



**Accountable
Now**
GLOBAL STANDARDS LOCAL TRUST

Financial Management Framework and Policies



Introduction

This document outlines Accountable Now's Financial Management Framework and Financial Policies. In line with Accountable Now's commitment to remaining transparent and accountable to its members, partners, donors and the community in general, the organisation seeks to carry out tasks in the most effective and efficient manner and guarantee a value for money approach. In order to accomplish this, Accountable Now commits to the following:

1. To provide accurate, timely and comprehensive financial data for internal and external use by the Executive Director and the Board of Directors.
2. To always spend resources received for the purpose for which it was given.
3. To purchase good quality products and services at competitive prices.
4. To always seek value for money while also taking into consideration our environmental policy.
5. To ensure Accountable Now operates effectively, efficiently and is financially sustainable

In line with these commitments, Accountable Now is guided by this financial framework which describes and documents how Accountable Now wants its financial activities to be carried out.

1. Financial Process

1.1 Responsibilities and Authority

Accountable Now's Board of Trustees is ultimately responsible for the financial management of the organisation's activities. The Treasurer is authorised to act on the Board's behalf on financial matters when action is required.

The Executive Director is responsible for the day-to-day financial management of the organisation. The Board authorises the Executive Director to hire and supervise staff and independent consultants, pay bills, manage credit payments, deal with cash on hand management, receive funds, and maintain bank accounts.

All mandates relating to banking, including access to bank accounts, change of signatures, authorisation related to credit cards and credit card transactions, must be signed by the Executive Director.

1.2 Approval of purchases

Expenditures within the approved budget, up to 1,000€ must be approved, prior to purchase, by the ED. For expenditures over 1,000€ please refer to Accountable Now's **Procurement Policy** (refer to Section 1.4).

Accountable Now's Treasurer or the Board must approve in advance in their quarterly financial reviews expenditures that will result in an overall excess spending of 3% or more of the entire budget.

Invoices and wire transfers are carried out by the Executive Director with support from the Administrative Assistant.

1.3 Approval of expenses

All expenses must be pre-authorized by the Executive Director. This shall be done by submitting the [Pre-Authorization and Expense Form](#), which must be first signed by the person submitting the form and the Executive Director. Expenses cannot be approved solely by the person claiming them, they must also obtain a second signed approval by the Executive Director. In case of absence, expenditures can be pre-authorized by a Manager.

Expenses submitted for reimbursement will only be reimbursed upon the presentation of valid receipts together with a completed Accountable Now reimbursement form. This form must be signed by the individual and the Executive Director. In case of absence, the Programme Manager can sign the reimbursement form on behalf of the Executive Director.

Expenses incurred by the Executive Director must be approved retrospectively every 6 months by the Treasurer. An email from the Treasurer will suffice as approval. In case the Treasurer is unable to approve the expense, then these will be signed off by the Chair of the Board.

In the event that it was not possible to obtain a receipt for an expense -i.e. malfunction of ticket machines, loss of the ticket, among others- the person has to fill out the replacement receipt form. Replacement receipts need to be approved by Accountable Now's Executive Director.

1.4 Procurement Process

Accountable Now commits to always spending resources received for the purpose for which they were obtained. It commits to purchasing good quality products and services at competitive prices. It commits to always seeking value for money but taking also into consideration our environmental policy.

Authorisation for all items of expenditure must be obtained prior to committing Accountable Now to the expense or purchase. This happens in line with Accountable Now's **Banking Credit Card and Cash Policy** (see Section 2 of this document). Verbal approval is not sufficient for authorisation; however, email authorisation is acceptable as valid authorisation.

1. Budget holders have to check if purchase is covered by budget and authorise process.
2. Procurement requests are then checked by the Executive Director to confirm availability of funds.
3. In the event that three quotations cannot be obtained, reasons should be documented and written approval sought from the Executive Director before awarding the procurement.
4. Quotations must be as specific as possible to allow comparison.
5. Relatively expensive, rush type purchases must be avoided by planning ahead.

Threshold	Sourcing/Procurement method	Orders to be approved by	Orders to be authorised by
€ 1,000 - 5,000	Three written quotes Prudent shopping	Executive Director	Executive Director (ED)
€ 5,000 - 20,000	Three written quotes	Executive Director	Treasurer
above € 20,000	Tender process	Executive Director	Board Chair & Treasurer

Tender procedures must follow professional rules of transparency, clarity and documentation. Although the threshold to implement the procurement policy starts with expenditures above €1,000, budget holders are asked to compare prices to make sure we are getting value for money.

