



FIELD READY TÜRKİYE
SAHAYA HAZIR İNOVASYON DERNEĞİ

Financial Policies

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1- Introduction to Field Ready Türkiye NGO

Field Ready Türkiye (Sahaya Hazir İnovasyon Derneği) is a group of engineers, humanitarian aid and development sectors experts. We have been working in NW Syria and in Türkiye since 2016 and We got our legal registration in Türkiye in February 2021 as a Social Community Organization that seeks to find innovative solutions for the communities' challenges.

Our mission is to work within, and to empower local communities to create sustainable solutions through innovation and entrepreneurship.

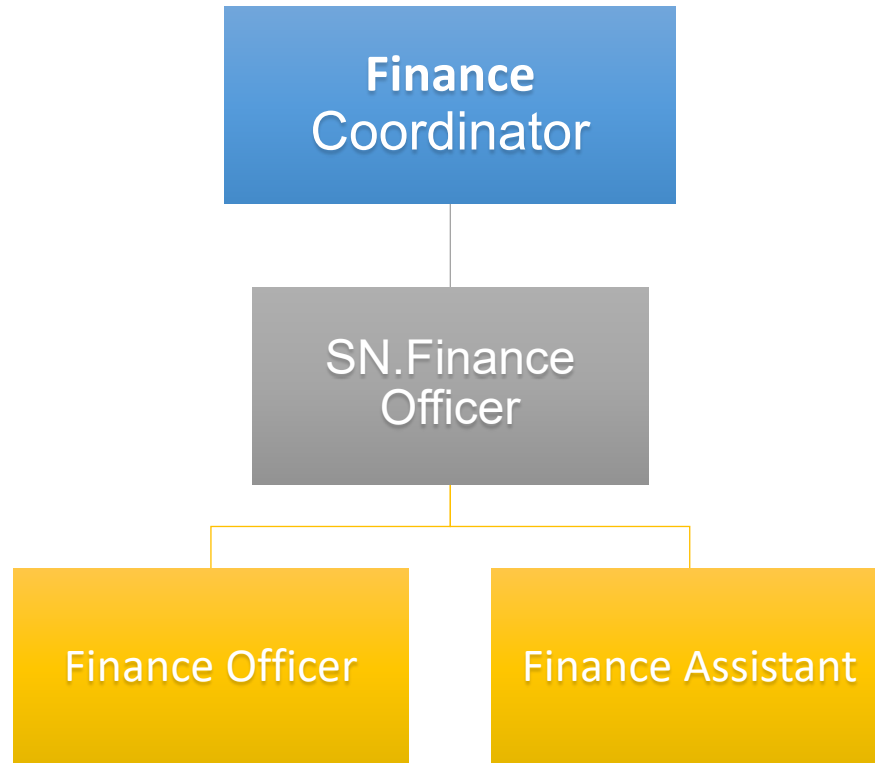
As an NGO, Field Ready Türkiye is a part of the global movement to change, and to make what is needed, locally, by local makers, and innovators.

2- Introduction to Financial Department

As an NGO, we direct great importance towards the efficiency, effectiveness, and appropriateness of using and directing financial resources.

2-1- Objectives of the Financial Department

- 1- Ensure the availability of the necessary funding to achieve the organization's goals, meet its obligations, and emphasize strategic financial planning in proportion to that.
- 2- Managing and using the organization's financial resources effectively in line with the organization's strategic goals and plan.
- 3- Achieving and proving the solvency and financial efficiency, and preserving the strength of the financial position of the organization.
- 4- Achieving integrity, transparency, accountability, consistency, and work ethics in financial dealings.
- 5- Ensure that financial resources are not misused and that incidents of fraud, theft, or fraud do not occur through periodic control procedures.
- 6- Providing the necessary financial information and reports to external and internal parties and ensuring their presentation and reading in a clear and understandable manner, and their ability to support decision-making.
- 7- Building a cohesive team of highly qualified accountants, based on trust, respect, and mutual support.
- 8- To achieve cooperation and coordination with the departments of the organization to implement the tasks required of the financial department, and to support the rest of the departments in carrying out tasks and making financial decisions.



2-2- Functions of the Financial Section

A. Strategic Tasks:

- 1- Setting strategic financial plans based on the organization's strategic plan, relying on previous financial studies, and evaluating the market at the date of setting up the strategic financial plan.
- 2- Preparing the strategic financial studies required for executive management.
- 3- Supporting the strategic financial decisions taken by the executive management.
- 4- Work to develop and improve the financial department and keep pace with the progress of the organization, by renewing financial tools, updating financial policies, and building the capacity of the financial team.

B. Administrative Tasks:

- 1- Managing and controlling the use of the organization's financial resources effectively through periodic financial reports and narratives, in coordination with the Monitoring and Evaluation Section.
- 2- Ensuring the application of financial policies in all departments, offices, and units of the organization, and their compatibility with the needs and objectives of the organization and its suitability to its internal and external circumstances.
- 3- Update the financial policies on a semi-annual basis, and ensure their consistency and suitability with the external and internal environment of the organization.
- 4- Checking the financing contracts before signing them by the director of the organization, and ensuring that the information contained therein is correct and that it is compatible with the organization's policies, including the financial policies, and the objectives of the project.
- 5- Managing and coordinating relations and cooperation between members of the financial team, and between the financial department and the organization's departments.
- 6- Coordination of financial relations and communication regarding financial issues between an organization and external parties.

C. Financial Tasks:

- 1- Financial auditing of project budgets, and ensuring that they are consistent with the project's logical framework and their conformity with the procedures and provisions for preparing budgets.
- 2- Managing and monitoring project budgets periodically and ensuring their progress in accordance with the financial plan and the project's logical framework.
- 3- Supporting project managers in implementing the project's financial plans, and making financial decisions.
- 4- Preparing annual and semi-annual financial reports, and reports of evaluating the financial performance of the organization.
- 5- Preparing the organization's final financial reports and statements.

D. Accounting tasks:

- 1- Preparing periodic financial reports for the projects of the organization, and the head office by the responsible accountants.
- 2- Audit project financial reports, accompanying financial documents, and explanatory explanations, and share them with the funder.
- 3- Following up and matching the organization's accounts with external parties, including the organization's bank accounts and the financial obligations towards financiers concluded under the financing contracts.
- 4- Follow-up and recording the movement of cash funds and money transfers between the organization and external and internal bodies and accompany them with the necessary financial documents.

5- Recording all financial operations within the organization's accounting system, and ensuring that the necessary financial documents are obtained and that they meet the specifications stipulated in the financial policies.

6- Archiving and organizing financial records, including financing contracts and their attachments, financial documents, accounting entries, periodic and annual financial reports, and final financial statements.

3- Purpose of Financial Policy Manual

The primary purpose of the Financial Policy Manual is to provide guidelines to the board of directors and employees in an organization to use in making financial decisions that ensure the maintenance of essential services, and the realization of the organization's vision.

In addition, financial policies provide a level of security to the organization by ensuring that financial resources are used legally, efficiently, and effectively, and in a manner that is keen to avoid the occurrence of financial crises.

This guide provides an overview of the financial policies and procedures of an organization and its subsidiary offices, which provide guidance on how to deal with financial transactions and ensure the consistent application of these transactions.

This guide is specifically designed to fit the accounting and financial management practices of an organization, which apply to all its offices and projects, of any size.

The guide has been prepared by taking into consideration generally accepted accounting principles, international accounting standards, and in line with the general policies of the Field Ready Türkiye organization.

The guide also takes into account the general financial requirements of the main funders in the field of the organization.

As conditions and requirements change, the manual has to be reviewed and updated regularly semi-annually to take into account new developments in the accounting profession, and changes in the internal and external environment of the organization.

This guide is used as a reference for working in the Field Ready Türkiye organization.

3-1- Objectives of the Financial Policy Manual

1- Providing the necessary information to decision-makers in a timely manner, and securing an appropriate framework for the financial decision-making process in the organization.

2- Ensuring access to accurate records of financial operations in the organization.

3- Protecting the organization's assets and properties.

4- Ensure compliance with the requirements of preparing financial reports and final statements and compliance with the application of generally accepted financial regulations.

5- Controlling the practices of the financial department and the supporting departments, and assisting them in carrying out their activities with the required financial efficiency.

6- Preventing the occurrence of accounting and financial errors and irregularities.

- 7- Assist those involved in the planning, implementation, monitoring, control, and evaluation process in carrying out their duties.
- 8- Improving communication and providing the necessary financial information between different departments and levels.
- 9- Saving time and effort in quickly obtaining information and saving data in order to make it available when needed.
- 10- Application of internationally recognized accounting standards.
- 11- Establishing unified financial and accounting rules and procedures for all offices of the organization.
- 12- Setting up the internal control and control system, defining the role of the financial control bodies, and integrating their tasks and responsibilities.
- 13- Defining the tasks and responsibilities of the employees in the financial department.
- 14- Building an integrated base to provide financial and accounting data.
- 15- A training reference for workers in the organization.

4- General accounting principles and rules adopted in the organization:

- The organization adopts the International Financial Reporting Standards (IFRS).
- The functional currency used in Field Ready Türkiye organization is the US dollar (USD) as a basis for recording values, and it is considered the basic currency. The value of all movements in other currencies is converted into US dollars.
- The organization relies in preparing its accounts on the principle of double entry in recording financial operations.
- Accounting entries are posted over on a monthly basis to all offices and projects of the organization.
- Field Ready Türkiye is obligated to pay the imposed taxes and fees (if any) in accordance with the binding laws in the countries in which the organization's centers (offices) are located.
- The organization adopts the Cash/accrual basis for recording financial operations and preparing final accounts.
- The organization does not depreciate fixed assets as it is considered a civil society organization as the financing rules do not allow covering the expense of depreciation of fixed assets.

