



INTERNAL ACCOUNTING GUIDELINES

GETCARE FOUNDATION

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1. INTRODUCTION

At GetCare Foundation, we believe robust financial management is a cornerstone of achieving our mission to address social challenges such as hunger, poverty, and climate change in Africa. These Internal Accounting Guidelines are designed to ensure transparency, accountability, and the prudent management of resources entrusted to us by donors, partners, and stakeholders.

The guidelines cover all aspects of financial management, from budget preparation and procurement to financial reporting and audits. They provide a framework to maintain compliance with local and international standards while upholding the highest ethical practices in the nonprofit sector.

By following these guidelines, the organization ensures that every dollar spent contributes directly to making a sustainable impact, fostering trust, and demonstrating our commitment to organizational excellence.

2. OVERVIEW OF FINANCIAL RESPONSIBILITIES

Objective: To define the financial roles within GetCare Foundation, ensuring clarity in financial management duties, accountability, and efficient decision-making processes across all levels of the organization.

Roles and Responsibilities Within the Organization

Clear definition of roles is essential to the foundation's smooth operation, especially in the realm of financial management. The responsibilities assigned at various organizational levels ensure transparency and accountability in managing finances. Below is an outline of the key roles:

Board of Trustees:

- **Oversight of Financial Integrity:** The Board ensures the strategic direction and integrity of financial operations. They approve major budgets, financial policies, and significant financial decisions affecting the foundation.
- **Annual Approval of Audited Accounts:** The Board reviews and approves annual financial statements, which are audited by a third-party service provider.
- **Fundraising Approval:** The Board approves any major fundraising campaigns or fundraising strategies before execution, ensuring that funds are utilized effectively.

Executive Management (CEO & Senior Leadership):

- **Financial Strategy and Reporting:** The CEO and senior leadership are responsible for the overall financial strategy of the foundation, including fundraising, financial planning, and managing expenses. They ensure financial decisions are aligned with the organization's strategic priorities.
- **Signatory Authority:** Senior leadership typically has signatory rights over financial transactions, such as payment approvals, fund transfers, and sign-offs on financial reports.

Finance Department (Finance Manager and Team):

- **Day-to-Day Financial Operations:** The Finance Department is responsible for managing the foundation's everyday financial operations, including bookkeeping, budgeting, and processing payments.
- **Account Reconciliation and Reporting:** Financial staff ensures that records are kept accurate, transactions are appropriately categorized, and monthly reports are produced and reviewed.
- **Income and Expense Tracking:** The finance team tracks all donor funds, ensuring they are used for designated purposes. They track income and allocate resources according to budgets.

Program Managers and Project Leads:

- **Budget Management for Specific Projects:** Program managers and project leads are accountable for managing the finances related to specific programs or initiatives. This includes managing expenses according to the approved budget and maintaining accurate records for grants and donor funding.
- **Expense Justification:** Program managers will submit justification for program-related expenses, ensuring that expenditures are in line with the allocated budgets and that receipts are maintained.

Staff:

- **Compliance with Guidelines:** All staff members are responsible for adhering to the foundation's internal financial policies and procedures. Staff members involved in purchasing, expense reporting, or project management must ensure that funds are used effectively and in line with organizational goals.
- **Accountability for Transactions:** Staff involved in financial transactions (e.g., procurement, small-scale purchasing) must maintain proper documentation for all transactions, ensuring transparency in financial operations.

3. GENERAL FINANCIAL MANAGEMENT/PRINCIPLES

Objective: To establish robust systems that ensure the accuracy, integrity, and efficiency of all financial operations while promoting accountability.

Bank Account Management

- **Dedicated Accounts:** All funds are maintained in a separate account specifically designated for donor funds. This ensures clear traceability and prevents any commingling of project-specific funds with general accounts.
- **Authorized Signatories:** Only authorized personnel, approved by the Board of Trustees, can approve or sign financial transactions.

Internal Controls

- Financial controls are implemented at every level to validate the accuracy of transactions. Examples include using double-entry accounting methods and ensuring dual-approval processes for payments over set thresholds.
- Cash handling policies outline safe deposit requirements and daily transaction limits.

Expense Allocation

- Expenses are categorized into programmatic, administrative, and fundraising for greater visibility. Direct program expenses are prioritized, ensuring that donor funds are maximally utilized toward projects.

