, ensuring that financial records are properly maintained for audit purposes.
- **Program Managers (PMs):**

Program Managers are responsible for managing the budgets allocated to their specific projects or departments. They must ensure that funds are spent in accordance with the approved budgets and that they comply with the organization's financial procedures. PMs work closely with the Finance Manager to track expenses, prepare financial reports related to their programs, and adjust program activities to stay within budget.
- **Board of Directors (BOD):**

The Board of Directors plays a supervisory role in GURD's financial management. The BOD reviews and approves annual budgets, major expenditures, and financial reports. In addition, the BOD ensures that the organization adheres to its financial procedures and fulfills its legal and regulatory responsibilities. The Board also approves major policy changes, including those affecting financial management.

2.2 Delegation of Authority

A key element of GURD's financial management is the delegation of financial authority. This process ensures that decision-making is both decentralized for operational efficiency and controlled to maintain accountability.

Delegation of Authority Framework:

GURD operates under a structured framework that defines the financial responsibilities and approval limits for various roles within the organization. The delegation of authority framework is designed to:

- **Prevent unauthorized transactions** by clearly defining approval limits for different levels of management.
- **Ensure accountability** by assigning responsibility for financial decisions to appropriate individuals within the organization.
- **Enhance operational efficiency** by allowing day-to-day transactions to be handled by staff at different levels without needing Board-level approval for minor expenses.

Approval Levels and Financial Limits:

1. Executive Director:

The ED has authority to approve expenditures up to a certain limit, For example FRW10,000,000 as specified in the financial policies. Expenditures above this limit must be approved by the Board of Directors. The ED also has final approval for salary adjustments, recruitment of financial personnel, and major procurement decisions.

2. Finance Manager:

The FM can approve routine expenses such as program expenses, utilities, and office supplies, within pre-determined limits. For transactions above this limit, the

FM must seek approval from the ED. The FM also has authority to approve payments for salaries, consultant fees, and vendor payments, provided these are within the approved budget.

3. Program Managers:

PMs are authorized to approve project-related expenses within their program's budget. For expenditures that exceed the program's budget or require changes to the budget, PMs must seek approval from the Finance Manager or ED, depending on the amount.

4. Board of Directors:

The BOD must approve large-scale expenditures, such as capital purchases, significant contracts, or budget reallocations that involve major shifts in the organization's financial structure. The Board's approval is also required for amendments to the organization's financial policies.

2.3 Internal Controls and Accountability

Internal controls are essential to safeguard GURD's financial assets, ensure the integrity of financial reporting, and prevent fraud or financial mismanagement. GURD's internal control framework includes policies, procedures, and systems that are designed to protect the organization's financial resources.

Key Components of Internal Controls:

1. Division of Duties:

GURD ensures that no single person is responsible for authorizing, processing, and recording a financial transaction. This division of duties reduces the risk of errors or fraudulent activities. For instance, the Finance Manager may authorize a payment, but another staff member, such as an accountant or program officer, is responsible for recording the transaction in the financial system.

2. Authorization and Approval Processes:

All financial transactions must be authorized by the appropriate individual

according to GURD's delegation of authority. Any expenditure that falls outside the approved budget or requires a significant reallocation of funds must receive higher-level approval.

3. Audit Trails:

GURD maintains comprehensive audit trails for all financial transactions. This includes keeping original receipts, invoices, contracts, and bank statements. These documents are securely stored and made available for internal reviews or external audits.

4. Regular Audits:

GURD undergoes both internal and external audits on a regular basis. Internal audits are conducted by the Finance Manager to ensure compliance with financial procedures and to assess the adequacy of internal controls. External audits, typically performed by an independent audit firm, provide an unbiased review of the organization's financial health and ensure that GURD meets donor and regulatory requirements.

5. Financial Reporting and Review:

Financial reports are prepared on a monthly basis and reviewed by the Executive Director and Board of Directors. These reports include a detailed analysis of income and expenses, budget variances, and cash flow projections. Regular reviews help to identify potential issues early and allow for corrective actions to be taken promptly.

6. Fraud Prevention and Reporting:

GURD is committed to preventing fraud and mismanagement of funds. Any suspected cases of fraud must be reported immediately to the Executive Director and Board of Directors. The organization has a zero-tolerance policy for fraud and will take appropriate disciplinary or legal action against individuals found to be involved in such activities.

3. Budgetary Control

3.1 Annual Budget Process

Effective budget management is crucial for GURD Rwanda to achieve its strategic objectives and ensure the sustainability of its programs. The annual budget process is a structured and comprehensive exercise that involves participation from all levels of the organization. The budget serves as a financial roadmap for the organization, guiding income generation, program implementation, and overall resource allocation.

Steps in the Annual Budget Process:

1. Initial Budget Planning:

The budget process begins with a review of the organization's strategic plan and program priorities for the upcoming year. The Executive Director, Finance Manager, and Program Managers collaborate to ensure that the financial resources are allocated in line with GURD's mission and long-term goals.

2. Program Manager Input:

Program Managers are responsible for submitting their financial requirements based on planned activities for the year. This includes projecting expenses related to staffing, materials, travel, and other program-related costs. Each department or project must also forecast its potential income, including grants, sponsorships, and other funding sources.