5- Financing Policy

The aim of the funding policy is to set rules and procedures that regulate the mechanism of requesting fund in the organization and to ensure the coverage of needs in accordance and commit to the strategic plan, and projects' plans.

- Field Ready Türkiye prepares its strategic plan every three years. Project plans are prepared in proportion to this plan that achieve the goals of the strategic plan and the vision of the organization.
- The organization rejects any funding based on prior evidence or conditions that fundamentally conflict with its vision or strategic plan.
- Funding is accepted from any new funder after funding's orientation and goals are studied and their compatibility with the direction and goals of the organization.
- The approval of the funder must be obtained about the protection policy of the organization and the organization's bylaw and all policies related to financing and projects, including financial policies, human resources policy, and any policy related to the project to be financed, and its annexes and attachments

6- Funding Policy

The aim of the funding policy is to set rules and procedures that regulate the mechanism of requesting fund in the organization and to ensure the coverage of needs in accordance and commit to the strategic plan, and projects' plans

Financing procedures:

1- When there is any availability for a new grant (call for proposal) to funding any program or project in the organization, the financial department in coordinating with program department are distributing the available fund to the units and departments of the organization in accordance with the general budget, the strategic plan, and the requirements of the units in the organization.

2- The financing portion of the following items is determined by the Financial Department in coordination with the program team:

Direct funding for the program.

Indirect financing (includes operational and administrative cost).

Administrative percentage of funding if applicable.

3- After the funding is distributed, the funding distribution is approved by the organization's director, program Coordinator, and finance Coordinator.

4- The logical framework for the program or project to be financed is prepared by the Program Coordinator in coordination with the Project Coordinator.

5- Based on the logical framework, a financial plan (the estimated budget) of the program or project to be financed, which covers the activities and operating expenses of the program, is prepared in accordance with the steps for preparing project budgets.

6- The number of employees required for the project, their job narrative description, and their salaries is determined in coordination between the project manager and the human resources department.

7- In the final stage before submitting the budget to the donor, the Financial Department will review the budget and adding the needed cost to cover the administrative and operational expenses based on the master budget and shared cost policy.

8- After the financial approval, the program manager finally approves the budget and send the project log frame attached to the financial budget to the donor.

9- Upon obtaining the approval of the budget, a copy of the approval must be shared with all relevant employees (finance and program teams) by the focal point of the project underfunding.

10- In the event that the budget needs to be amended before or after approval by the donor, whether the amendment request is by the donor or by Field Ready Türkiye programs team, then it must be done by coordination with the financial department.

11- In the event that funding is refused for any reason, all relevant employees must be notified by the focal point of the project underfunding.

12- The financing contract is reviewed before signing by the Finance Department and the Programs Department to ensure the validity of the contract and its compatibility with the policies approved in the organization.

13- In order for the funding to be received properly, a separate bank account must be opened for each financing contract (for each grant), if possible.

14- All contracts and documents related to financing the program or project are kept and archived with the Finance Department for a period of no less than five years, which includes:

- A copy of the funding request (the proposed project that has been approved).
- A copy of the original agreement signed with the donor.
- A summary of the terms of the agreement (the summary is sent to the project Coordinator).
- Project budget.
- A copy of any amendment to the agreement.
- A copy of all correspondence related to the grant.
- A copy of the payment vouchers and the receipts related to project payments received from the donor.
- A copy of the final version of financial reports approved by both parties, and related supporting documents.
- Any other relevant official documents

6-1-Budgeting and fund allocation policy

Steps to prepare the financial plan (budget):

First - The project Coordinator is responsible for preparing the project budget, as he is directly responsible for the financial and programmatic implementation of the project plan, depending on the following:

- 1- The project log frame,
- 2- Market prices at the date of preparing the budget, in relation to procurement and operating expenses,
- 3- The salary scale and the incentives and allowances policy approved by the Human Resources Department regarding salaries and compensation of employees in the project,
- 4- Financial reports of actual expenditures for similar previous projects (historical records),
- 5- The budget form approved by the organization,
- 6- Coordination with program Coordinator and finance Coordinator.

Second - The budget for any project of whatever nature and duration must include the following information and details:

- 1- The main expense code (serial main expense item number) in coordination with donor focal point,
- 2- The name of the main expense (for example: Examples would include such things as manufacturing equipment, making supplies, rent expense for a field office, contractor expenses, travel necessary to carry out the goals of a program ...) in coordination with Field Ready Türkiye program and finance team,
- 3- The sub-expense symbol (serial sub-expense item number),
- 4- The name of the sub-expense (for example: the salary of the office manager, training wages, Training stationery ...),
- 5- Type of expense unit (for example: person (for salaries), hour (for training), beneficiary (for stationery) ...),
- 6- The number of units of outlay,
- 7- The number of months,
- 8- Unit repetition (number of months x number of units),
- 9- The cost of one unit of the expense (the individual price per piece, the salary per person, the cost of one beneficiary ...).
- 10- Total cost of the expense (repeat unit x unit cost),
- 11- The percentage that the donor will cover from the total cost of the expenditure (share of donor contribution/ load of effort LOE),
- 12- The total value of the budget (the sum of the main expenditures of the budget),
- 14- Detailed explanations for each item of expenses, and it should include:
Explain (justify) how the expense relates in terms of its nature to the project, how it is supported and its impact on the project, by project Coordinator,
 - In the event that a single expense item covers more than one type of expense, or one expense item will be used for several purposes, this should be indicated (such as maintenance expense, or general office supplies expense).
 - The role and brief description for projects' staff, by HR department.

7- Income Recognition Policy

7-1-Income from the projects

Revenue is recognized (grants and cash and in-kind contributions) based on the international financial reporting standards (IFRS).

Revenues are recorded when they are due in the financier's account, and the revenue account is offset according to the chart of accounts contained in the organization.

Upon receipt of the funds from the financier, they are deposited in the organization's bank account as soon as possible (in case that they are not transferred through the bank) in order to ensure that the cash is preserved and the funds are not disposed of in a manner that does not suit the financing conditions.

Revenues can be distributed according to the following three forms:

1- Grant Revenue:

The revenues provided by the donor in the form of a grant for a specific project and according to a contract concluded between the two parties (organization - the donor) and based on a budget agreed upon between the two parties.

2- Donations Revenue:

The revenues provided by unspecified persons without a prior contract, agreement, or conditions, and this revenue can be restricted to a specific goal and purpose, or it can be unrestricted revenues that the organization can use to cover the needs it deems appropriate

3- In-kind revenues (tangible):

They are in-kind donations, which may be provided by a donor (according to a signed agreement), or they are donations by external parties (without a signed agreement), and they take many forms, for example, but not limited to (furniture and furnishings, electronic devices, tools Different ...).

Revenue is recorded in the accounts of the organization according to its type and is divided into three types:

1- Restricted revenue:

It is the conditional revenues allocated for a specific purpose according to an agreement concluded between two parties, and they cannot be used outside the purpose for which they are allocated.

2- Temporarily Restricted Revenue:

It is the conditional revenues allocated for a specific purpose according to an agreement between two parties, and it cannot be used outside the purpose allocated to it, and it is conditional on a specific period of time to be spent on the purpose assigned to.

3- Unrestricted Revenue:

It is revenue that is not allocated for a specific purpose and can be used for any purpose within the activity of the organization and the goals of the organization.

7-2-Funding payments are received by the organization in one of the following forms:

1- Through the bank organization account:

The organization receives all amounts of funding through its bank account named in the name of the organization registration license, and each transaction is accompanied by a bank statement showing the amount transferred from the financier and the value of bank deductions if any, in addition to a receipt issued by the organization to receive the net amount.

2- Bank transfer through a third party (person or intermediary organization):

In the event that it is not possible to transfer directly from the funder's bank account to an organization's bank account directly, the transfer from the funder's account to the account of a third party (person, organization) can be accepted, In terms of providing a letter of commitment signed by the organization and by the third party that states the following:

"The organization of the person (X) is authorized to receive the sums transferred from the funder (Y), and the person or organization (X) undertakes not to use it for his personal interests and to transfer the entire amount back to the account of an organization and provide bank receipts confirming the value of the amount transferred from the financier (Y) ".

In case that the third party is an organization, this letter must include the following information: (name of the organization, bank account information, license number, address of the organization, the organization's stamp on the letter, name, and signature of the person authorized to represent the organization).

In case that the third party is a person, the letter must include the bank account information and personal information recorded in his identification card or passport, and it must be attached to a copy of the identification card or passport of the third person.

3- Transfer via an intermediary agency:

In the event that it is not possible to receive the payments by one of the two methods mentioned above, the payments could be received through an intermediary agency, and in this case, the following documents are required:

- 1- Transfer letter provided by the transferee (financiers) to track the payment by the organization with the related agency.
- 2- Commitment letter signed by transfer agency.

In the event of loss of the amount transferred through an intermediary person, an organization must inform the financier in writing by e-mail without any delay, provided that the real reason and circumstances that caused the loss of the amount are investigated and the appropriate decision is taken to assume responsibility for the loss of the amount accordingly

8- Expenditure Policy

- All expenditures related to the Organization shall be allocated to the related budget line based on the related project budget, and the related expense account based on the adopted chart of accounts.
- Budget holder or the person who is delegated by him, is the responsible for ensuring that expenses allocated to the correct budget line; best method to achieve that is by coding budget items to ease expenses allocation and linking them with financial reports. These items must be written on the related authorization documents.
- The correct allocation of expenditures depends on the accuracy and precision of the master budget.
- Expenditure management of a project is a completion of triangle management of the project cost, timeframe, and scope of work.
Each of these items must be completed to accomplish the project in a timely manner and within the available budget.
To achieve project cost objectives, the project must be completed within the approved budget.