Regular Reviews

- Monthly reviews of account statements are conducted to ensure all income and expenses are correctly recorded, with any inconsistencies reported immediately.

4. BUDGET PROCESSES

Objective

To establish financial accountability and efficiency in utilizing donor and organizational funds by implementing meticulous budgeting and continuous financial oversight mechanisms.

Budget Preparation

- **Comprehensive Planning:** Detailed budgets are developed for every project, covering all aspects from initiation to implementation, including indirect costs.
- **Donor-Specific Formats:** Budgets are customized to comply with specific donor guidelines, including currency, expense classifications, and reporting formats.
- **Approval Processes:** All budgets undergo a multi-tiered review and must be approved by the Finance Manager and the Board of Trustees before project implementation.

Monitoring Mechanisms

- **Variance Analysis:** Budgets are monitored monthly to identify and address variances between forecasted and actual expenditures. Corrective measures are implemented as required.
- **Monitoring Dashboards:** Budget monitoring is digitized using Aplos software or any of our partner accounting software system, ensuring real-time tracking of cash flow, expenditures, and fund balances.
- **Expense Tracking:** Expenditure tracking ensures no overspending in any category without prior approval from the Finance Committee.

Mid-Year Adjustments

- **Quarterly Reviews:** Revisions may be necessary to account for currency fluctuations, unexpected project delays, or cost escalations.

- **Documentation of Changes:** Any modifications to the original budget are documented, communicated to donors, and approved in accordance with established policy.

Fund Disbursement Policies

- **Authorized Signatories:** All fund disbursements are executed under dual authorization. At least one board-approved signatory and the Finance Manager must sign off on transactions.
- **Preapproval of Expenses:** All disbursements must have corresponding preapproved budget allocations and necessary supporting documents, including invoices or payment requests.
- **Payment Modes:** Fund releases are primarily through bank transfers or checks. Cash disbursements are limited to petty cash expenses and are capped based on policy thresholds.

Disbursement Procedures

1. **Request for Funds:** A formal disbursement request is submitted by the respective project team or department with adequate documentation.
2. **Review and Validation:** The Finance Department verifies budget alignment and compliance with internal and donor guidelines before approving requests.
3. **Transaction Execution:** Payments are processed within two business days of final approval and communicated to the recipient.
4. **Document Archival:** Copies of all transaction documents, including bank confirmations, are securely archived for audit purposes.

Compliance with Regulations

- **Local Regulations:** Fund disbursement complies with Ghana's Financial Administration Act (2003) and Public Financial Management Act (2016), ensuring proper documentation and accountability.
- **International Standards:** Adheres to International Financial Reporting Standards (IFRS) for nonprofits to maintain credibility with global partners.

Internal Monitoring Mechanisms

- **Quarterly Disbursement Audits:** Independent internal audit teams review disbursement records to identify irregularities and recommend adjustments.
- **Donor-Specific Reviews:** Regular reconciliations ensure that disbursements align with donor conditions, ensuring continued eligibility for future funding.
- **Automation Tools:** Use of cloud-based accounting software to track and validate fund disbursements in real time, ensuring transparency.

Adhering to these processes ensures compliance with financial laws and strengthens the trust of donors, beneficiaries, and regulators.

5. INCOME AND EXPENDITURE MANAGEMENT

Objective: To set clear standards for tracking, authorizing, and managing the foundation's income and expenses, ensuring that financial resources are used efficiently and effectively to support programmatic objectives.

Standards for Income Tracking and Expense Authorization

Income tracking and expense authorization ensure that all transactions are properly recorded and that funds are used as intended, respecting donor conditions and organizational priorities.

Income Tracking:

- **Sources of Income:** Income received will be categorized by source, such as donations, grants, program revenue, and fundraising events. Each category will be monitored separately to ensure proper allocation.
- **Recording Process:** Income will be entered into the accounting system as soon as it is received. Each entry will include detailed records of the transaction, including donor name, project/initiative linked to the donation, and receipt number.
- **Segregation of Funds:** Donor funds for specific projects will be segregated into designated accounts to prevent commingling with other general revenue. This ensures that restricted funds are used appropriately in line with the donor's intent.