3. Consolidation of Department Budgets:

Once Program Managers have submitted their inputs, the Finance Manager consolidates these into a draft organizational budget. The consolidation involves reviewing each department's or program's budget for consistency, accuracy, and alignment with GURD's strategic objectives. Any discrepancies or unrealistic projections are discussed and adjusted in consultation with Program Managers.

4. Review of Previous Year's Performance:

The Finance Manager reviews the financial performance of the previous year, including income versus expenditure, cash flow trends, and any unanticipated financial challenges. Lessons learned from the previous year's budget performance are incorporated into the new budget, ensuring that GURD is prepared to handle any risks or funding shortfalls.

5. Draft Budget Submission:

The draft budget is then submitted to the Executive Director for an initial review. The ED evaluates the overall budget to ensure that it aligns with the organization's strategic priorities and that income projections are realistic. After this review, adjustments may be made in consultation with the Finance Manager and Program Managers.

6. Board of Directors Review and Approval:

Once the Executive Director has approved the draft budget, it is presented to the Board of Directors for final review. The Board scrutinizes the budget to ensure that it is financially sound, sustainable, and aligned with the organization's mission. Once the Board approves the budget, it becomes the official financial plan for the upcoming year.

3.2 Monthly Review Process

The annual budget process, GURD Rwanda maintains tight control over its financial performance by conducting monthly reviews of actual income and expenditure against the budget. The monthly review process ensures that the organization remains on track and can make adjustments when necessary to prevent overspending or funding gaps.

Key Elements of the Monthly Review Process:

1. Income and Expenditure Comparison:

Each month, the Finance Manager prepares a report that compares the actual income and expenses to the budget projections. This comparison allows the organization to monitor its financial health and identify any variances between actual performance and the budget.

2. Variance Analysis:

Any significant variances between actual income or expenses and the budget are analyzed in detail. For example, if program expenditures are significantly higher than budgeted, the Finance Manager works with Program Managers to

determine the reasons behind the variance and develop a plan for corrective action.

3. Corrective Actions:

When variances are identified, the Finance Manager and Program Managers collaborate to develop strategies for managing these discrepancies. Corrective actions might include adjusting program activities, reducing non-essential expenditures, or seeking additional funding to cover unanticipated costs.

4. Cash Flow Monitoring:

Monthly cash flow projections are updated to ensure that GURD has sufficient liquidity to meet its financial obligations. This helps to prevent cash shortages, which can disrupt program implementation or delay payments to staff and vendors.

5. Program Adjustments:

Based on the monthly reviews, Program Managers may need to adjust their planned activities to remain within budget. These adjustments ensure that programs are financially sustainable throughout the year and that resources are used efficiently.

6. Management Review:

The Finance Manager presents the monthly financial report to the Executive Director for review. The ED, in turn, uses the information to make informed decisions about the organization's financial direction and any adjustments needed to ensure financial stability.

3.3 Monthly Management Reporting

Monthly financial reporting is a critical tool for decision-making and accountability. GURD Rwanda's Finance Manager prepares detailed financial reports that are presented to senior management and the Board of Directors to ensure transparency and provide insights into the organization's financial performance.

Components of the Monthly Financial Report:

1. Income Statement (Profit and Loss Statement):

The income statement provides a detailed breakdown of GURD's income and expenses for the month. It shows the total revenue generated from various sources such as grants, sponsorships, and donations, and compares these figures to the organization's expenditures.

2. Balance Sheet:

The balance sheet presents GURD's financial position at the end of the month. It includes information on the organization's assets, liabilities, and net assets. The balance sheet is a crucial tool for assessing the overall financial health of the organization.

3. Cash Flow Statement:

The cash flow statement tracks the inflow and outflow of cash within the organization. It highlights whether GURD has sufficient liquidity to cover its short-term obligations, such as salaries, vendor payments, and program expenses.

4. Budget Variance Report:

This report shows the variances between the budgeted and actual figures for income and expenses. It identifies areas where the organization is over or under budget, providing a basis for corrective action.

5. Key Financial Ratios and Indicators:

The Finance Manager also calculates and includes key financial ratios and indicators in the monthly report. These ratios provide insights into the organization's financial stability, efficiency, and liquidity. For example, the current ratio helps to assess whether GURD can meet its short-term liabilities, while the operating surplus ratio measures the organization's ability to generate a surplus from its core operations.

6. Narrative Summary:

In addition to the numerical data, the monthly financial report includes a narrative summary that explains any significant trends, variances, or financial issues. The

narrative provides context for the figures and helps senior management and the Board of Directors understand the broader financial picture.

Distribution and Review:

- **Executive Director:**

The monthly financial report is first presented to the Executive Director for review. The ED uses the information to guide decision-making related to financial management and program implementation.

- **Board of Directors:**

The financial report is also shared with the Board of Directors on a quarterly basis (or more frequently if required). The Board reviews the financial performance and provides oversight to ensure that the organization is on track to meet its financial goals.

- **Program Managers:**

Program-specific financial reports are shared with Program Managers to help them monitor their budgets and adjust activities as needed to stay within the allocated resources.