- A distinction should be made between two types of expenses to be allocated to each of the Organization's projects, direct and indirect expenses.

Direct expenses of the project: The expenses for this project are allocated easily and accurately such as project personnel salaries, material, equipment needed for the project and etc., and his expenses charged 100% on the project.

Indirect expenses of the project (overhead) which are not directly related to this project , As described by the Bridgespan Group, "indirect costs are necessary and inextricably tied to a nonprofit's ability to accomplish its goals." Therefore, it is not 'overhead' but instead covering essential core costs. And are allocated according to the percentage of project expenditure, such as administrative office rent, general organization warehouses, water and electricity expenses, consumption of fixed assets etc.

- Indirect Project personnel salaries are allocated according to the timesheet of each personnel; the allocation is made on percentage of labor hour on the specific project of his total monthly labor hours on all projects.
- Other indirect administrative expenses like rental, legal, maintenance, applications and online services license and subscription, utilities and office supplies expenses, shall be allocated according to working hour method.

8-2-Recording and Documenting Expenditures policy

- All expenses must be based on a request for a financial authorization to authorize expenditure.
- All expenses shall be done and documented in accordance with the thresholds SOPs and documentation contained in the financial policies of the Organization. The main categories of documents in the filing system are:
 - ✓ Bookkeeping documents
 - ✓ Pro-forma invoices
 - ✓ Receipts and electronic invoice (Revenue Service web page)
 - ✓ Reconciliation's
 - ✓ Travel Authorization Forms
 - ✓ Payroll documents
 - ✓ Time sheets
 - ✓ Audit files
 - ✓ Contracts with the donors and budgets
 - ✓ Cash transaction forms

8-3-Thresholds

Required Supporting Documents

Threshold Levels(USD)	Procurement Rules	PR	Quotation	Bid Analysis	PO / Contract	Invoice	Proof of payment	GRN / SON	Anti-Terrorism Check (ATC)*	Tender
Less than \$150	Direct Purchase	N	N	N	N	Y	Y	N	N	N
\$151-\$1000	One Quotation Process	Y	Y	N	Y	Y	Y	Y	N	N
\$1001-\$5000	Three Quotation Process	Y	Y Not a Process	Y	Y	Y	Y	Y	Y	N
\$5001-\$10000	Formal Sealed (Closed Quotation)	Y	Y	Y	Y	Y	Y	Y	Y	Y
\$10,001 - \$150,000	Local Open Tender	Y	Y	Y	Y	Y	Y	Y	Y	Y
\$150,001 +	International Tender	Y	Y	Y	Y	Y	Y	Y	Y	Y

* The Anti Terrorism Check should be accompanied with the payee ID

A. Payment Request Flow Chart:

A.1. Operation Payments

Responsibilities	Collect SD	Payment Request			Payment	QuickBooks	Archive
		Prepare	Approve	Review			
Operation Coordinator	X	X					
Project Manager							
Portfolio Manager / Budget Holder			X				
Finance				X	X	X	X

A.2.1 Activity Payments

Responsibilities	Collect SD	Payment Request			Payment	QuickBooks	Archive
		Prepare	Approve	Review			
Operation Coordinator	X						
Project Manager		X					
Portfolio Manager / Budget Holder			X				
Finance				X	X	X	X

A.2.2 Beneficiaries Payments

Responsibilities	Collect SD	Payment Request			Payment	QuickBooks	Archive
		Prepare	Approve	Review			
Operation Coordinator							
Project Manager	X	X					
Portfolio Manager / Budget Holder			X				
Finance				X	X	X	X

A.3. Petty Cash Payments **

Responsibilities	Collect SD	Payment Request			Payment	QuickBooks	Archive
		Prepare	Approve	Review			
Petty Cash holder	X	X					
Project Manager							
Portfolio Manager / Budget Holder			X				
Finance				X	X	X	X

A.4. Travel Related / Personnel reimbursement Payments **

Responsibilities	Collect SD	Payment Request			Payment	QuickBooks	Archive
		Prepare	Approve	Review			
Personnel	X	X					
Project Manager							
Portfolio Manager / Budget Holder			X				
Finance				X	X	X	X

- The Supporting Documents should be gathered and checked by the Personnel assigned in Section A for each payment type.
- The gathered documents should be submitted to the payment requester.
- In case of any missing documents or information, the payment requester should refrain from preparing the payment request.
- The missing documents should be sent back to the submitter to fix any existing errors
- Once the payment request is reviewed by Finance, the receiver must assign a number as per the already existing tracker.

- After disbursement of the payment and collection of the receipt, Finance should enter the payment to the accounting software.
- The accounting software voucher should be printed and attached to the payment documents. The voucher must show the auto generated transaction number from the software
- Payment documents should be archived according to the finance procedure.
- Petty Cash and Travel Related expenses should be submitted to finance before the 25th of each month, and any delay in submission/closing expenses might result in the refusal of the expenses.
- The Anti-Terrorism Check should be accompanied with the payee ID.
- The Anti-Terrorism Check should be conducted to all beneficiaries regardless of the amount.

8-4-Authorization Matrix:

Amount USD	Signatures					
	Preparer	Finance Officer	Project Manager	Finance Coordinator	Program Coordinator	Director
150	Y	Y	Y	N	N	N
151 - 1000	Y	Y	Y	N	N	N
1001 - 5,000	Y	N	N	Y	Y	N
5,001 - 10,000	Y	N	N	Y	Y	Y
10,001 - 150,000	Y	N	N	Y	Y	Y
150,001 - above	Y	N	N	Y	Y	Y

9- Accounting of Transactions

Organization uses a hybrid accounting method, which primarily means a blend between the cash and accrual methods. Organization uses the accrual accounting method to satisfy tax requirements and the cash basis method for all other financial transactions. Accounts receivable and accounts payable are the only items recorded using the accrual method; financial transactions like asset purchases and payroll are recorded using the cash method, reflecting transactions where cash changes hands

Accounting documentation is safely maintained and kept chronologically through accounts by the Financial Department.

Payroll and honorary payments are carried out on the basis of employment contracts and the amounts are transferred to individual bank accounts. Related to them taxes are calculated and transferred to tax administration accounts in accordance to the Tax Code of Turkey.

Management of cash operations and banking transactions as well as signing the required documentation is under the authority of the Director who (as authorized to do so by the Board). Reconciliation of the organization's accounting balances to bank account balances is made on a Monthly basis. A check of inventory is performed once a year.

Business trip expenses are disbursed and recorded in accordance with norms prescribed by Turkey legislation.

Depreciation of fixed assets and amortization of intangible assets are accounted on the basis of the Tax Code of Turkey.

Field Ready Türkiye's financial year matches the calendar year.

Due to funding specifics, Field Ready Türkiye takes into consideration the requirements of donor organizations in its accounting and reporting operations. In particular, the grants are accounted on a stand-alone basis and financial statements are prepared separately for each of them based on requirements of donor organizations.

10- Fixed assets Policy

Recognition of fixed assets:

Fixed assets are recognized in current expenses and must be recorded in a special schedule (assets register) by logistics team for the purposes of inventory, auditing and accountability.

A fixed asset is recognized when it is likely to generate future economic benefits for the project, and the asset has a cost or value that can be reliably measured.

1- A tangible fixed asset must fulfill the following conditions:

- To have a tangible physical presence.
- The benefits expected to be obtained from this asset exceeding the cost of obtaining it.
- The benefits expected to be obtained from this asset extend over the productive life of that asset.
- The value of the asset is not less than the minimum acceptable values of the assets.
- The productive life of this asset exceeds the period of one fiscal year.
- The value of the asset exceeds \$ 500.

2- Depreciation of fixed assets is not calculated in an organization, considering that depreciation is a fictitious expense that is not matched by financing.

- Purchases of fixed assets are subject to procurement department procedures.
- Each purchase of a fixed asset shall be made by an independent application.
- There shall be a record of receipt of the fixed asset to be relied upon as an annex when the fixed asset is recognized.
- The expense of purchasing the fixed asset shall be documented in accordance with the documentation of expenses policy:
 - ✓ Invoices (Acceptance Act) and grant documentation
 - ✓ Equipment request form
 - ✓ Damage or loss Minutes
 - ✓ Fixed Asset Registration Journal
- Fixed assets must be recorded within the Organization's fixed assets.

10-1- Use and Control

- Field Ready Türkiye has control of an asset when it can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit. In general, an asset will meet the “use and control” criteria where it is physically located on Field Ready Türkiye premises (whether owned or leased).
- Field Ready Türkiye operates under various implementation modalities. These implementation modalities are also a useful indicator of whether Field Ready Türkiye uses and controls an asset. All assets bought from the biennium support budget or institutional budget (i.e. Field Ready Türkiye administrative/operations budget) qualify for capitalization if they meet all the 5 criteria under Recognition paragraph above. Assets acquired for projects implemented through Country Office Support to Direct Implementation may qualify for capitalization, provided the assets are under the “use and control” of Field Ready Türkiye. If a project under which Field Ready Türkiye has “use and control” over the assets is expected to last exactly one year or less and the assets are under Field Ready Türkiye's use and control before the project is closed, Offices should record and capitalize such assets instead of expensing as the process to transfer assets takes time and such assets will end up having been used and controlled by Field Ready Türkiye for more than 12 months.
- Those implementation modalities under which Field Ready Türkiye does not typically use or control assets, like full projects, the asset will be expensed and not capitalized.
- In addition to location and implementation modality, additional criteria that may be used to determine whether Field Ready Türkiye has control over Property and Equipment are:
 - a) Was the purchase of the property and equipment item carried out (or resulted from) instructions given by Field Ready Türkiye?
 - b) Is legal title in the name of Field Ready Türkiye?
 - c) Is the property and equipment item physically located on premises or locations used by Field Ready Türkiye?
 - d) Is the property and equipment item physically used by staff employed by Field Ready Türkiye or by personnel working under Field Ready Türkiye's instructions?
 - e) Can Field Ready Türkiye decide on an alternative use of the property and equipment item?