Expense Authorization:

- **Expenditure Limits:** Set expenditure thresholds for staff at various levels of the organization. For expenses exceeding the threshold, additional approval from senior leadership or the Board is required.
- **Approval Workflow:** Expenses will be reviewed and approved by designated senior personnel before being processed for payment. A defined approval matrix ensures clarity about who is authorized to approve various types of expenses.
- **Documentation Requirements:** No expenses will be reimbursed or processed without adequate supporting documentation such as receipts, invoices, and relevant correspondence.

Risk Mitigation Practices

Financial risk mitigation practices aim to minimize the likelihood of financial mismanagement or loss due to fraud, errors, or misappropriations.

- **Regular Audits:** Internal and external audits will be conducted periodically to examine financial activities and ensure compliance with internal policies, regulatory requirements, and donor conditions.
- **Separation of Duties:** Essential financial duties, such as approval, documentation, and payment processing, are divided among staff members to

reduce risks of errors or fraudulent actions. For example, the person approving an invoice should not be the same person processing the payment.

- **Contingency Planning:** Financial reserves will be maintained to handle unforeseen risks or unexpected events, ensuring that operations remain uninterrupted in case of financial shortfalls.

6. PROCUREMENT AND CONTRACTING

Objective: To establish a comprehensive set of procurement policies and guidelines to ensure that goods, services, and contracts are secured in a transparent, competitive, and cost-effective manner.

Comprehensive Procurement Policies

The procurement policy is designed to promote fairness, competition, and accountability while ensuring that procurement activities align with organizational goals and financial responsibility.

Procurement Procedures:

- **Pre-Procurement Planning:** Procurement will be planned well in advance, aligning purchases with programmatic needs. Requirements will be defined clearly to ensure that suppliers understand the specifications and expectations of the foundation.
- **Competitive Bidding Process:** Whenever possible, goods and services will be sourced through competitive bidding. At least three quotes will be obtained for contracts exceeding a defined threshold to ensure fairness and value for money.
- **Vendor Relationship Management:** Relationships with suppliers will be based on mutual respect, with clear agreements outlining roles, responsibilities, deliverables, and timelines.

Approval Process for Procurement:

- **Purchase Authorization:** A purchasing officer will initiate requests, which will be reviewed and approved by senior management before contracts are finalized or procurement takes place.
- **Contract Documentation:** Detailed contracts will be signed to define the terms of engagement, including payment conditions, timelines, and warranties. No procurement will take place without clear, signed agreements in place.

Vendor Selection and Contract Compliance

Vendor selection and contract management are essential for ensuring that external partners uphold their obligations, provide goods and services as expected, and comply with relevant legal and financial standards.

Vendor Selection:

- **Due Diligence:** Background checks will be conducted on potential vendors to ensure they have the necessary experience, financial stability, and compliance with relevant laws and regulations. This process will reduce the risk of poor service delivery and non-compliance.
- **Contract Terms:** Clear and well-defined contract terms, including delivery schedules, payment milestones, and quality guarantees, will be agreed upon in writing before beginning any procurement activities. All contracts will comply with donor requirements.

Monitoring and Compliance:

- **Performance Evaluation:** Contracts will have performance review milestones to monitor vendors' adherence to contract terms. If vendors fail to meet terms, corrective actions such as warnings or penalties will be issued, or contracts may be terminated if needed.
- **Ongoing Tracking:** Procurement activities and related contracts will be tracked in the foundation's financial management system, ensuring that payments align with deliverables and that records remain organized for future audits.

7. AUDITING PRACTICES

Objective: To ensure transparency, accountability, and adherence to organizational financial policies, ensuring resources are managed responsibly and in line with donor expectations.

Internal Controls and Accountability Reviews

At GetCare Foundation, maintaining financial integrity requires regular internal audits to assess the effectiveness and compliance with financial policies. These controls involve cross-checking financial transactions, tracking budgets, and reviewing vendor contracts to ensure that expenditures are accurate, legitimate, and necessary.

Key Elements:

- **Regular Financial Audits:** These are conducted at least annually and internally or by third-party external auditors to evaluate the financial health of the organization and identify potential discrepancies.
- **Review Committees:** A Finance Committee (or Audit Committee) will be established to oversee the auditing process and ensure that all recommendations from internal or external audits are effectively implemented.
- **Exception Reporting:** Any inconsistencies, errors, or potential fraud detected will be immediately reported to senior management and the Board for swift action.