4. Controls on Income

Effective income management is crucial for GURD Rwanda to maintain financial sustainability, accountability, and transparency. This section outlines the procedures and controls for managing the various streams of income that support the organization's operations, such as grants, sponsorships, donations, service fees, and affiliation fees. The Finance Manager is primarily responsible for overseeing the controls on income to ensure proper recording, utilization, and compliance with donor requirements.

4.1 Grants and Sponsorships

Grants and sponsorships form the core income streams for GURD Rwanda. These funds are often tied to specific projects or programs, requiring careful management to meet donor expectations and legal requirements. Each grant or sponsorship is associated with detailed financial guidelines that the organization must follow, including budget restrictions, allowable expenses, and reporting requirements.

Procedures for Managing Grants and Sponsorships:

1. Grant Agreement Review and Compliance:

Before accepting any grant or sponsorship, the Finance Manager, Executive Director, and Program Managers carefully review the agreement. This review includes the terms of funding, timelines, deliverables, financial reporting expectations, and conditions attached to the usage of funds.

Once a grant is secured, the Finance Manager sets up a dedicated cost center within GURD's financial system for tracking income and expenses related to the grant. This ensures that funds are properly segregated and allocated to the appropriate program activities.

2. Budget Monitoring and Allocation:

A detailed budget is developed for each grant or sponsorship in line with donor specifications. The Finance Manager ensures that all spending stays within approved budget lines.

Regular financial reports, including budget variance analysis, are prepared for each project to help Program Managers monitor their financial progress. Any overspending or budget discrepancies are addressed immediately with program staff to avoid financial non-compliance.

The Finance Manager works closely with Program Managers to adjust spending or request budget amendments from donors if necessary.

3. Grant Reporting:

Financial reporting to donors is one of the most critical components of managing grants and sponsorships. Reports are prepared according to the schedule and format required by each donor, which may include quarterly, biannual, or annual financial statements. These reports typically include details on how the funds were used, a comparison of budgeted vs. actual expenditures, and explanations of any variances.

GURD uses its accounting system to generate accurate and timely financial reports. The Finance Manager ensures that all supporting documents (e.g., receipts, contracts, payroll records) are attached to the financial reports and stored for audit purposes.

4. Grant Audits:

Many grants require external audits to verify that funds were used in accordance with donor agreements. The Finance Manager coordinates these audits, providing auditors with access to the necessary financial records and reports. The results of these audits are shared with donors, reinforcing GURD's commitment to transparency and accountability.

5. Communication with Donors:

Clear, proactive communication with donors helps GURD maintain strong relationships and ensures that any issues with funding are addressed promptly. If GURD anticipates challenges in meeting the financial requirements of a grant, such as underspending or reallocating funds to other activities, the Finance Manager communicates with the donor to seek approval for changes.

4.2 Invoicing and Credit Control

In some instances, GURD provides services to third parties or receives payments for special projects or collaborations. Timely invoicing and credit control are essential to ensure that the organization receives income as planned and maintains healthy cash flow.

Invoicing Procedures:

1. Issuing Invoices:

- a. All income-generating activities should be documented through invoices prepared by the Finance Manager. Invoices must be issued promptly, no later than 15 days after the service is delivered or agreement terms are met.
- b. Each invoice should clearly detail the services provided, the agreed payment amount, the payment due date, and any penalties for late payment.

- c. The Finance Manager ensures that each invoice follows a standardized format and includes all necessary tax and legal information as per Rwandan regulations.

2. Payment Terms and Collection:

GURD generally offers 30-day payment terms, though this can be adjusted based on the nature of the partnership or service provided. Exceptions to standard terms must be pre-approved by the Executive Director.

Follow-up on outstanding payments begins as soon as the payment becomes overdue. The Finance Manager sends reminders, including a copy of the original invoice and a new deadline for payment. Persistent non-payment can result in suspension of services or, in extreme cases, legal action to recover the debt.

3. Credit Control Mechanism:

The Finance Manager monitors outstanding receivables to minimize the risk of bad debts. Monthly reports on receivables are generated, showing aged invoices and highlighting those that need immediate attention. This report is shared with the Executive Director to ensure timely decision-making on collections.

GURD employs a tier up follow-up system. If an invoice remains unpaid after a 30-day grace period, further action is taken, such as involving legal counsel or professional debt recovery services.

4. Recording and Reconciling Payments:

Once a payment is received, it is immediately recorded in the financial system. The Finance Manager ensures that payments are reconciled against their respective invoices. If discrepancies arise, such as overpayments or underpayments, they are investigated and resolved promptly.

4.3 Affiliation and Membership Fees

GURD may receive income from affiliation fees or membership dues from partner organizations or networks. These fees help support joint activities and provide GURD with additional resources for specific projects. As with other sources of income, effective controls are necessary to ensure that affiliation fees are managed properly.

Procedures for Managing Affiliation Fees:

1. Tracking and Allocation of Affiliation Fees:

Affiliation fees are treated as restricted income unless otherwise specified in the affiliation agreement. The Finance Manager tracks these fees separately to ensure they are used only for the purposes agreed upon with the partner organization.

A clear allocation process is established, and the Finance Manager ensures that funds from affiliation fees are distributed according to the terms of the agreement.