- f) Is it Field Ready Türkiye that decides to sell, or dispose of, the property and equipment item?
 - g) If the property and equipment item were to be removed or destroyed, would Field Ready Türkiye take the decision to replace it?
 - h) Does a Field Ready Türkiye representative regularly inspect the property and equipment to determine its current working condition?
- In determining whether an asset should be recorded in Field Ready Türkiye's books, the substance of the transaction needs to be considered.

10-2- Fixed Assets classes

in Field Ready Türkiye will recognize the following classes or groupings of fixed assets:

- a) Land
- b) Buildings
- c) Leasehold improvements
- d) Communications and IT equipment
- e) Heavy machinery and other equipment
- f) Vehicles
- g) Furniture and Fittings

Management of in Field Ready Türkiye is entitled to purchase fixed assets through cash payments, credit terms or exchange with other assets based on the approval of Administration. The cost of the key assets should include a purchase price, import duty, nonrefundable taxes, and direct costs for transportation, installation and operation. Registration of the assets according to quantities should be made in respective fixed assets account. Responsible persons for the management of assets should be identified and registered in the registry of fixed assets, its location should also be registered and all the fixed installations except the premises should have codes on them. Inventory of the assets should be made regularly and the data entered into the respective inventory books.

The fixed assets are recorded in a register, which includes all the data related to each item (date of purchase, code, initial cost, depreciation rate, group, accumulated depreciation level, carrying value, location, person liable for breakage, information on its repair, sale or withdrawal from operation). The register should indicate which donor funds have been used to purchase a particular asset.

Decisions on writing off, disposal or revaluation of the fixed assets are made by the management of the Organization

11- Salaries, Wages and Compensation Policy

- The salary and wages system approved by the Human Resources Department is adopted as a basis for calculating salaries, wages, compensation, allowances and additions, and the date of the 1st of each month is the beginning of the monthly salary calculation and the 30th of the same month is the end of the month for the purposes of calculating the monthly salaries.
- The salary is given exclusively to the person concerned and he signs the receipt. In the absence of the concerned person, the salary could be paid to the delegated person according to a delegation letter issued and signed by the concerned person.
- The payroll process shall be documented according to the approved authentication policy.
- Field Ready Türkiye is financially committed to providing incentives and rewards based on the human resources policy approved in an organization and in the event that the necessary funding is

available.1- Salaries are calculated based on the salary scale approved by the human resources department in Field Ready Türkiye.

2- The responsible HR employee submits the payroll to the director to sign and approve them, to be disbursed in coordinating with finance department, and salaries may not be disbursed in any office without the approval of the office manager or his representative.

3- The responsible HR employee calculates salaries, additions and deductions based on the approved human resources policy.

- The time sheet prepared by HR department must include the following details:
 - 1) Name, job title, job number.
 - 2) Place of work.
 - 3) Project name / process.
 - 4) Number of hours allocated per project / process.
 - 5) Total number of working hours.
 - 6) Signed from concerned employee and his line manager.
- The salary slip prepared by HR department must include the following details:
 - 1) Gross salary.
 - 2) Benefits and compensation.
 - 3) Absence Deductions and any other deductions.
 - 4) Truncated tax and social security - if any - and according to the Human Resources Manual.
 - 5) Net received salary.
 - 6) Signed from concerned employee and cashier.
- Bank transfer should be used to pay employees' salaries - if possible - instead of paying cash.
- Domestic tax rules for salaries and wages applicable in the country must be adopted, unless an exemption is granted.

11-1- Personnel Responsibility:

Responsibility of the finance department:

- Review the monthly payroll and ensure that salaries are properly allocated to projects.
- Pay the salaries of employees in accordance with the financial policies.
- If the salaries of employees are paid in cash, a signature must be obtained from the employee as acknowledgment of receipt of the salary.
- Recording and tracking the advances payment on the salary for each employee.
- Ensure donor approval of the employee's salary and fulfillment of all donor requirements.
- Archiving the related documents (Payroll, Time-sheet, Salary slip, Employee contract, SGK documents, and Bank transfer documents).

Human Resources Responsibility:

- Prepare monthly payroll, time sheet, and salary slip for each employee.
- Prepare the employee contract and attach it with relevant documents (ID, any other needed document).
- Provide all necessary information about employees (salary terms, date of commencement, break-up, increase decisions, attendance reports, etc.) and all that is necessary to the person preparing the salary scale.
- Ensure the existence of employment contracts for all employees.
- Documenting and archiving all related personnel (contracts, decisions of increase, penalties, personal files ...).

- Reports of non-compliance with regulations, executive management decisions and donor decisions.

12- Recording Grants

For accounting and acknowledging grants, the following requirements should be met (International Accounting Standards 20, Article 7):

1. The Organization should provide a firm guarantee that it can meet the grant-related requirements;
2. The Organization should have a firm guarantee that it will receive a grant.

There are two broad approaches to the accounting for government grants: the capital approach, under which a grant is recognized outside profit or loss, and the income approach, under which a grant is recognized in profit or loss over one or more periods (International Accounting Standards 20, Article 13). The Organization uses accounting over long-term periods, with following respective transactions:

Grant agreement stage

Debit: Receivable from donor

Credit: Long-term loans

Receiving grant funds

Debit: Bank-national currency

Credit: Receivable from donor

Recording grant expenditures

Debit: General and administrative expenses

Credit: Bank-national currency

Recognition income from grant (proportional to period expenditures)

Debit: Long-term loans

Credit: Income from the grants

13- Recording Accounts Receivables

As Field Ready Türkiye leads noncommercial activities, the accounts receivable are mainly recorded in regard to the employee prepayments issued for business trips and other job-related activities.

Account receivable – employees

Debit Account receivable – employees

Credit Cash in national currency (or any other respective account)

Debit Other general expenses (or account corresponding to the costs)

To receive an advance an employee has to submit a written application to the Director with an indication of the list of estimated costs and amounts. At the same time the application should state the period of time for which the amount is to be paid. On the basis of the aforementioned application, the Director orders the Financial Officer to issue the amount. The amount is issued either fully or in parts based on the kind of operations to be carried out. The amount may be also transferred to the employee's personal account

In case of business trip related costs the organization strictly observes the norms and requirements of the Turkish Legislation. Each staff member is obliged to fill in a statement form drawn up by the organization to record the advance amounts. The form should include a balance of the employee's account when the amount is issued, received amounts including the expenditures supported by substantiating documents. Based on this information the final balance is determined and the remaining amount is returned or extra costs are reimbursed

Registration of Prepayments to Suppliers

If the agreement with the supplier envisages an advance payment the following entry is used:

Debit Prepayment to suppliers

Credit National currency in the resident bank (or any other respective account)

14- Recording of Short-Term Liabilities

When a supplier supplies goods or services the liabilities are registered on the following accounts:

Credit: Accounts payable – trade

Debit: Other general expenditures (or other respective account, e.g. fixed assets)

Debit: VAT Paid

Fulfillment of liabilities is reflected in the following entries:

Debit: Accounts payable – trade

Credit: National currency in the resident bank (or any other respective account)

15- Recording Expenses of Operating Expenses and Direct Expenses Policy

It is necessary for partners and managers to differentiate and distinguish between direct and indirect costs in their budgets in order to ensure that projects are loaded with their direct expenses and separated from indirect expenses.

Direct expenses: These expenses are directly related to the implementation of this project, and are easy to allocate to it, for example:

- 1) Salaries of employees working in projects
- 2) Supply and needs for this project.
- 3) Training courses related to the implementation of this project.
- 4) Expense expenses for the implementation of the work related to this project.
- 5) Printing costs and publications.

Indirect Expenses: These expenses are not directly related to the implementation of this project, but they support its implementation, and are difficult to allocate to it and to determine it accurately. It is the disposal of all projects and is distributed to each project in accordance with working hours method.

As for the policy of operating expenses, it is as follows:

1. The operating expenses included in the terms of the request for accreditation may be disbursed without the signature of the Exchange Order, as it has already signed its application for accreditation.
2. **Travel expenses:**
 - 2.1. **Approvals for Travel**

Travel and expense reimbursements are available to Team Members for travel related to Field Ready work and operations. However, All Field Ready travel expenses must be pre-approved by the authorized manager/budget holder from which the cost is being incurred and, in the event of international travel, approved by the Executive Director. Travel authorization form will be used for approval and justification of travel. In case of a clear HR policy, this policy is applied, and the policy described below is canceled.

Travel Cost	Value	Approved by
Ground Travel (within budget)	Up to budget holder's approval limit	Project budget holder
International Airfare	Any	Director
National Flights	Up to budget holder's approval limit	Project budget holder
Any travel not within budget	Any	Director

In reviewing whether travel can be approved, the Director or project budget holder will ask four main questions:

1. Is the proposed expenditure covered under the program budget?
2. Does the proposed expenditure align with the program and overall Field Ready Türkiye objectives? And, if applicable, have the relevant program and donor stakeholders been notified of this proposed travel?