Frequency of Audits:

- **Annual Audits:** Conducted by external auditors to meet donor requirements and legal standards.
- **Quarterly Internal Reviews:** To ensure that financial procedures are being adhered to, and that corrective actions are implemented promptly.

Risk Mitigation in Auditing

Incorporating a comprehensive risk management process helps pre-emptively identify issues in financial activities. This includes setting up controls for expense approval limits, testing financial software for accuracy, and cross-checking against set financial policies and budgets.

Risk Management Measures:

- **Separation of Duties:** To ensure no single person has control over financial transactions, separate duties for handling funds, approval, and recording are implemented.
- **Spot Checks:** Periodic, unannounced audits or reviews will be carried out to identify potential risks and correct anomalies before they become significant issues.

The audit practice serves to fortify trust and ensure that funds are used appropriately and strategically, supporting the long-term success of GetCare Foundation's initiatives.

8. FINANCIAL REPORTING AND DONOR COMPLIANCE

Objective: To ensure transparency, accuracy, and compliance with both internal financial protocols and the specific requirements of donors, ensuring that the foundation meets all reporting and compliance standards.

Frequency and Formats of Reports

Clear and timely financial reporting is critical for maintaining trust with donors, stakeholders, and internal management, allowing for the accurate tracking of the foundation's financial health and progress on funded programs.

Report Frequency:

- **Monthly Reports:** The finance team will prepare detailed financial reports every month. These reports will include statements of income and expenditure, balance sheets, and cash flow projections. Reports will be submitted to senior leadership for review and approval before being finalized.

- **Quarterly Financial Reviews:** In addition to monthly reports, comprehensive quarterly reviews will be conducted, with performance analyses, variances from the budget, and a detailed review of project expenditures.
- **Annual Financial Reports:** At the end of each fiscal year, the foundation will prepare an audited annual financial report that summarizes income, expenses, assets, liabilities, and overall financial performance for the year. This report will be publicly available and shared with donors and partners.

Report Format:

- **Financial Statements:** These will follow the International Financial Reporting Standards (IFRS) for nonprofits, ensuring consistency, transparency, and comparability with international reporting practices.
- **Donor-Specific Reports:** Financial reports tailored to donor requirements will be developed when needed. Each report will detail how donated funds have been utilized according to the donor's stipulations (e.g., for specific projects, administrative costs, etc.).
- **Visual Aids:** Graphs, charts, and tables will be used within the reports to present complex data in an easily understandable format for all stakeholders.

Key Donor Compliance Considerations

The foundation will ensure that all funds received from donors are used in accordance with the terms and conditions of the funding agreements and that all reporting meets donor expectations.

Donor Agreements:

- **Clear Grant Agreements:** All funds received from donors will be governed by clear and comprehensive agreements that specify the scope of the funding, usage restrictions, reporting timelines, and milestones for deliverables.
- **Compliance Checks:** Regular internal audits will be conducted to ensure compliance with donor agreements. Any deviations from the funding agreement's terms must be documented and explained, and corrective actions will be taken.

Transparency and Accountability:

- **Regular Communication with Donors:** The foundation will engage in regular dialogue with donors to keep them informed of program outcomes, financial health, and any changes in program scope or execution that might affect financials or reporting timelines.
- **Restricted and Unrestricted Funds:** Donors may allocate funds with specific restrictions. The foundation will ensure that these funds are tracked separately in the financial system and spent exclusively according to the donor's instructions. If there are any issues with restricted funds, such as a surplus or funds left unused, detailed communication will be sent to the donor to discuss alternatives or future funding utilization.

Timely Reporting:

- **Adherence to Deadlines:** The finance department will ensure that all donor-specific financial reports are submitted on time. Missed deadlines or delays in financial reporting can lead to strained relationships with donors, so timely submissions are critical.
- **Audit Reports for Donors:** External auditors will review financial records annually to verify that the foundation's finances are accurately reported. Donors may request copies of these audits, and the foundation will ensure that these reports are accessible.

9. RECORD-KEEPING PROTOCOLS

Objective: To maintain accurate and organized financial records, ensuring compliance, transparency, and efficient retrieval of documents for auditing, reporting, and legal purposes.