2. Reporting to Affiliates:

Just as with grants and sponsorships, financial reports related to affiliation fees are shared with partner organizations. These reports typically detail how the fees were used to support joint initiatives or programs, ensuring accountability to affiliates.

The Finance Manager coordinates with the Program Managers to gather financial data for these reports and submits them in a timely manner.

3. Affiliation Fee Reviews:

GURD conducts periodic reviews of its affiliation agreements to ensure that the fees are being used efficiently and in line with the organization's strategic objectives. If there are unspent or surplus funds, the Finance Manager may propose reallocating these resources in consultation with the affiliate partners.

5. Controls on Financial Assets

Effective management and control of financial assets are vital for ensuring the integrity and sustainability of GURD Rwanda's financial operations. This section outlines the policies and procedures for managing cash, bank accounts, credit cards, and physical assets. These controls are designed to protect GURD's assets, prevent fraud, and ensure that financial resources are used efficiently to support the organization's mission.

5.1 Bank Mandate and Cheque Signatories

A bank mandate is a formal agreement between GURD and its bank that specifies who is authorized to manage the organization's bank accounts, sign cheques, and approve transactions. By establishing clear rules for cheque signatories and bank account management, GURD ensures that its financial transactions are properly authorized and safeguarded.

Bank Account Management:

1. Establishing a Bank Mandate:

The Board of Directors approves a bank mandate that outlines the authorized signatories for each bank account. Signatories typically include the Executive Director, the Finance Manager, Member of the Board of directors and other senior personnel as necessary.

All changes to the bank mandate must be approved by the Board of Directors and communicated to the bank in writing. This ensures that only current, authorized personnel have control over the organization's funds.

2. Cheque Signatory Policy:

GURD requires dual signatories for all cheques issued from the organization's bank accounts. This policy applies regardless of the amount being paid. Typically, one signatory must be the Executive Director, while the other can be the Finance Manager or a designated senior staff member.

No individual can sign a cheque payable to themselves, and checks should only be issued after all necessary approvals have been obtained and supporting documentation is reviewed.

3. Monitoring Bank Accounts:

The Finance Manager monitors all bank accounts regularly to ensure that balances are adequate to cover upcoming expenditures. Monthly bank reconciliations are conducted to match the account records with the bank statements, ensuring accuracy and completeness in reporting.

4. Handling Cash Withdrawals:

Cash withdrawals are minimized and only permitted for small, urgent expenditures. All withdrawals must be approved by the Executive Director and require proper documentation, including a clear explanation for the need for cash. Any cash expenditure must be documented with receipts and reconciled promptly.

5.2 Online Banking Policies

Online banking offers convenience and efficiency but also introduces potential risks related to unauthorized access and fraud. GURD Rwanda has implemented strict online banking policies to mitigate these risks while allowing the organization to manage its funds effectively.

Online Banking Controls:

1. Access and Authorization:

Access to GURD's online banking system is restricted to designated personnel, typically the Finance Manager and the Executive Director. Each authorized user is provided with unique login credentials, and passwords must be kept confidential.

Dual authorization is required for any online transactions above a set threshold. This ensures that no single individual can transfer funds without approval from another senior staff member.

2. Transaction Monitoring and Security:

Online banking transactions are reviewed regularly by the Finance Manager to detect any unusual activity. Any discrepancies or unauthorized transactions must be reported to the Executive Director immediately, and the bank is notified to freeze accounts if necessary.

GURD employs multi-factor authentication and other security measures recommended by its bank to protect against cyber threats. The Finance Manager ensures that all online banking practices comply with the latest security standards.

3. Monthly Reconciliations:

Just as with manual bank accounts, online banking transactions are reconciled monthly to ensure accuracy. The Finance Manager compares the bank's online statements with the organization's internal financial records, investigating any discrepancies.

5.3 Credit Card Policies

Credit cards are sometimes necessary for business-related expenses, particularly for travel, procurement, and emergency situations. However, credit card use must be tightly controlled to prevent misuse and ensure that all expenses are authorized and properly documented.

Credit Card Issuance and Usage:

1. Issuing Credit Cards:

Credit cards are only issued to key personnel, such as the Executive Director or the Finance Manager, and are strictly for official business use. The Board of Directors must approve the issuance of any new credit cards, and the Finance Department tracks all issued cards.

2. Usage Guidelines:

All credit card expenditures must be supported by original receipts and detailed explanations of the business purpose. Credit cards should not be used for personal expenses under any circumstances.

Credit card limits are set based on the position of the cardholder and the needs of the organization. Spending limits are reviewed periodically to ensure they remain appropriate for the organization's needs.

3. Monthly Review of Credit Card Statements:

The Finance Manager reviews all credit card statements monthly, checking for any unauthorized or suspicious transactions. Statements are matched with submitted receipts and explanations, and any discrepancies are flagged for further investigation.

The Finance Manager prepares a report summarizing all credit card expenses for the Executive Director and Board of Directors, ensuring transparency in the use of credit cards.

4. Settling Credit Card Bills:

GURD settles all credit card bills in full each month to avoid interest charges or penalties. The Finance Department ensures that funds are available to cover credit card expenditures and that payments are made on time.