Where the services of consultants are procured, Terms of Reference (TOR) must be prepared. These shall include clear objectives, list of deliverables or expected outputs, Accountable Now's obligations and the consultant's obligations, detailed cost estimate and time frame.

All of this will be covered in a written contract signed prior to the appointment and including terms for termination. Rather than simple cost efficiency, ethics is the basis on which procurement related principles, such as fairness, integrity, and transparency, are founded – in particular for larger monetary values.

1.5 Guidelines for travel and other expenses

When away for work-related purposes, Accountable Now will reimburse travel expenses of staff members according to the regulations and procedures of the [Travel Guidelines](#). If travel is covered by another organisation, staff will need to adhere to per diems provided by the host organisation.

If a personal credit card is used for business purposes, bank charges can be claimed back upon presentation of the relevant credit card bill.

Furthermore, staff must ensure that their travel and purchases are in line with Accountable Now's [Environmental Policy](#) and **Procurement Policy** (see Section 1.4).

Staff members are expected to research and choose the least expensive option for travel, accommodation and subsistence as appropriate.

Wherever possible, flights, ground travel such as train/bus tickets as well as accommodation should be paid for prior to traveling or with Accountable Now's credit card. Low cost options for accommodation should be sought. Where different classes of travel are available the economy option should be selected and where there is a choice of travel providers the lower cost option should be selected.

All expenses for journeys and short trips which are expected to cost over € 50 must be discussed with the line manager. Travel cost claims in excess of € 500 must be approved by the Executive Director (ED). This includes travel by bus, tram, tube, taxi, train, etc.

Travel expenses will only be reimbursed upon the presentation of valid receipts together with the completed standard form for travel expenses. Flights and, where possible, train tickets are to be booked and paid for by Accountable Now directly. Mileage is not reimbursed other than in exceptional cases and with pre-approval by senior management.

1.6 Banking

Accountable Now's bank account is with GLS and with the purpose of facilitating matters, the Executive Director is the main authorized signatory. However, the Treasurer or the Chair of the Board shall also be signatures of the bank account.

In the absence of an accountant, the Executive Director will be responsible for carrying out transfers and accessing the online banking system. Requesting relevant forms for banking access for other users and/or new credit cards will be carried out by the Administrative Assistant.

Information relating to banking is kept in hard copy by Accountable Now's Secretariat. The Executive Director and the Administrative Assistant keep an up-to-date electronic overview of login details, card details, pins and secure codes. This is saved in a password-protected document and also in Last Pass.

Any violation of the above guidelines may result in consequences for the involved Accountable Now team member's employment. If there is evidence that users are not adhering to the guidelines set out in this policy, the employee will receive a warning, either orally or in writing as appropriate. Severe or repeated cases of violation of this policy may lead to dismissal.

1.7 Transfers

Any payments made from Accountable Now's account must be preceded and evidenced by the relevant form(s) and an authorised invoice. Invoices must contain both the signature of the person submitting the expense and the Executive Director. In case of absence, the Executive Director can authorise invoices via email. The evidence must be saved in electronic format and it must also be printed out.

1.8 Credit Card

Accountable Now has one credit card under the Executive Director's name. Team members can request to use the credit card to make purchases for Accountable Now-related purposes.

For items or services to be booked with Accountable Now's credit card, Accountable Now's Executive Director must pre-authorize all payments using the Pre-Authorization and Expense Form. A copy of confirmation and/or receipt of payment shall be kept for the records and it must be given to the administrative assistant. Credit cards may not be used for personal expenses.

1.9 Per diems

If Accountable Now is organising an event where we are covering the expenses of over 10 people, to avoid transfer costs and also to simplify the process, per diems will be offered.

Per diems will be a one-off lump sum that will cover participants transportation costs and meals. The amount will be dependent on the number of days and the number of meals that have not been already covered. To access the lump sum, participants will be required to sign the per diem form upon arrival in the event. No receipts will be required.

Per diems will not only apply to externals, staff might also be included. Amount of the lump sum will depend on the country and the number of days. Please refer to the travel guidelines for [reference](#).

1.10 Overseas Payments

Since Accountable Now is a registered German charity, when conducting overseas payments there are several things that need to be done to comply with the relevant legislation.