Tools, Timelines, and Best Practices

Maintaining comprehensive and accessible records is essential for demonstrating the responsible management of resources and ensuring compliance with internal guidelines and external regulatory requirements. This section provides an overview of the tools, timelines, and best practices used for financial record-keeping at GetCare Foundation.

Tools for Record-Keeping:

- **Financial Software:** GetCare Foundation utilizes an integrated accounting software system for real-time tracking of all transactions, expenses, and income. The software helps streamline financial management and ensures records are securely stored and easily accessible.
- **Cloud Storage:** All financial records, including receipts, invoices, contracts, and supporting documentation, are stored in encrypted cloud-based storage to ensure they are secure, backed-up, and easily retrievable for audits and donor compliance checks.
- **Manual Record-Keeping (if applicable):** For physical records, a system of categorization based on project, date, and transaction type will be established. Each document will be signed off by authorized personnel to validate its authenticity.

Record Retention Timelines:

- **Short-Term Records:** Transactional records such as receipts, petty cash logs, and staff reimbursements are retained for a minimum of three years or as required by donor agreements.

- **Long-Term Records:** Documents related to grant agreements, contracts, tax filings, and audits will be maintained for a minimum of seven years, in accordance with both local and international financial regulations.
- **Permanent Records:** Records of the foundation's annual audited financial statements, incorporation documents, and key board decisions will be retained permanently for legal and historical purposes.

Best Practices:

- **Organized Filing System:** A uniform filing system, both digital and physical, will be followed for easy retrieval of documents. All files will be consistently labeled with the relevant information such as project name, type of document, and date for clarity.
- **Regular Updates:** All records must be updated regularly, and obsolete or expired documents will be securely destroyed to ensure there are no accidental mix-ups of data.
- **Access Controls:** Access to sensitive financial records will be restricted to authorized personnel only. This ensures confidentiality and prevents unauthorized access or modifications to critical data.

10. IMPLEMENTATION AND UPDATES OF GUIDELINES

Objective: To ensure that financial management guidelines are effectively communicated, understood, and implemented across the organization, with regular updates to maintain relevance and accuracy.

Training for Staff

Training is critical to ensure that all staff members are familiar with these internal financial guidelines and are equipped to follow them efficiently and accurately. It ensures a unified approach to financial management and strengthens internal controls.

Key Elements:

- **Onboarding Training:** New employees, especially those involved in financial operations, will receive comprehensive training on the organization's financial policies and procedures. This ensures that they understand their responsibilities, and the importance of maintaining accuracy and transparency.
- **Ongoing Training:** Annual refresher courses and workshops will be held to update staff on any changes in financial regulations, internal procedures, and the latest software or tools used in financial tracking and reporting.
- **Specialized Training for Key Roles:** Department heads, financial officers, and project managers will undergo additional, specialized training on how to handle their department's financial responsibilities effectively, including risk management, compliance, and donor expectations.

Training Methods:

- **In-person Workshops:** Where feasible, face-to-face workshops will allow for direct interaction, feedback, and hands-on practical examples.
- **E-learning Modules:** For remote teams, interactive online courses will be developed to ensure all employees can complete training at their own pace.
- **Manuals and Reference Guides:** Each staff member will receive a financial manual and quick-reference guide that outlines the guidelines, providing a clear, concise resource they can consult as needed.

Periodic Review for Updates

To ensure that the financial guidelines remain relevant and in line with evolving organizational needs, regulatory changes, or donor expectations, regular reviews and updates of the guidelines will be necessary.

Key Elements:

- **Annual Review:** The financial guidelines will be reviewed at least annually by senior financial staff and the Finance Committee. This ensures they are aligned with best practices, meet regulatory compliance, and continue to reflect the organization's strategic goals.
- **Feedback Mechanism:** Employees at all levels will have the opportunity to provide feedback on the guidelines. Any challenges faced in adhering to financial procedures can be discussed, allowing for refinements to improve clarity, efficiency, and usability.
- **Policy Update Communication:** Any updates or revisions to the financial guidelines will be communicated to all staff immediately after approval. Updated documents will be shared through email, and printed copies will be made available to those without digital access.

By implementing a structured training program and a periodic review process, GetCare Foundation ensures that financial policies are continuously followed and adapted as needed, promoting a culture of accountability, transparency, and compliance.

THE END

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