5.4 Petty Cash Management

Petty cash is used for minor day-to-day expenses, such as office supplies or transportation costs. While these expenses are relatively small, they must be managed carefully to prevent misuse and maintain accurate financial records.

Petty Cash Procedures:

1. Setting up a Petty Cash Fund:

A petty cash fund is established with a fixed amount, approved by the Executive Director. The Finance Manager assigns a custodian to oversee the fund and maintain a petty cash log, which records all withdrawals and deposits.

Petty cash is kept in a secure, locked location, and access is restricted to authorized personnel only.

2. Documentation and Reconciliation:

Every petty cash withdrawal must be documented with a receipt and a clear description of the expense. Receipts are attached to the petty cash log, which is reviewed regularly by the Finance Manager.

The petty cash fund is replenished when it reaches a predetermined threshold. At this time, the Finance Manager reconciles the petty cash log with the available cash and receipts to ensure that all funds are accounted for.

3. Monthly Audits:

- To prevent fraud or misuse, the petty cash fund is subject to monthly audits by the Finance Manager. Any discrepancies between the petty cash log and the actual cash on hand are investigated immediately.

5.5 Fixed Assets and Inventory Control

Fixed assets such as property, equipment, etc represent a significant investment for GURD Rwanda. Proper control over these assets ensures that they are used efficiently, maintained appropriately, and accounted for in the organization's financial statements.

Fixed Asset Management:

1. Maintaining an Asset Register:

GURD maintains a comprehensive asset register that records all fixed assets, including their purchase date, location, condition, and depreciation schedule. This register is updated whenever new assets are acquired, disposed of, or transferred.

The Finance Manager is responsible for updating the asset register and ensuring that all entries are accurate. Regular audits of the asset register are conducted to verify the existence and condition of each asset.

2. Asset Depreciation:

Fixed assets are depreciated according to standard accounting practices. The Finance Manager calculates depreciation annually and records it in the financial statements. Depreciation rates are reviewed periodically to ensure they reflect the useful life of the assets.

3. Asset Maintenance and Repairs:

- a. GURD ensures that all fixed assets are properly maintained to extend their useful life. The Finance Department allocates funds for routine maintenance and repairs, and the condition of assets is monitored regularly.
- b. Major repairs or replacement of assets require approval from the Executive Director and the Board of Directors. All expenses related to asset maintenance are documented and included in the financial reports.

4. Asset Disposal:

- a. When an asset is no longer needed or reaches the end of its useful life, GURD follows a formal disposal process. The Finance Manager prepares a report on the asset's condition and estimated value, and the Board of Directors approves the disposal.
- b. Any proceeds from the sale of assets are recorded as income, and the asset register is updated accordingly. Disposal of assets is conducted transparently and in line with GURD's policies to avoid conflicts of interest or loss of value.

Controls on Human Resources

Effective management and control of human resources are crucial for ensuring that GURD Rwanda's staff are hired, compensated, and managed in a transparent, equitable, and compliant manner. These controls ensure that recruitment, payroll, and staff-related expenses are handled in accordance with organizational policies, labor laws, and donor requirements.

6.1 Staff Recruitment Policy

Recruitment is a critical process that ensures GURD hires qualified and suitable individuals who align with the organization's mission and values. GURD Rwanda follows a transparent recruitment policy that fosters fairness, diversity, and compliance with local labor regulations.

Recruitment Process:

1. Job Descriptions and Approvals:

- a. Each position in GURD is defined by a detailed job description outlining the required qualifications, responsibilities, and reporting structure. Job descriptions are developed by the Human Resources (HR) Department in consultation with the hiring department.
- b. Before recruitment begins, the Executive Director approves the creation of new positions or the filling of existing vacancies, ensuring that the position aligns with organizational needs and budget constraints.

2. Recruitment Advertisement:

- a. All vacancies are advertised through appropriate channels, including job boards, newspapers, and the organization's website. This process ensures a diverse pool of applicants and promotes fairness.
- b. GURD prioritizes transparency by providing clear application guidelines and deadlines, ensuring that all candidates have an equal opportunity to apply.

3. Selection and Interview Process:

- a. The HR Department shortlists candidates based on qualifications, experience, and the requirements of the job description. A panel interview, consisting of HR personnel and relevant departmental managers, is then conducted for shortlisted candidates.
- b. Standardized evaluation criteria are used to ensure that all candidates are assessed fairly. Background checks, particularly for financial roles, are mandatory to ensure that candidates have no history of fraudulent behavior.

4. Offer and Appointment:

- a. After selecting the best candidate, a formal job offer is issued, outlining the terms of employment, including salary, benefits, and start date. The candidate must

sign an employment contract that includes a confidentiality agreement and a commitment to uphold GURD's safeguarding policies.

- b. New employees undergo an orientation program to familiarize them with GURD's operations, policies, and culture, ensuring a smooth transition into their roles.

6.2 Staff Salaries

GURD's salary structure is designed to be competitive, transparent, and aligned with industry standards. This ensures fair compensation for all staff while maintaining financial sustainability. Salaries are reviewed periodically to reflect performance, inflation, and organizational budgets.