Before hiring an external overseas consultant, make sure that the service provider is registered in their country of operations. This is relevant because they will be responsible for paying taxes for the service provided in their country of residence. Do a negative search on the internet using both the name of the service provider and the company to identify any complaints. Finally, make sure that the work that the consultant has been assigned to undertake is in line with their company's mission.

If the service provider does not have a company and is registered as self-employed, it is important to identify what is the tax status of the consultant and Accountable Now's obligations.

Before using the checklist, make sure you know:

- the worker's responsibilities
- who decides what work needs doing
- who decides when, where and how the work's done
- how the worker will be paid
- if the engagement includes any benefits or reimbursement for expenses

When you make or receive any transfer of funds, it is essential to have 'complete information' about the payer (who is making the payment) and payee (who is receiving the payment) and send this along with the transfer of funds. This applies to all transfers of funds in any currency.

Complete information about the payer must include their:

- name
- full postal address, including postcode
- account number or a unique identifier which will allow the transaction to be traced back to them

If you do not have the payer's full postal address, you can include either their:

- date and place of birth
- customer identification number
- national identity number, for example, a passport number

Complete information about the payee must include their:

- name
- account number or a unique identifier which will allow the transaction to be traced back to them

The payee's bank account must be under the person's name. In some cases, you may need to verify the complete information. You must do this using documents, data or information from a reliable and independent source such as:

- a passport
- a photocard driving licence
- documents issued by a government department

As a payment service provider, you must verify the complete information of a payer or a payee if either:

- the transfer value is €1,000 or more
- any part of the transfer is funded by cash or anonymous e-money

If there are multiple transactions of less than €1,000 which appear to be linked, you must check how much the linked transactions add up to. If they add up to €1,000 or more, you must verify the complete information of the payer or payee.

1.11 Reserves

Operational reserves are held to ensure that Accountable Now operates effectively and is financially sustainable. They act as a safety margin and allow for flexibility in managing Accountable Now's resources. The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

Risk Assessment

Risks associated with income different from that originally budgeted include:

- (i) loss of Accountable Now Members (however, operations can be adjusted in time due to the withdrawal deadline of 01 September for the coming year);
- (ii) Members not paying their Membership fees without officially leaving Accountable Now;
- (iii) termination of agreements by donors;
- (iv) lower income due to exchange rate loss,

- (v) unforeseen or unusual expenditures include fees for legal advice or representation, maternity leave and sickness cover.
- (vi) Other risks

Statutory Reserves

As a company limited under UK law and according to Accountable Now's Articles of Association (5. Liability of Members), Accountable Now is required to hold minimum statutory reserves of 1€ per Member. This amount must be available immediately at any given moment. As Accountable Now currently has 25 Members, this means ca. 25 €. Each new Member will add 1€ to the statutory reserves and these should be kept at the level of 50 € to allow for new Members.

Operational Reserves

Accountable Now's obligations as administrator of the Membership should be covered by appropriate reserves. Generally, the operational reserves should cover six months of operating costs.

Accordingly, the most appropriate level of reserves should be adapted annually to be kept at a minimum level of 50% of the total amount budgeted to cover the Secretariat's basic costs. These costs include salaries and overheads (equipment, office space, lighting, internet and any other related operating costs).

Investment of Reserves

Accountable Now's overall motive for making investments is financial returns on its savings and reserves. Sustainability of possible investments and the adherence to ethical benchmarks need to be secured and maintained through agreed and sector standard disqualification criteria.

Monitoring

Accountable Now's level of reserves is monitored by Accountable Now's Secretariat and the Treasurer on a quarterly basis, reported to the Board on a yearly basis, and presented within the audited annual financial statements of the organisation. **The desired levels of reserves will be achieved in a 3-year period. Once achieved, should projections indicate that the reserves might fall below 50% of the total amount budgeted to cover the Secretariat's basic costs, Accountable Now's Secretariat will notify the Board of Trustees for consultation.**

2. Accountable Now Banking, Credit Card & Cash Policy

2.1 Full Banking Mandate

The Executive Director of Accountable Now (ED) has delegated authority from the Accountable Now Board to manage all Accountable Now banking matters, including bank mandates, credit card management and cash on hand management. All mandates relating to banking, including access to bank accounts, change of signatures, authorisation related to credit cards and credit card transactions, must be signed by the ED.