3. Is this a justifiable use of time? Are there competing priorities that might not be addressed if this travel were to occur?

4. Do safety concerns outweigh the benefits of this proposed travel?

2.2. Travel Agent:

Field Ready Türkiye uses the company Key Travel for booking airline and hotel reservations whenever possible. This eliminates the need for Team Members to pay for their travel upfront, as Key Travel charges Field Ready directly. The following steps should occur once a Team Member has obtained pre-approval:

- For any official travel, each traveler needs to request the trip via email and contain the objective/purpose of the travel, estimated travel budget, ensure the availability of budget, in compliance any donor rules and get the approval according to the Field Ready authority matrix
- Travel expenses for an accompanying spouse, domestic partner or other dependent should not be included in a Team Member's travel request and should be paid out of a Team Member's personal funds.
- Team members must specify whether the flight tickets should be 'Fly America Compliant' (this is usually only the case for US Government funding sources).

If the Director gives final approval for the expenditure, usually by return email, the Team Member may proceed with the travel booking.

Team Members should make every effort to make travel arrangements as far in advance as possible, travel arrangements should not be made until planning for a trip is complete. This helps to minimize unnecessary and costly change fees.

When recording expenses for operating expenses, the following should be taken into consideration:

1. Review the budget for operating expenses before any operating expenses are recorded.
2. Ensure that all operating expenses are documented according to the policy of the organization.
3. Ensure that the recording of operating expenses is carried out according to the accounting chart based on the accounting system.

2.3 . Travel Policies

Specific travel-related policies and procedures are summarized below.

2.3.1. Transportation expenses

Actual cost of coach, economy or equivalent non-refundable base fare for air or rail travel will be reimbursed. All travel should be by a usually traveled route. Additional costs incurred by using indirect or other than a usually traveled route for personal convenience or preference must be arranged and paid by the Team Member. Requests for reimbursement that fall outside of these standard fare classifications will be considered on a specific case-by-case basis.

- In addition to the cost of the plane ticket, reimbursements will be made for baggage fees, premium fly date surcharges and ticket change fees where pre-approved by the budget holder. Although allowed, Team Members should plan accordingly to avoid premium and change fees whenever possible. Overweight and/or over-limit (up to two) bags are allowed if the overage is due to equipment or materials required for Field Ready business. Original receipts must be retained.

- Air flight boarding pass not required by Field Ready Türkiye. Some donors may require this to retain and submit boarding passes as evidence. In this case, the donor requirements must be fulfilled.

Team Members may be able to obtain reduced airfares by arriving early or departing late from the travel destination. In such cases, additional food and lodging costs (or possibly additional time away from work) should be considered in determining the total cost of various alternatives. The budget holder may determine whether a longer trip is justified by reduced airfare costs.

- The least expensive, practical ground transportation alternative should be used (e.g. taxi, personal car, or rental car). Hired car travel may be appropriate in limited circumstances given safety, timeliness, and overall expense considerations.
- If rental or personal car travel is used, parking and toll expenses will be reimbursed. Additionally, when using a personal automobile, mileage will be reimbursed using the prevailing US Internal Revenue service mileage rate for business driving (<https://www.irs.gov/uac/newsroom/2016-standard-mileage-rates-for-business-medical-and-moving-announced>). Conversion from kilometers to miles will be necessary in countries using the metric system. Pre-approval is required before these costs are incurred.
- Expenses related to parking violations or driving violations will not be reimbursed.
- Incidental transportation at destination (taxis, etc.) will be reimbursed at the documented cost.

2.3.1. Meals and Incidentals (*Per Diem*):

- Per Diems – For activities undertaken outside of your normal place of work for Field Ready Türkiye and outside of Field Ready Türkiye offices/workshop facilities, team members are normally eligible to claim a per diem. This generally covers meals and incidental expenditures to reduce the administration of claiming for food and other small bills.
- The basic principle is that if you are required to be somewhere other than your normal place of work for Field Ready on official business e.g. for a meeting/conference/field work/training, then you are eligible to receive a per diem payment to cover additional costs you incur. Attendance at a Field Ready office or working remotely in a workplace that is not your usual workplace does not qualify you for per diem.
- Team members submit a payment request for per diem costs as part of a USD Expense bill. However, evidence of the activity is required before a per diem payment request bill can be approved. When appropriate, per diem payment bills should have:
 - Clearly state the dates for which the per diem is being claimed.
 - Clearly state the activity undertaken for which the per diem is being claimed.
 - State the location of deployment and activity.
 - Conform to the location specific cost categories (see table below);

In the case of training workshop or seminar supporting evidence would be a participants attendance sheet, pass, ID badge, letter, document or other material from any training event, conference, or formal meeting. Other acceptable evidence includes an activity or meeting report submitted as a PDF attachment. In the case of monitoring or assessment travel, an approved authorization form would be enough.

Per Diem claims are subject to the following daily limits:

Table 1 Region	Countries covered	Per Diem
Central, East, South-East and South Asia	All East of Iran	\$25 USD
Middle East	Turkey Syria, Egypt, Arab peninsula	\$30 USD
Australasia and Pacific	Island nations including Fiji, Vanuatu, Samoa, PNG, Australia, and New Zealand	\$40 USD
Africa	Continental Africa and Madagascar	\$30 USD
South and Central America	South of Mexico (inclusive)	\$30 USD
Caribbean	All island countries in Caribbean	\$30 USD
North America	USA and Canada	\$40 USD
Western Europe	West from Finland, Germany, Austria, Slovenia (inclusive)	\$40 USD
Eastern Europe	East from Austria, Germany and Slovenia (exclusive)	\$30 USD

- It is a Team Member's choice to exceed this *per diem* rate of spending on incidental and food costs, but any expense incurred above the *per diem* rate will be the team member's personal out-of-pocket responsibility.
- When Team Member attending meetings or seminars, per diem must be reduced accordingly. It is the responsibility of the person travelling to deduct any meals provided. When meals are provided, per diem is reduced as follows:
Breakfast 15%
Lunch 30%
Dinner 30%
This means that if all meals are provided the Team Member will receive only 25% of the per diem lump sum to pay for incidental expenses. Receipts are required for all other allowable travel expenses (e.g., transport, accommodation, vaccination, visa etc.).

16- Unauthorized and Unacceptable Expense Policy

- Any expense without documenting the beneficiary is an expense that is not acceptable and is borne by the person who paid it out of his monthly dues.
- All expenses not documented in accordance with the rules of expenditure contained in the fiscal policy. An expense is not acceptable and is deducted from the employee made a value from his monthly paycheck.
- It is not permissible to bribe a government official or an agent on the Field, even if this is of great benefit on the Field of the foundation.
- Expenditures incurred on the purchase of illegal goods are, contrary to local customs or contrary to law Impartiality in humanitarian organizations, in the financing of illegal activities or the support of non-working persons are not Acceptable such as) spending on Luxury goods and equipment of gambling, spending on smuggling, spending on weapons purchases, spending on a specific project for a special ethnicity)

17- Recording and Depositing the Interim Covenant Policy (The Predecessor of The Work)

Work advances are cash provided to employees for the implementation of program and project activities.

- The temporary advance will be given to a person who needs such an advance to carry out his responsibilities.
- The value of the advance is determined from the discharge officer and disposed of and liquidated in accordance with the procedure for disbursement of the temporary advance.
- The advance or liquidation of the work shall not be disbursed without the approval of the Project Manager.
- The employee's advance payment should not be paid more than their monthly salary without the approval of the Director.
- The work advance should be Settlement within a maximum of four weeks, unless previously agreed upon E.g. because of a long field visit, or to work in an unsafe place.
- Monthly reconciliation of all work advances must be made.

1.7.1 Conversion

For conversion, the interim account 100_ is used. Differences due to the exchange rate are accumulated on the aforementioned account and transferred periodically to the respective account. The typical entries are as follows:

Credit: Positive differences in exchange rate

Debit: Money transfers

OR

Credit: Money transfers

Debit: Negative differences in exchange rate

18- Cash Management Policy

The objective of this policy is to develop guidelines and controls on the cash management process within the organization.

18-1- Cash in the box

- The Senior Management Team shall agree to the minimum and maximum amount of cash available in the Fund
- Shall not be less than the amount that covers operating expenses and contingency requirements.
- Cash levels should not be below this level as a basis to ensure continued capacity to respond to operational needs
- Which must cover at least five days' payout according to Field Ready Türkiye 's policy and not exceed that level.
- Do not put staff at risk of excessive cash within the fund.
- The treasurer (treasurer, project accountant, bank withdrawals commissioner) must submit all their personal data
- (A person, a commercial or a public organization) and to amend it in case of a change

- Funds may not be taken out of the place of its preservation (fund - bank) except under a request for financial approval.
- The cashier is responsible for recording the incoming and outgoing cash movement to and from the fund.

When acquiring cash, be careful to:

- The minimum number of transactions and cash must be within reach.
- Bank transfers / checks should be used Rather than cash whenever it is possible.
- Main cash should be kept in a safe place.
- Cash must be matched daily, including foreign currency balances.
- Cash withdrawals should be made by at least two staff members (the car is used to transport cash as much as possible).

18-2- Reconciliations and cash adjustments in the cash box:

Cash Reconciliations is the procedure for verifying that the monetary amount in the treasury is identical to the value recorded in the accounts within the accounting system.

The person acting as the cashier shall be clearly separated from the person recording the accounting entries completely.

The Fund's differences are due to some of the following reasons:

- Error counting money - check the count with more than one person to make sure the cash count is correct.
- Error / Forget recording operations or record them to the wrong accounts.
- Receivables are recorded as cash payments or vice versa.