Salary Administration:

1. Setting Salary Scales:

- GURD establishes salary scales based on industry benchmarks, the local labor market, and the organization's budget. Each position is assigned to a specific salary grade, ensuring that staff with similar responsibilities and experience are compensated fairly.
- The Finance Department, in collaboration with HR, periodically reviews salary scales to ensure that they remain competitive and adjust for inflation when necessary.

2. Salary Payments:

- Salaries are paid monthly through bank transfers, ensuring a secure and timely disbursement of funds. The Finance Department manages the payroll system, ensuring that all statutory deductions (such as taxes and social security) are applied accurately.
- Salary advances may be granted in exceptional circumstances, but they require the approval of the Executive Director. All advances are recorded and repaid through deductions from future salaries.

3. Performance-Based Adjustments:

- GURD implements a performance appraisal system that allows for salary adjustments based on individual staff performance. Appraisals are conducted annually by the HR Department in conjunction with departmental managers.
- Exceptional performance may lead to merit-based salary increases, while poor performance could result in corrective actions, including training or, in extreme cases, termination.

4. Payroll Records:

GURD maintains detailed payroll records for all staff, including salary history, deductions, benefits, and advances. These records are securely stored to ensure confidentiality and compliance with legal requirements.

6.3 Temporary Staff and Consultants

Temporary staff and consultants are hired on an as-needed basis to address short-term project requirements or provide specialized expertise. These arrangements are strictly regulated to ensure compliance with budget limitations and donor agreements.

Temporary Staff and Consultant Management:

1. Contract Terms:

- Temporary staff and consultants are engaged under specific contracts that outline the scope of work, duration, compensation, and reporting requirements. These contracts are approved by the Executive Director to ensure alignment with project needs and budgetary constraints.
- Contracts clearly specify deliverables and payment terms, reducing the risk of disputes or misunderstandings.

2. Payment for Services:

- Payments to consultants and temporary staff are made upon the satisfactory completion of their work, as outlined in their contracts. For long-term contracts, payments may be made in installments, linked to the achievement of specific milestones.

- The Finance Manager ensures that payments are processed according to the contract terms and that all necessary documentation, such as invoices and receipts, is submitted before payments are made.

3. Monitoring and Evaluation of Consultants:

- To ensure value for money, consultants' performance is regularly monitored by the hiring department. This includes periodic reviews of their work against agreed-upon deliverables.
- At the end of the consultancy period, a final evaluation is conducted, and a report is prepared on the consultant's performance. This ensures accountability and informs decisions on future consultancy engagements.

6.4 Staff Benefits and Allowances

In addition to salaries, GURD Rwanda offers a range of benefits and allowances to its staff, ensuring that they are motivated and supported in their roles. These benefits are aligned with industry standards and are designed to enhance employee well-being.

Benefit Administration:

1. Health Insurance:

- GURD provides health insurance coverage to all full-time staff, covering medical expenses for the employee and their immediate family. The HR Department manages the insurance policy, ensuring that it is renewed annually and that all eligible staff are enrolled.
- Any changes to the health insurance plan must be approved by the Executive Director and communicated to staff promptly.

2. Leave Entitlements:

- All staff are entitled to annual leave, sick leave, and maternity/paternity leave, as outlined in GURD's HR Policy Manual. Leave requests must be approved by the employee's supervisor and recorded in the HR system.
- Unused leave may be carried over to the following year, subject to approval from the HR Department. However, extended leave without proper authorization may result in disciplinary action.

3. Travel and Accommodation Allowances:

- Staff who travel for work purposes are entitled to travel allowances, which cover transportation, accommodation, and meals. These allowances are paid based on pre-approved rates and must be supported by original receipts.
- For extended work trips, per diem allowances are provided to cover daily expenses. The HR Department ensures that all travel arrangements comply with GURD's travel policy and that expenses are within budget.

4. Training and Development:

1. GURD is committed to continuous staff development. The organization allocates funds for staff training, workshops, and conferences, ensuring that employees have access to opportunities that enhance their skills and knowledge.
2. Staff members can request training support through their supervisors, and the HR Department manages the approval and coordination of training activities.

6.5 Human Resource Documentation and Compliance

Maintaining accurate and up-to-date HR documentation is essential for ensuring legal compliance, safeguarding employee rights, and supporting organizational efficiency.

HR Documentation Controls:

1. Employee Records:

- a) The HR Department maintains a confidential file for each employee, which includes their contract, job description, performance appraisals, leave

records, and any disciplinary actions. These records are stored securely and accessed only by authorized personnel.

- b) Regular audits of employee records are conducted to ensure that all documents are complete, up-to-date, and compliant with legal requirements.

2. Compliance with Labor Laws:

- a) GURD complies with all local labor laws, including those related to minimum wage, working hours, termination, and employee benefits. The HR Department stays informed of any changes in labor legislation and ensures that the organization's policies are updated accordingly.
- b) Any disputes or grievances are handled through a formal process, providing employees with a fair and transparent mechanism for resolving issues.

3. Confidentiality and Data Protection:

- o Employee data is treated as confidential and is protected in accordance with GURD's data protection policies. The HR Department ensures that sensitive information, such as salaries and medical records, is not shared without the employee's consent.
- o All HR systems are secured with appropriate access controls, and electronic records are regularly backed up to prevent data loss.