The ED is also the liaison person for banking matters, has full online viewing rights to all bank accounts, has access to transact transfers for Accountable Now and requests relevant forms for banking access for other users and/or new credit cards. For periods of absence of the ED, the ED may delegate authority to Accountable Now's Manager and as he/she sees fit in order for the day-to-day processing of payments and receipts not to be interrupted by the ED's absence.

2.2 Credit Cards

Accountable Now is currently issued one credit card, a Master Card, in the name of the Executive Director. The credit limit of the card is 10,000 €. The credit card is meant to be used for travel or to purchase expenses online. Everytime the credit card is used, invoices must be kept and the proper form(s) must also be filled out.

2.3 Responsibilities

Transfers

Any payments made from Accountable Now's account must be preceded and evidenced by a pre-authorized form and invoice. Expenditures within the approved budget, up to 1,000€ must be approved, prior to purchase, by the ED. For expenditures over 1,000€ please refer to Accountable Now's **Procurement Policy** (refer to Section 1.4). Invoices can be further authorised via email, where evidence either through review of the emails in electronic format or, if they are printed out, review of hard copies of the emails is required.

Credit Card

Credit cards may not be used for personal expenses. For items or services booked with Accountable Now's credit cards, Accountable Now's Admin Assistant should immediately be sent a copy of confirmation and/or receipt of payment.

Accountable Now team members can request to use the credit card for Accountable Now-related purposes, these requests and approval of requests must precede any such credit card transaction. Approval is required from the ED.

Accounting and Audits

All transactions and accounting documentation will be prepared and checked by Accountable Now's Admin Assistant and overseen by the Executive Director, by way of bank statements reconciliations, verification of invoice amounts to payment amounts and service provider account statements. The consolidated bank statements will be uploaded to DATEV each month and used by the outsourced accounting firm (Schlarmann von Geyso) to prepare monthly financial reports (balance sheet and income statement) to be submitted to the ED. The reports will be presented during the Finance and Risk Committee meetings and may be shared with the Trustees during Board meetings.

Annually, Accountable Now's accounts will be audited by an outsourced firm (to be selected by the Board). The audited reports will be shared with tax authorities in compliance with regulatory requirements and shared on Accountable Now's website in line with the organisation's commitment to transparency.

Banking Information

Most information relating to banking is kept in hard copy by Accountable Now's Secretariat. The Admin Assistant keeps an up-to-date electronic overview of login details, card details, pins and secure codes. This is saved in a password protected document and in lastpass.

Any violation of the above guidelines may result in consequences for the involved Accountable Now team member's employment. If there is evidence that users are not adhering to the guidelines set out in this policy, the employee will receive a warning, either orally or in writing as appropriate. Severe or repeated cases of violation of this policy may lead to dismissal.

Annex: Accountable Now Secretariat purchases and expense procedure

Approval of purchases

Expenditures up to 1.000 € must be approved, prior to purchase, by the ED. For expenditures over 1.000 € please refer to Accountable Now's [Procurement Policy](#).

Expenditures that will result in an overall excess spending of 3% or more of the entire budget must be approved by Accountable Now's Treasurer or the Board in their quarterly financial reviews in advance.

Approval of expenses

Expenses will only be reimbursed upon the presentation of valid receipts together with a completed Accountable Now [reimbursement form](#). This form must be signed by the individual and Line Management. Expenses incurred by the ED must be approved retrospectively every 6 months by the Treasurer; an email from the Treasurer will suffice as approval.

In the event that it was not possible to obtain a receipt for an expense, due to e.g. malfunction of ticket machines, an individual has to fill out the [replacement receipt form](#). Replacement receipts need the approval of the ED.

Guidelines for travel and other expenses

When away for work-related reasons, Accountable Now will reimburse travel expenses of staff members according to the regulations and procedures of the [Travel Guidelines](#).

Additionally, if a personal credit card is used for business purposes, bank charges can be claimed back upon presentation of the relevant credit card bill.

Furthermore, staff shall always ensure that their travel and purchases are in line with [Accountable Now's Environmental Policy](#) and **Procurement Policy** (refer to Section 1.4).



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Supporting Documents

[Reimbursement form - NOT LINKED TO TRAVEL](#)

[Reimbursement form - LINKED TO TRAVEL](#)

[Replacement receipt form](#)

[Petty cash advance form](#)

[Internal Travel Guidelines](#)

[Environmental Policy](#)