All expenses by cash are regulated by following policies:

- Organization uses double-control mechanism in office cash management. None of employees should have personal access to the organizations cash. Only Director and Senior Financial officer should have safe key and safe code, only cashier should have key and code for cash box. Cashier is responsible for accounting the cash flow. Cash outcome and income is accounted in the logbook. Any cash flow operations should be submitted with an income and/or outcome receipt. The receipt must be signed by the cashier, approved by the Director and Senior Financial officer and/or corresponding Project coordinator.
- IF cash Balance is less than 1000 USD, cashier should count cash and reconcile with logbook at least once a week together with Senior Financial officer. If cash balance is over 1000 USD cashier should count cash and reconcile with logbook at least twice a week, Senior Financial officer checks cash count once a week. The director should check the cash count twice: once in the end of the month and once randomly as an unexpected check-up.
- Cash should be reconciled once a week. Final reconciliation must include Cash Reconciliation Report (Annex 4), which compares the cash and cashier's log-book. The Cash Reconciliation Report must be signed by the Cashier and Senior Financial Officer with two signatures every week and by the Director at the end of the month in order to confirm the final cash reconciliation.

18-3- Cash in the bank

The policy of the Organization requires the opening of bank accounts on behalf of the Organization exclusively and not by the personal name of any employee

The need to open a special bank account within the main account of each donor, i.e. the separation of accounts at the donor level rather than at the project level, unless otherwise requested by the donor.

When dealing with bank accounts, be careful to:

- The number of bank accounts should be minimal.
- All bank accounts must have at least two signatures (to be determined by the Board of Directors).
- All payments regardless of the form (check, transfer, or cash withdrawals)
- A single signature may be accepted only in extreme circumstances.
- It is prohibited to sign blank checks.
- The actual balance of the bank must be verified before issuing any check to any party.
- All bank accounts must be reconciled monthly and if any differences are to be resolved
- Expeditiously, reconciliation process must be documented and archived within bank archive.
- Banking institutions that have financial stability and are known for their reputation and trust should be selected.

18-4- Authority of signature:

One signature on bank accounts (at least two signatures) should be accepted only in extreme circumstances and with the approval of the Director.

The Director will be the signatory on all the organization's bank accounts with a designated second signatory. Further account signatories may be added to Field Ready Türkiye bank accounts at the discretion of the Director. For checks that should go to the Director, the Finance Lead will sign provided there is a bill approved by the Board Treasurer

The other signature must be one of the following:

- Individuals on employment contracts exceeding two months after they become permanent employees.
- Individuals not directly related to procurement or financing.

Get checks and store them:

All checks must be numbered and should have only one checkbook per bank account.

The person who receives the checks from the bank must carefully prepare the checks immediately to ensure no loss or error,

In the case of any discrepancy, the bank shall be notified immediately.

Checkbooks must be stored in the safe.

Reconciliations and bank accounts:

The Banks's balance with the carrying balances of the accounts of the banks recorded on the accounting system of the organization must be reconciled monthly, and in the case of discrepancy or differences, the account must be reconciled and resolved by a person who is not within persons who have the authority to sign.

- Bank reconciliations are due to the following reasons:
- Outstanding checks are the checks issued by the organization to make payments to the supplier and deducted from the bank account, but the supplier was late in clearing the check from the bank.

- Checks without balance: Checks rejected by the bank for lack of sufficient balance in the account of the party that was released Check.
- Outstanding Deposits (on the way) Deposits that have been transferred to bank accounts in accordance with notices by the person /The organization that has made the transfer, and which has been delayed for various reasons.
- bank charges Payments that are deducted from the Bank's balance and are not known Such as bank charges
- Errors by the bank.
- Errors in maintaining accounting records.
- When working on bank reconciliations and adjustments, be careful to:
- Ensure that any bank reconciliation item from the previous month has been clarified (for example, if any) A payment not found in the bank statement, and verified that it was made this month, that it was included in the bank statement This month
- Comparison of transactions recorded within the Bank's statement with the transactions recorded in the accounting system and their linkage.
- Matching the recorded payments with check marks.
- To register all bank payments related to fees and interest on the bank accounts receivable and creditors

18-5- Fund of Petty Cash:

The objective of this policy is to transfer indirect contingencies outside the payroll, procurement, and payables environment and to provide instructions and guidelines to maintain an effective system of cash advances and petty cash (Small) of the organization and clarify appropriate controls to protect cash.

- The controls and procedures required to verify the above should be lost against the expenditure amounts (the petty cash expenses)
- And will only be used to handle specific expenses that cannot be easily paid by bank .
- Miscellaneous and other expenses other than the guarantor of the petty cash deposit must be paid to the account Management through small cash advances, and includes:
 - Small amounts with a value or less of the prose expenses included in the petty cash expenditure convention Above
 - Hospitality expenses
 - Small maintenance expenses
 - Other contingencies as the administration deems appropriately
- All petty cash fund requests must be within the ceiling of cash payments from this fund.
- Financial management is responsible for the status and management of the petty cash registers, and this includes the valuation of the above site Petty cash equivalents of small cash and deposits required based on operational requirements and it is possible the delegation of certain responsibilities where the members of the Department of Finance and accounting or of their pledge of petty cash.
- The decline in the rate of the decrease in the percentage of the mineral deposits to 20%
- (With the account of the Treasury Manager), the Secretary of the Vendor shall provide the Finance Department with equal expenses Petty cash fund till this date.
- You should not mix the amounts and personal belongings of the person who is responsible for the money with the money changer prose.

2.8.3 Employee Advance and Expense Reimbursement Policy

- 1) In order to receive an advance, each employee should complete an Advance Receipt . The advance should be reasonable in relation to the estimated expenses.

- 2) Employees should request an advance at least two working days before the advance is needed except the urgent circumstances when advance is needed on the same day request is submitted.
- 3) The request for an advance should clearly state the purpose of expense and in case of the trip, the destinations, the date the trip begins, the date the trip ends and be authorized by the Program Manager.
- 4) Employee Expense Report used for clearing the advance should be signed by a person whom that cash advance was paid to. All expenditures in Employee Expense Report should be accurately described.
- 5) The advance must be cleared when the employee submits the Expense Report for settlement. Each advance requires only one Employee Expense Report and one Employee Expense Report should include expenses for only one advance.
- 6) Employee must sign and date the Expense Report and submit within seven days after completion of the relevant business. Expense Report also should be approved by the program coordinator and submitted to the Director for the final authorization.
- 7) Original (official) receipts must be obtained, regardless of the amount involved. Such receipts must be properly dated, signed and stamped by vendor. The receipts must be accurately attached to the Employee Expense Report in chronological order.
- 8) Every expenses of the Reporting Person should be confirmed with corresponding receipt. In case of non-existence of the receipt expense will not be approved.

19- Documentation and Archiving Policy

19-1- General rules in documentation and archiving

- It is the correct documentation that gives the auditor 100% confidence in the validity of the operations for the correct documentation process.
- The accountant must always seek to document expenses and revenues as it deems necessary and according to the financial policy.
- As a rule, the financial transactions must be documented for income and expense.
- The documentation archive must be: clear - easy to refer to on time - has a record and coding mechanism.
- The responsibility for the integrity of the documentation is the responsibility of the accountant in the first instance and the responsible manager at the highest administrative level
- All original invoices must be kept for at least 5 years unless required by the laws in force in the country to keep it longer, or donor requirements.
- The documents must be attached and available to donors for audit, review and should be sent with the project Financial Report.
- All documents must be stored in a safe and dry place.
- All original copies of the documentation will be delivered to the financial department.

19-2- Revenue Documentation Rules

- Revenue documentation means the following: source of funding, mechanism of receipt of funding, clear receipt and restriction of funding and allocate funding.
- The source of funding must be clear.
- The donor should be informed of receipt of the funding.
- The date of the transaction and the method of receiving the funding must be clear.
- The received fund must be recorded in the received currency and converted into the functional currency approved in accordance with the procedures approved.

- The purpose of the financing must be clear.
- Funding must be marked by the financier or entity authorized to allocate
- Documents are to be in accordance with the approved procedure for receipt of funds.

When documenting receipt of funding, care must be taken to:

- The receipt of funding is the primary document must have a serial number, date and organizer of the receipt.
- Attach all the documents described in the policy with the receipt of funding.
- Save all funding documents in a special document.
- There must be a record of the electronic archive to make it easy to refer to the documents
- Keeping original copies in easy-to-reference.