Compliance with GURD Rwanda's Human Resources Policies

At GURD Rwanda, we are committed to ensuring that all human resource activities comply with ethical standards and legal regulations. Our internal policies are designed to safeguard the rights of employees, provide a fair working environment, and ensure transparency in recruitment, employment, compensation, and termination processes. These policies are integrated into our operations to promote a productive and legally compliant workplace.

Employee Contracts and Terms of Employment

GURD Rwanda formalizes employment through clear and transparent contracts. Each staff member is provided with a written employment agreement that specifies all the terms and conditions of employment. These contracts outline the duties, responsibilities, compensation, and working conditions to prevent any ambiguity between GURD and the employee.

- **Contracts:** Every employee at GURD must have a signed contract, outlining their roles, responsibilities, and benefits. The contracts also clarify the terms related to probation, salary review, and other employee entitlements.
- **Clarity on Roles:** Each contract specifies the employee's job description, ensuring that all staff understand their duties and are evaluated against clear criteria.

Working Hours and Overtime

GURD Rwanda has established a clear working hour policy for all employees to ensure a healthy work-life balance while maintaining productivity. The standard workweek is set at 45 hours. Any work that exceeds this timeframe is compensated as overtime, ensuring fairness and efficiency.

- **Standard Hours:** All employees are expected to work 45 hours a week, with clearly defined breaks and rest periods to promote well-being and productivity.
- **Overtime Management:** When staff are required to work beyond their standard hours, it is approved by the appropriate supervisor, and employees are compensated according to established overtime rates. We prioritize efficiency in the workplace while respecting the health and well-being of our employees, ensuring that any extra work is compensated fairly.

Fair Compensation and Salary Payment

GURD Rwanda strives to ensure that all employees are compensated fairly according to their skill level, job complexity, and responsibilities. We implement a standardized salary

structure that guarantees fairness across roles while being competitive with industry norms.

- **Salary Structure:** The compensation packages at GURD are designed to reward skills, experience, and performance. We regularly review salary scales to ensure that they remain competitive and fair.
- **Timely Payments:** All employees receive their salary monthly via bank transfer, and payment records are maintained for transparency and accountability.

This fair and transparent salary structure is an integral part of GURD's commitment to ensuring staff are motivated and rewarded appropriately for their contributions.

Leave Entitlements

GURD Rwanda values the well-being of its employees and provides them with leave entitlements that reflect a balance between work and personal life. We offer a range of leave types to meet the diverse needs of our staff, from annual leave to maternity, paternity, and sick leave.

- **Annual Leave:** Each employee is entitled to annual paid leave based on their length of service and position. We encourage staff to take their leave to ensure they remain refreshed and engaged in their work.
- **Maternity and Paternity Leave:** GURD provides maternity and paternity leave for new parents. Female staff are entitled to maternity leave with compensation, while male staff receive paid paternity leave.
- **Sick Leave:** Employees are entitled to paid sick leave upon providing a valid medical certificate. We ensure that staff are supported in times of illness and can recover without financial stress.

These provisions ensure that our employees have the necessary time off to rest and recuperate, contributing to a positive working environment.

Recruitment, Onboarding, and Termination

GURD Rwanda follows a transparent recruitment process that ensures we hire the most qualified individuals. Our process emphasizes fairness, equal opportunity, and professionalism. We are also committed to handling terminations with respect and adherence to both internal policies and legal standards.

- **Recruitment:** We conduct transparent and fair recruitment processes to attract and retain qualified staff. Open job opportunities are advertised, and recruitment follows objective selection criteria, ensuring equal opportunities for all candidates.
- **Onboarding:** New employees receive an orientation program, which includes training on GURD's operations, policies, and the specific roles they are expected to play. This helps them integrate into the organization efficiently.
- **Termination:** In cases where termination is necessary due to performance or operational reasons, GURD follows a clear and transparent process. All terminations are managed fairly, with notice periods and severance packages provided where applicable.

Our fair recruitment, onboarding, and termination procedures are key to maintaining a workforce that is skilled, motivated, and aligned with the organization's values.

Health and Safety

The health and safety of our employees are of paramount importance at GURD Rwanda. We have established protocols to ensure that our staff work in environments that are safe, secure, and conducive to productivity.

- **Safe Working Environment:** GURD conducts regular risk assessments to identify potential hazards in the workplace. We provide the necessary tools, equipment, and training to protect our employees from harm.
- **Emergency Preparedness:** We maintain first aid kits at all GURD premises and have emergency procedures in place for fire or medical emergencies.

Employee Grievances and Conflict Resolution

GURD Rwanda promotes an open and transparent work environment where employees feel comfortable raising concerns or complaints. We have clear procedures in place to handle grievances and resolve conflicts in a fair and timely manner.

- **Grievance Handling:** Employees can submit grievances regarding their working conditions, relationships with colleagues, or any other issues they may face in the workplace. All grievances are handled with confidentiality and fairness.
- **Conflict Resolution:** A designated HR officer handles all conflicts, ensuring that issues are addressed promptly. We encourage mediation and dialogue to resolve disputes amicably.