19-3- Rules for Documenting Expenditures

Each expense must be documented by using one of the following documents:

Invoice from the primary supplier of the service or product, the invoice must have the following specifications:	- To be entitled (Invoice), each invoice entitled otherwise is not considered an approved invoice. - In the invoice. - The supplier address must be clear - To have a clear serial number. - The date must be written on the invoice. - The invoice shall be in the name of the beneficiary, the organization shall be the beneficiary and shall be written by the purchaser. - The invoice should contain the details of the supply and not the totals only. - The total invoice is a number and writing. - The currency should be clear in the invoice. - Write the invoice clearly. - The invoice should not contain any notes from the invoice organizer. - The supplier must have a clear stamp on the invoice - the signature is not enough. - The invoice must be original.
Any expense exceeding \$100	- Any expense exceeding \$100 is not an invoice, the maintenance is not accepted without the invoice within the specifications in the article

- If the maintenance provider does not have a clear invoice for some reason and the maintenance is less than \$ 100, it is not available
- The possibility of submitting the invoice as above can be used by a bill of supply (attached to the Guide)
- The required information in the invoice is complete and attached to this invoice (supplier card or picture) His or her identity or a copy of the Commercial Register or any that document information about the invoice provider).
- If the expenditure for a service can be used as a service contract form (attached to the manual).
- If the expenditure is included in the petty cash amount, it is documented by using a petty cash expense form

- If the alimony is salaries and wages, attach the payroll form, wages, monthly payroll form with pay slips of the maintenance document to document the maintenance of salaries and wages
- in case the expense is to buy fixed asset, it should attach good received note with the original invoice and it should be match to the specification with the documents of purchasing the asset
- In case the was paid to a contractor during the construction copy of the contract should be attached with document of the expense at the stage of the final settlement with contractor the certificate of completion should be attached with expense
- the currencies should be documented which were used with expense through the exchange rate

19-4- Repaying Work Advance Policy

- the work advance should be settled before getting new one
- advance settlement form must be attached when making advance settlement
- all the attached expense documents should be done according to the documentation policy of the organization
- advance settlement should be in one currency authorized by the financial management
- pending invoice or expense is not allowed when making the advance settlement

20- Currency Policy and Exchange Rates

- The currency approved in all the receipt of financing or the recording of expenses and financial reports is the United States dollar.
- The local currency which is approved for purchase from suppliers and for the payment of local expenses and services shall be in Turkish Lira.

20-1- Financing operations and currencies:

- Upon receipt of financing in a different currency, the amount is transferred to the US Dollar and the transfer is recognized and the transfer is recorded in USD at the date of receipt.
- When the finance is closed, and a report is sent to the financier, the amounts are transferred to the currency of the financing, the differences in the account (exchange losses / income) are treated and reported to the financier.
- The assessment of the receipt of financing is based on the exchange rate on the date of receipt according to the bank actual x-rate, in case the currency is not the functional currency.
- If the financing is received and the exchange is done directly within the bank, the actual exchange rate on which the exchange is made is approved and the exchange statement is attached to the receipt of the financing.
- In the event that the payment is received in cash and the exchanging process is carried out directly from a money exchange institution or from the bank, the real exchange rate stated in the exchange bill from the exchange institution or the statement from the bank should be relied upon and attached to the receipt of payment.
- When reporting, the real currency valuation rate applied to the accounting system is indicated at the date of the transaction.

20-2- Processed expenditure in projects:

- When a business advance is delivered to a party should be in local currency.

- When expenses are recorded, expenditures are recorded in the approved currency based on the exchange rate.
- Upon liquidation, the remaining amount, if any, is transferred to the currency to which the currency is recognized, and the differences are recognized in the exchange (loss / income) account.
- The value of the advance payment may be discharged in installments and the average price at liquidation.

When dealing with currencies, be careful to:

- Validation of exchange and conversion transactions.
- Ensure that the exchange rate at which the expenditure is to be assessed is the same as the exchange rate in the currency exchange statement.

21- Reconciliation Policy (cash, receivables and advances)

- Process reconciliations should be made in specific cases as follows:
 - Cash Match (Fund - Bank)
 - Enclosed with cash reconciliation are serial payment receipts and serial receivable receipts.
 - The cashier keeps the copy of the receipt from the receipt and payment and is accompanied with a cash match.
- Matching accounts, and at the request of financial management or higher administrative level.
- Cash must be matched in financial management or in the unit daily.
- Cash receipts and current matches are electronically documented and kept in their original copies for reference when needed.
- Matching should be done on time and periodically to avoid accumulation of errors and allow timely correction. Thus, giving credibility to the accounting process and protecting against the illegal use of the organization's resources.

22- Financial Reports Policy

- A system of reports is prepared by finance team the organization, these reports content are:
 - Annual financial report
 - Monthly organization financial performance report
 - Monthly donors' report
 - Organization master budget and separately projects estimated budget
 - Projects' documentations
 - Budget following up reports and BVAs.
 - The above-mentioned reports present the following information:

22-1- Annual Financial Report

- 1) **Executive Summary:** an executive summary illustrates:

Total amount of organization works on the previous financial year;

Total amount of organization works detailing total revenues distributed over main donors;

Total amount of expenditures distributed over main expenditures detailed in accounts chart;

All of the above should be coupled with the obligations assumed by supporters and donors, and budget planned by the organization board of directors.

2) Analytical reports

- a. Distribution of works by departments
 - b. Distribution of works by projects
 - c. Allocation of expenses by donors
 - d. Allocation of expenses by departments
 - e. Allocation of expenses by projects
 - f. Any other reports recognized necessary in to be included in the report
- 3) **Budget:** a report shows next year budget and the organization work growth rate.
- 4) **Conclusion:** finance department notes, recommendations on challenges and troubles during previous year; finance department expectations for next year in light of the organization board of directors' recommendations.

22-2- Monthly organization financial performance report:

It is a report shows projects revenues and expenditures to finance the organization monthly activities, and balance in the functional currency of the bank's accounts and balances of advances and funds month.

22-3- Monthly donors' report

It is a report prepared by the organization financial management to document works with organization for donors, to illustrate monthly expenses and assets agreed on with donors to conduct specific projects, to demonstrate the extent of conformity between the budget approved by the organization and the donors.

When prepare donors' report, the focus is to be on the following:

- 1) Full and detailed knowledge on programs activities in the funding summary.
- 2) Expenses in its line in agreed work plan and showing them in the report in the donor's currency.
- 3) Allocate expenses according to budget lines.
- 4) ensure recording all month activities
- 5) Review report to find:
 - a. incorrect coding
 - b. Any underspent or overspent differences from approved budget are to be reviewed by projects' manager with donor to define appropriate funding; the differences are to be watched and not be big.
 - c. correct reallocation of operations recorded on erroneous budget codes
 - d. determining the possibility of reallocating the budget items in line with the expenditures incurred in the past and planned expenditure for future disbursement in discussion with the financial manager and project manager, the latter in turn to raise a proposal to correct the wrong allocation to the donor
- 6) The deadline for submitting this report is the end of the 15th day of the month following the month of the report

22-4- Financial report approval

First step – The financial report is prepared by the Finance Officer

Second Step – The financial report, which is prepared by the Finance Officer, is reviewed and authorized by the Finance Sinor Officer

Third Step – The finance report which is authorized by the Finance Sinor Officer is additionally reviewed and authorized by the operation coordinator.

Fourth Step – The financial report which is already authorized by the Finance Sinor Officer and the operation coordinator is finally reviewed and approved by the Director.

22-5- Documentation for Donors

These are all documents and requirements to be prepared and submitted to donors and include the following:

- All documents and supporting documents for the monthly donor report.
- Cash outflows for the coming month.
- Reconciliations, cash statements, bank statement of the grantor and outstanding items on bank reconciliations.

22-6- Budget follow up report

It is a monthly report issued by the financial management of the organization showing the budget allocations and what was spent and deviations from the right to take corrective decisions.

23- Information and documents transfer policy

- No financial information may be transferred outside the organization without a permit.
- When the donor or grantor requests our original copies, it must be in accordance with the procedure for the transfer of documents and information in the organization.
- Any report requested by any party outside the organization must be authorized by the financial director of the organization.
- The Project coordinator shall have the right to obtain all financial information regarding the scope of his work (such as the cost of production hours ...) and send a copy of the request for information to the Financial Officer.

24- Policy for providing services to others

- Paid services may be provided to others if they are not directly beneficiaries of the same project services.
- The applicant must be an official organization or an officially recognized governmental body.
- All revenues of these services are included in the clear and detailed revenue policy within the account chart according to the nature of each service (consultancy, training ...) and within its revenue item. This funding is allocated as deemed by the Executive Management of the Organization.

25- Internal and External Audit Policy:

The financial statements of the Organization are audited annually. The interim financial statements are prepared quarterly, which are presented to the internal or external auditor when preparing the independent auditor's report.

The financial department provides all the necessary requirements for the work of the external/internal auditor and coordinates with other departments of human and logistic programs and resources to provide the audit team with all that is necessary.

The Director and Financial coordinator are directly responsible for overseeing the implementation of the annual financial audit.

26- Financial Policy Amendment:

Financial policies are reviewed periodically every six months to follow up all changes within the organization itself and within the environment, from changing local laws or changing donor policies.

27- THE POLICY OF PREVENTING FRAUD AND EMBEZZLEMENT

Prevention of Fraud (Policy of Fraud Precaution)

Types of fraud that can face financial transactions from outside or from within the organization.

Within the organization:

- A statement of receipt of funds less than the actual amount received
- Payments exceeding the dues by the treasurer.
- The exaggerating of the accrual of the actual
- Exploitation of payments of receivables in different currencies
- Exploitation of valuation / exchange rate gains
- Change the real fixed asset information

Outside the organization:

- Goods or services provided from a supplier that do not conform to the required and billing specifications.
- Goods or services provided from a supplier that are different from the agreement with the Procurement Section.
- The financial management of the Foundation shall take the following preventive measures to eliminate fraud:
 - Perform the legal or personal sponsorship of the trustees mentioned in the policy.
 - The case of the receipt of money less than the actual amount received: Upon receipt of funds on the bank accounts of the organization, they shall be declared through bank notices. The financial department shall match the entire bank account and all its operations during the period according to the conformity policy. This conformity shall be certified by a third party. The bank cannot, therefore, not be able to declare the funds received accurately from the bank.
 - The state of payment more than the dues by the Treasurer: to allow the money taken out of the treasury, the process goes through several stages to check them and to

ensure the value of the payments, and then transfer to cash payment, and here will clarify the stages through which the entitlement to be paid:

- If the payment is due, the stage of payment is carried out in the following detailed stages to prevent fraud:
 - Proof stage: To ensure documentation of expenditures, there is a receipt record for each expenditure that is expected from at least two different persons.
 - Preparation stage: The necessary documentation for the expenses shall be submitted by the project accountant according to the policy of the expenditure process included in the policy. This policy provides all necessary controls to prevent fraud in the provision of benefits.
 - Verification stage: The order is then given to the bank at the request of the financing of the site of the in-house disbursement officer who is a field person and is an additional step to verify that the entitlement number is correct.
 - Adoption stage: After the project accountant prepares these benefits, they must be signed by the project manager. This is also a precautionary measure that provides some guarantee for non-circumvention.
 - The first stage of the audit: These documents are then sent to be presented and audited by the account supervisor. The account supervisor has experience in the project expenses for auditing the documentation whether it conforms to the authentication policy or not, which is also reviewed as policy compliance and confirmation of the amounts included in the benefits. His guess is based on his previous experience of having any suspicious expense.
 - The second stage of audit: The financial coordinator then orders the payment of the benefit based on the confirmation that the entitlement has passed according to the approved procedures, which is within the budget.
 - Payment Stage: Finally, the benefit is paid from the Treasurer, who is a different person from the payer.

The passage of the payment process in the previous stages provides a preventive step to prevent the intended circumvention.

The use of payment in different currencies: The rules of payment in the institution contained in the fiscal policy is one of the preventive steps that prevent fraud, where the payment is made in the original currency if the funding available in this currency, but if we need to evaluate the merit, we rely on the global site in the assessment of merit. The currency of the financing is on the same maturity date. The website offers daily exchange rates at the maturity date according to market changes and is a documented source of the valuation process.

The use of valuation / exchange rates the multi-currency rules of fiscal policy is a precautionary measure aimed at preventing fraud by exploiting valuation / exchange rates, since it is not permissible to carry out a real process of disposal without a documented process. The differences resulting from valuation prices are therefore book differences that have no cash reflection.

Status of change of fixed asset information: The Policy for Documentation of Fixed Asset Purchase Expenses in the Financial Policy provides rules to provide adequate and necessary information for field control and to ensure that the value of the fixed asset is not lost as a physical presence by maintaining a photograph of the asset and recording the serial number of the asset on the fixed asset record card, Within the financial archive to be retrieved in time of need by the competent field teams and the task of following up the order.

Prevention of loss of financial resources

- Loss of financial resources means losing financial resources due to personal misappropriation of an employee, or exposure to theft from outside the organization.

- Several policies have been adopted and implemented on the ground to prevent the loss of financial resources referred to in the following points:
- In the financial policy, the field manager in charge of operations on the ground must verify that the funds of the organization are kept in a high security position to guard against theft from outside.
- The policy of financial guarantee and the provision, updating and authentication of information contained in the financial policy guarantees a high level of legal security for the custody of the institution's funds.
- The money-keeping rules of fiscal policy are a preventive measure in terms of setting low-risk limits on the value of funds held in principal and sub-funds.
- The special procedures in the financial guarantee and the provision of the information contained in the financial policy enables the institution of adequate legal proceedings to guarantee the institution's funds from embezzlement.
- The policy of granting work advances in the policy was highlighted. On preventive measures to ensure the preservation of the funds of the institution of loss.

Prevention of profiteering and financial corruption

- Financial corruption is defined as the use of improper criteria in the financial decision-making process in which the decision-maker deviates from the standard by which he is to be judged, in order to wait for a personal benefit not related to the work in return for material or moral promises to be obtained, expected or negotiated in the future, so that this governance cannot be part of decision-making in a proper manner.
- Profit means the use of the resources of the institution to achieve personal benefit through a gap in the financial system allows him to obtain material revenues using the resources of the institution.
- Through the financial policies applied in the institution there are many preventive actions that prevent the occurrence of financial corruption or profit through:
 - In the vendor report processes for the products purchased by the institution, documents have been developed to document this expense. Justice in the selection of suppliers is established. These documents are listed in the financial policy.
 - The decision-making process in the selection of the exchange institution at which the disbursement is affected by the procedures of the Procurement Section itself, and therefore the author of the discharge decision has been isolated from the supplier responsible for the discharge.
 - The currency and related policies of the fiscal policy confirm the receipt and delivery transactions and assess them at real exchange rates, take into consideration the time change and establish the difference between the valuation price and the real price.
 - The Bank's account is periodically reconciled according to the financial policy. Therefore, deposits cannot be used in the illegal profit process by the Treasurer of the bank account.
 - Cash transfers from the bank account to the fund account are made by the financial coordinator, who is not the treasurer. The fund is matched daily, and the funds are kept in the treasury by at least two persons. Therefore, liquid funds held in the central fund cannot be used in any profit.

28- INTERNAL CONTROL:

The process of formulating financial policies and procedures aims at the following objectives:

1. Ensure segregation of duties.

2. Maintain cash, property and other assets of the organization.
3. Ensure that all financial transactions are properly documented and approved by authorized employees.
4. Consolidate the implementing, recording and documenting procedures for all financial transactions.
5. Provide clear, accurate and transparent financial reports that are delivered in a timely manner and consistent with Field Ready Türkiye and donors regulations and policies.
6. Ensure that the financial sources are managed efficiently in line with the organization's strategic plan.
7. Ensure that all of the financial events, transactions are avoiding any attempt to fraud, corruption, or supporting terrorist party, entity, or individuals.

28-1- SEPARATION OF FUNCTIONS:

The segregation of duties is aimed at verifying the absence of a person who has full control over all financial operations and defines responsibilities and authorities. Meanwhile to support the internal control process in the P Field Ready Türkiye organization. The basic premise is that the same person should not prepare, approve, and review the same process as follows:

THE PERSON WHO	MUST NOT
Prepare receipts	Approve receipts
Prepare checks	Sign checks
Has access to blank checks	Receives payment record
Receives cash	Register cash receipts
Prepare bank deposits or register cash receipts	Prepare bank reconciliations
Responsible for physical access to assets	Conduct the actual inventory of assets
Record drivers' movement	Monitor the use of fuel

They are the standards and procedures adopted by the management of the organization, including its board of directors, managers, and employees, to ensure the achievement of the objectives of the organization in accordance with the plans and policies set.

28-2- Objectives of internal control:

- 1- Protecting the organization's resources and assets from loss, theft, and misuse.
- 2- Verify the accuracy and reliability of the financial statements.
- 3- Confirmation of adherence to the organization's policies.
- 4- Evaluating the performance of employees, managers, and various departments.

12-1- Internal Control Activities and Elements

Internal Control activities include the following elements:

- 1- Adequate segregation of duties.
- 2- Authorizing and approving financial operations and activities.

- 3- The appropriate documents and records.
- 4- Effective control over assets and books.
- 5- Independent performance control.

29- Fraud, bribery, and corruption prevention policy:

The organization adopts a “zero tolerance” policy for fraud, bribery, and corrupt practices (see definitions below).

All employees, partners, and sellers of the organization are responsible for protecting the organization’s assets and abiding by the relevant laws (including the relevant laws in the countries where the organization’s offices are located).

The organization's fraud, bribery, and corruption prevention policy follows the following principles:

- **Integrity:**

The organization’s team performs its tasks and duties in a principled and honest manner.

- **Legitimacy:**

The organization complies with applicable laws relating to fraud, bribery, and corruption.

- **Timing:**

Fraud, bribery, and corruption are reported in a timely manner by the staff of the organization.

- **Equity:**

Conducting the necessary investigations against allegations of fraud, bribery, and corruption in an equal manner.

- The organization maintains systems and procedures to ensure that risks of fraud, bribery, and corrupt practices are kept to a minimum, and any incidents are detected, investigated, reported, and dealt with effectively wherever they occur.
- When fraud, bribery, or corrupt practices are detected, the network will investigate and take appropriate action against employees, consultants, volunteers, partners, vendors, and any other involved party.
- Employees, consultants, contractors, contractors, trainees, trainees, and volunteers must immediately report any suspicion of fraud, bribery or corrupt practices to the office manager if it is in the office, or to the district manager if it is within the region, or to the relevant senior management member.
- If the plaintiff does not feel able to file a complaint directly to the director of the office or region or a member of higher management, the notification can be made by the designated e-mail.
- Failure to report cases of fraud, bribery, and corruption is treated as a serious issue and may lead to disciplinary actions that may lead to dismissal from the organization.

30- Prohibited Transactions and Money Laundering:

An organization does not accept to be associated with any terrorist activity or to participate in any financial transaction or any other transaction that supports a prohibited party (i.e. a prohibited organization or person).

An organization pledges to be legally bound to comply with all laws and donor requirements, which are:

- Prohibiting or supporting transactions with banned parties.
- Prohibition of the use of funds or property for the purposes of terrorism.
- Prohibiting any transactions that may reach dealing with criminal property.

The organization must also ensure that partners comply with these requirements so that funds and property transferred to partners are not used for terrorism purposes.

An organization maintains systems and procedures to ensure that its employees are aware of the risks of prohibited transactions and money laundering and that these risks are minimized to the greatest extent possible. Where these regulations are violated, the organization will take appropriate measures to ensure a prompt and effective response.

All employees of the organization, consultants, and volunteers must immediately report any suspicion that an organization or one of its partners is involved in prohibited transactions or financing terrorism to the director of the organization to take the necessary measures as soon as possible.

With regard to money laundering, employees must immediately report any incoming payments or other suspicious transactions, and if an employee considers any payment or other transaction to be suspicious, he should not process it until the relevant office manager (or district manager or official confirms) Financial as appropriate) that he may process these transactions.