This policy ensures that our employees' voices are heard and that their concerns are addressed in a respectful and effective manner.

Data Protection and Confidentiality

At GURD Rwanda, we handle all employee data with the highest level of confidentiality and care. We have implemented strict measures to protect sensitive information and ensure that it is only accessible to authorized personnel.

- **Employee Records:** All employee records, including contracts, salary details, and performance reviews, are stored securely. Access to these records is limited to HR personnel and management.
- **Data Confidentiality:** We ensure that employee information is not shared without their consent, maintaining trust and integrity in our HR practices.

Approved by:

TUYISHIME Fidèle

Legal Representative

NTAKIYIMANA Elie

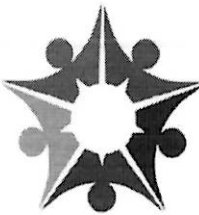
Secretary

UMUHIRE Maria Gloriose

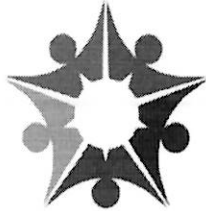
Deputy Legal Representative



ANNEXTURES

GURD-Rwanda					
	<p style="font-size: 1.2em; font-weight: bold;">Glorious United For Rural Development</p>	<p>Glorious United for Rural Development (GURD-Rwanda) Western, Nyamasheke Website- www.gurdrwanda.org email- gurdorganisation@gmail.com Tel: (+250) 788 782 246</p>			
ADVANCE JUSTIFICATION FORM					
DATE:					
Employee name:					
Expenses details:					
NO	EXPENSES	AMOUNT (RWF)			
1					
2					
3					
4					
Total expenses in RWF					
Advance received in RWF					
Balance in RWF					
Amount due to in RWF					
Amount due to employee in RWF					
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Glorious United for Rural Development



**Glorious United For
Rural Development**

Glorious United for Rural Development
(GURD-Rwanda)
Western, Nyamasheke
Website- www.gurdrwanda.org
email- gurdorganisation@gmail.com
Tel: (+250) 788 782 246

PAYMENT VOUCHER IN RWF

CHEQUE NO/P.O NO		
NAME OF PAYEE		
DATE		
REFERENCE		
DESCRIPTION		AMOUNT(RWF)
TOTAL PAYMENT		
AMOUNT IN WORDS		
PREPARED BY:	NAME:	
	SIGNATURE:	
APPROVED BY:	NAME:	
	SIGNATURE:	
AUTHORIZED BY:	NAME:	
	SIGNATURE:	

COMPANY LOGOS

TIN:

TEL:

RECEIPT NO

FROM

DATE:

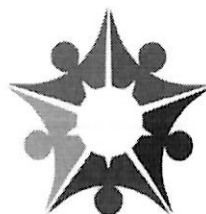
AMOUNT RECEIVED IN FIGURES:

Received from the sum of
..... *Rwandan francs*

only for payment of.....

RECEIVER:

Glorious United for Rural Development



**Glorious United For
Rural Development**

Glorious United for Rural Development
(GURD-Rwanda)
Western, Nyamasheke
Website- www.gurdrwanda.org
email- gurdorganisation@gmail.com
Tel: (+250) 788 782 246

REQUISITION OF FUNDS FORM

Description/Activity					
Project Name					
Date					
Code	Description of item cost	Unity	Quantity	Unity cost	Total cost in RWF
Total requested amount in RWF					
AMOUNT IN WORD				
.Availability of Budget line term					
AMOUNT IN WORD					
TOTAL IN RWF					
REQUESTED BY:		VERIFIED BY:		APPROVED BY:	

Glorious United for Rural Development



*Glorious United For
Rural Development*

Glorious United for Rural Development
(GURD-Rwanda)
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email- gurdorganisation@gmail.com
Tel: (+250) 788 782 246

ADVANCE REQUEST FORM

DATE:

Requestor's Names:

Amount of Advance in RWF:

Purpose:

REQUESTED BY:

AUTHORIZED BY:

APPROVED BY:

SUPPLIER LOGOS

TIN

INVOICE

N°

DAY:

DATE:

DD

MM

YYYY

This invoice is

addressed to:

NAME

TIN

E-mail

TEL

for:

NO

DESCRIPTION

SPECIFICATION

UNIT

QUANTITY

UNIT PRICE

TOTAL PRICE (RWF)

1

2

3

4

S/TOTAL IN RWF

BONNUS

Discount given to customers

Rate

%

TOTAL BALANCE AMOUNT TO PAY IN RWF

..... RWANDAN FRANCS ONLY.

PAYMENT MODALITY:

VIA Bank Account N° Opened in
.....in name of

PREPARED BY:

VERIFIED BY:

APPROVED BY:



**Glorious United For
Rural Development**

Glorious United for Rural Development
(GURD-Rwanda)
Western, Nyamasheke
Website- www.gurdrwanda.org
email- gurdorganisation@gmail.com
Tel: (+250) 788 782 246

TIN:

TEL:

DELIVERY NOTE.

To :

Attention :

VERIFY BEFORE CONSUMPTION

Date:

NO	ITEMS	Unity	Specifications

FOR EXPEDITOR:

FOR
TRANSPORTOR:

FOR RECEIVER: