

Itar for Social Development

Finance Policies and Procedures

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1. INTRODUCTION

Itar Foundation for Social Development is a Yemeni NGO established in 2011 in accordance with the law of foundations and institutions subsidiary of the Ministry of Social Affairs and Labor (No. 571) dated 23-10- 2011 and its scope geographical of work is the Republic of Yemen.

1.1 MISSION

To strengthen the civil society sector by promoting mutual accountability, effective partnership, participatory capacity development and moderate impact in crisis

1.2 VISION

The interests and rights of Yemeni people – regardless of gender, age, disability, social or economic background – are at the center of social, economic and political development.

▪ 1.3 VALUES

- **Equity** – Equity is a position, foundational commitment and an arrangement. Itar has to address equity within its own foundation , CSOs and government, private sector and society.
- **Transparency** – Simply, to write about achievements and setbacks and share with partners, funders and communities. Invite them for critics. It is hard to be transparent about your shortcomings, but it's essential to building trust.
- **Sector's Independency**– Bring together the civil society spectrum: associations, foundations, union, researchers and other civic individuals or groups along with private sector's corporations, medium and small enterprise to advance the common good and powerful and independent methods.
- **Human Capital** – Based on social development's principles of invest in people, empowerment and inclusion, Itar believes in human capital management not human resources management as achieving foundation 's success is nothing but

humans' time, skills and outputs.

- **Transformative Feminist Leadership** – At foundation al levels, systems and structures must be intersectional, intergenerational and supports facilitating and encouraging leadership of women and young people, strong relationships, positive use of power, collaboration and inclusion.

1.3 STRATEGIC AND GOAL OBJECTIVES:

To support civil society in Yemen, nourishing its strength and promoting its resilience and sustainability by providing inspiration, skills, best-practice structures and instruments.

Objectives

1. To strengthen CSOs external accountability, impact and influence, while internally strengthening staff capacities and institutional development.
2. To advocate for meaningful partnerships between CSOs, local communities, governmental entities and the private sector, as well as regional and international stakeholders and donors.
3. To facilitate partnerships and networks across civil society that encourage broad participation of CSOs, elevating their unique voices and skills.
4. To streamline the business and digital reformative process of CSOs and ways of working.

1.4 PURPOSE OF MANUAL

The purpose of this manual is to describe the financial accounting policies and procedures of ITAR . The manual also details the internal controls and specific methods to ITAR 's assets, check the accuracy and reliability of recorded accounting data, and promote efficiency in the accounting operations.

1.5 SCOPE

This manual will be applied to all financial transactions of Itar programs, projects and activities

1.6 FISCAL YEAR

The fiscal year of Itar should track the calendar year beginning on January 1 and ending on December 31.

1.7 LOCAL CURRENCY

The local currency for Itar is Yemeni Rail or US Dollar. Any other foreign currency should be exchanged to the local currency daily according to Itar bank exchange rate and record in the financial system with the local currency (either Yemeni Rail or US Dollar USD).

The currency differences at the end of the fiscal year should be adjusted as currency differences revenue or expenses.

2 POLICIES AND PROCEDURES

The automated system that is used by Itar financial department is Integrated Accounting System- QuickBooks Online

2.1 CASH ON HAND

2.1.1 CASH PAYMENTS

- Petty cash shouldn't be more than \$500 and replenishes by the same amount and replenishment should be done through Daily Cash Report Form and Cash Replenishment Statement form.
- No money should be paid without all evidenced documents attached and approve from the Financial Manager and Itar Director and No money should be paid without receipt from the receiver.
- No money should be paid in advance till the goods or services are received.
- Cash payment voucher is automated.
- Prohibit use Itar money is prohibited for personal use.

2.1.2 CASH RECEIPTS

- All money received should be received with receipts that should be signed and stamped by the cashier. The original copy with the customer, a copy kept by the financial department and a copy kept with the cashier.
- All Deposits received from the donor are to be deposits to the bank and is not to be used for petty cash unless authorized by the Executive Director.
- Cash receipt voucher is automated.

- The Cashier should prepare a daily cash report to the Financial Manger that illustrates all the received and spend money from or to cash.
- The Cahier should be ready to cash inventory at any time.

2.1.3 CASH AT BANKS

- A main bank account should be opened for Itar
- Bank accounts for all projects should be derived from the Itar main bank account.
- Issues checks note for each project.
- All checks notes are to be kept with the Financial Manager.
- Itar main account checks should be signed by the Financial Manager and Itar Director.
- Projects checks are to be signed by the Coordinator, Financial Manager and Project Manager and or according to the donor requirements.

2.1.4 BANK PAYMENTS

- No check should be issued without all evidenced documents, bank payment voucher and authorized approval.
- The check should be received by bank receipt or by signing on the copy of the check.
- Bank payment voucher is automated.
- All advance payment should be paid with checks for facilitating operation process.
- All Itar liabilities should be paid with checks unless there is necessity to be paid on cash.
- The accountant should prepare daily bank report that illustrates all spend and received checks and submit it to the Financial Manager.
- The Financial Manager should prepare the bank reconciliation monthly.
- All Bank statements and bank reconciliations should be kept with the Financial Manager for auditing purposes.
- The Financial Manager should follow up any deviation with the bank.
- All deleted checks should be kept for internal and external auditing and any check should not be edited without name or to his carrier.

2.1.5 BANK RECEIPTS:

- Every check issued to Itar should be written to the Foundation (Itar).
- No check should be received without bank receipt voucher or signed on the copy of the check.
- All received checks should be deposited into Itar account in two days of receipt.
- Bank receipt vouchers are automated.

2.2 DISBURSEMENTS (PAYMENTS):

2.2.1 PETTY CASH:

The purpose of petty cash is to facilitate the daily and routine payments. The petty cash is responsibility of the cashier of Itar programs or the projects accountant.

Itar may establish a petty cash advance under the following conditions:

- The initial advance is to be established by drawing a check made payable to the advance payment holder (Treasurer or Accountant).
- Any expense occurs to facilitate work should be paid if it is justified and serves Itar work.
- Under normal circumstances, a petty cash advance should be sufficient to pay the expected petty cash expenditure for a month; and can be up to \$500 and can be increased according to work facilitation needs.
- Petty cash reimbursement should be through advance payment clearance as attached in this manual.
- Petty cash for one item should not exceed \$100 unless approved by the Financial Manager.
- Petty cash advance payment should be approved by the Financial manager, Programs manager, Projects manager or authorized person.
- Petty cash advance payment is approved once when paid and once after replenishment.
- All payments documents should be attached with the clearance form.
- In case of no evidence or documentation of the payment, advance payment holder should use Itar stamped receipt and attach the ID copy of the recipient.

- No petty cash advance should be made before replenishing the current custody.
- Petty cash includes the following:
 1. Monthly subscription bills of utilities such as ADSL, Telecommunication, water, etc.
 2. Maintenance Services
 3. Transportation
 4. Office Supplies
 5. Logistics
 6. Sundries
- For the internal control, no one except the petty cash holder can be the custodian of a petty cash advance and accountable for it. Therefore, no other person is entitled to access the advance.
- Petty cash should be kept in a secure location and not accessible to others.

2.2.2 TRAVEL EXPENSES.

- Travel Expenses Support Payments if sponsored by a donor will be as follows:

No.	Types	Item	Amount Per day
1	Flight Ticket *		Based on quotes
2	Car rental		Based on quotes
3	Per diem	Breakfast	\$10.00
		Lunch	\$20.00
		Dinner	\$5.00 - \$10.00
4	Lodging	Sana'a	\$30.00
		Aden	\$30.00
		Other local cities	\$20.00 - \$30.00
5	Transportation within a city (Non-event city resident)	Sana'a	\$10.00
		Aden	\$15.00
		Other local cities	\$10.00
6	Transportation within a city (Event city resident)	Sana'a	\$5.00
		Aden	\$15.00
		Other local cities	\$10.00
7	Transportation between cities	Public transport	\$30.00

2.2.3 PAYROLL:

- Based on the job descriptions written by the respective department, the HR Officer is responsible for salaries and wages determination in cooperation with the Financial Manager.
- Every employee should sign all his work hours on the attendance sheet that belongs to Itar documents.
- Salaries increase or decrease are determined by the Itar Director.
- The Secretary is responsible of the attendance sheet observation.
- The HR Officer is responsible for the attendance data reports that illustrate work hours, vacations, and absenteeism as will be clearly supported in the attached documents.
- The Accountant should review the attendance data report according to the attendance sheet.
- Itar Director then gives the final approval for salary and wages payments.
- Salaries should be transferred to the employees account through the bank by the 25th of each month.

2.2.4 ACCOUNTS PAYABLE PAYMENTS:

- Account Payable payments can be paid by checks, bank transfer, and in certain cases in cash.
- No check payment should be withdrawn without all supporting documents according to procurement manual requirements.
- Authorization of payment as mentioned above for payment approval and checks signing is done by the Financial Manager and Itar Director/and or the delegated person or according to the project requirements.
- No checks or payment approval should be signed without all clear information written in ink or typed by automated system.
- In case of check loss or damage, Itar bank should be formally informed to disallow cashing the check and Itar will issue a new one to the vendor.
- In case of error in check writing, the check should be cancelled and kept in the check books for auditing purposes.

- Date of payment should be agreed with by the supplier, vendor or creditor in a way does not affect Itar operation and liquidity.

2.2.5 EMPLOYEE PAYROLLS

Payment rates will be as follows:

Position	Qualification	Experience	Salary Rate
Director	PhD	3 Years	\$2500-\$5000
	Masters	7 Years	
	BA	10 Years	
Manager	Masters	5 Years	\$2000-\$4000
	BA	7 Years	
Supervisor	Masters	2 Years	\$1500-\$2500
	BA	5 Years	
Coordinator	Masters	1 Year	\$1000-\$2000
	BA	4 Years	
Officer	BA	3 Years	\$800-\$1700
Assistant	BA	1 Year	\$300-\$800
Secretary	BA	1 Year	\$200-\$500
Janitor	-	1 Year	\$200-\$400
Driver	-	2 Years	\$200-\$400
Guard	-	2 Years	\$100-\$300
Cleaner	-	2 Years	\$100-\$300

2.2.6 LOANS AND ADVANCE PAYMENT:

2.2.6.1 PURPOSE:

ITAR administration considers the employees as assets and to invest on such assets, ITAR administration will facilitate loans and advance payment for employees' satisfaction to help them when needed. Advance payment purpose usually is to facilitate the operational process.

2.2.6.2 LOANS:

- The maximum amount allowed as a loan shouldn't be more than two month salaries.

- No loans for temporary employees who are working for projects that have specific period of time. Loans are only for employees who have been permanently recruited for over a year.
- The loan should be justified by the employee and approved by Itar Director. Loans are given to only urgent cases and, therefore, should be justified.
- The loan should be deducted from the salary of the requester starting the following month in a rate of 20 % of the loan monthly. The Loan should be paid off in not later than 6 months.
- No additional loan is given for the same employee until the current loan is paid off.
- The employee should write a loan requisition to Itar Director clarifying the reasons, amount of the loan and the amount of salary deduction monthly.
- The loan in consistent to the above procedures is void of interest.

2.2.7 ADVANCE PAYMENT

- The advance payment should be paid for a specific operation and by check with the name of the employee. The Advance payment should be aligned with Itar operations and all evidence documents should be attached for clearance.
- The custodian is not allowed to use the advance payment for personal use.
- The advance payment should be cleared at the time operation is complete.
- The advance payment handover should be reviewed by the Financial Department and approved by Itar Director.
- The Financial Department has the right not to pay the employee's salary till the employee handovers clears his advance.
- Procurement advance payment takes the cycle of procurement illustrated in the Procurement manual.

2.2.7.1 TRAINEES ADVANCE PAYMENT.

Trainees advance payment takes the process as follow:

- Payment statement of the trainees according to the budget with trainee signature for money receiving attached with training attendance sheet.
- If there is change from the budget and the actual such as the regional transportation, the custodian should justify that with one quotation from a local travel agency or clarification statement determines the logical amount distributed according to the distances from the training location.
- If there is flight ticket, the custodian should reserve the tickets from Itar travel agency according to the informed candidates list provided by the training project or program Manager or Coordinator.
- In case of reservation difficulties, the Custodian should pay the trainee the budgeted amount or less according to the provided trainee flight ticket or handover his custody by paying the budgeted amount to the trainee and the trainee should sign receipt.
- The trainee's fee purpose is to motivate the trainees to get benefits of the training, so this item shouldn't be constrained if possible for the trainees.
- Travel allowances of the consultant should be implied in the contract and paid as lump sum to the consultant as part of his fee and the consultant is responsible of managing the travel by him/herself.

3 BUDGETS

3.1 CAPITAL BUDGETS:

- The capital budget is the estimated amount of the needed assets for the next year. The capital budget should not affect the operational budget.
- Capital Budget helps for pursuing all projects and opportunities that enhance shareholder value. However, because the amount of capital available at any given time for new projects is limited, management needs to use capital budgeting techniques to determine which projects will yield the most return over an applicable period of time.

- The Financial Department is the responsible of the capital budget preparation with collaboration with all departments about their capital needs for the next year.
- The capital budget should be approved by Itar Director.
- The Financial Department should review the budget process and study all deviations and discuss them with the Director.

3.2 OPERATING BUDGET:

- Operating budget expenses are prepared by the Financial Department based on the expenses and revenues of the three previous years and in collaboration with various departments for the new expected activities, excessive needs or shortage in the previous years, which had a negative impact on the functioning of the foundation 's activities and its profit and loss account.
- The budget must be approved by Itar Director.
- The Financial Department should review the budget process and study all deviations to discuss them with the respective department and report to the Director.

3.3 PROJECT BUDGET:

- Project budget is the budget that is prepared according to financers grant and agreed components and activities.
- The Financial Department is the responsible for the project budget preparation in collaboration with the respective department staff.
- The project budget should be approved by Itar Director, respective department manager and the financers.

4 ASSETS MANAGEMENT

4.1 ASSETS PURCHASING

- As mentioned in the capital and project budgets, all assets needed for the next year should be included in the budgets.
- Unexpected need of assets should be approved by Itar Director.
- Assets purchases are run through the procurement cycle.
- According to a Copy of the Goods Receipt Note (GRN) and the copy of the Original Invoice, the Procurement Officer should record all assets in individual statements for each asset.

4.2 ASSET STATEMENT

Asset Statement may include but not limited to the followings:

Asset Name	Asset name is the name mentioned in the original invoice and recorded in the automated accounting system.
Asset Number	Asset number is the code of the asset in the chart of account.
Asset Location	Asset location is the location where the asset is used.
Purchasing Date	Purchasing Date is the date mentioned in the original invoice.
Custody Official	The person who is responsible for the asset and he is usually the Requisitioning Person unless the asset is stored.
Date	The first date will be the date of purchasing. And the next dates will be the date of depreciation and any additional purchasing to fix the asset or maintain that asset.
Voucher Number	The number of the asset upon its purchase.
Description	Asset description as it is in the copy of the original invoice.
Depreciation Expense	Depreciation expenses are determined by the Itar auditor or according to Yemeni Law.
Accumulated Depreciation	Accumulated Depreciation is the accumulated of annual depreciation expenses.
Asset Cost	Asset Cost is the cost of asset when purchased- Historical Cost.
Book Value	Book Value is the difference between the Asset Cost and the accumulated depreciation.

- After the asset is recorded, the Financial Department is responsible for asset follow up: depreciation, revaluation, reassign custodian, etc.
- Any changes on the asset such as purchasing spare parts or any addition to the asset value should be recorded.
- Revaluating the asset value will be the responsibility of Itar auditor at the end of the fiscal year.

4.3 ASSETS DEPRECIATION

- Asset Depreciation recording will be at the end of the year.
- The depreciation expense will be calculated before the end of the year if necessary.
- The depreciation rate is determined according to the type of asset, Itar policy, Yemeni law and the auditor recommendation.

Subscribers	Depreciation Rate
Real Estate	2%
Vehicles	20%
Computers and Laptops	20%
Projectors and Smart Screens	20%
Printers and Photocopiers	15%
Air Conditioners	10%
Furniture	10%
Sound System	10%
TVs and DVDs	10%
Other Fixed Assets	5%

4.4 ASSET SELLING AND ELIMINATING

- When the book value of the asset equals zero, the elimination decision should not be taken unless the asset is useless and after the Itar Director's approval.
- If the book value of the asset equals zero but the asset is still useful, the financial department should reevaluate the asset according to the market price and record the asset according to the current value.
- Every asset custody official should report about the asset to the Financial Department and clarify the asset situation and the official's recommendation.
- In case the asset needs to be sold, the Financial Department should prepare an asset report to Itar Director for decision making.
- In case the asset needs to be eliminated, the Financial Department should prepare an asset report to Itar Director for decision making.
- The asset report clarifies the asset current situation, book value, market price, reason of selling, market price for new asset will be replaced and the profit/losses of asset selling.

4.5 PROJECTS ASSET

- All projects asset belong to Itar property after projects finish.
- When the project assets belong to Itar , the financial department should reevaluate these assets according to Itar depreciation rate or according to current price in the second hand market.
- All re-evaluated assets record on Itar assets account.

4.6 ASSETS INVENTORY

- Asset inventory should be made at least once a year - by the end of the year with the annual inventory.

4.7 STOCK MANAGEMENT AND CONTROL

4.7.1 OFFICE STATIONERY

- All departments should request their need of stationery in the beginning of the year.

- Every department should not waste its need or distribute it to another department.

5 ANNUAL FINANCIAL REPORTS

5.1 ANNUAL INVENTORY

- Finance department is responsible for preparing all inventory forms.
- The Director assigns a committee that conducts all Itar 's properties, assets and store's inventory by the end of every year.
- The committee should have at least three members; the custodian, the accountant and an impartial admin employee.
- The inventory should be approved by Itar Director and Financial Manager.
- The Inventory committee should consider the followings:
 - a. The custodian of certain asset should be a helping member during the inventory made on the respective asset.
 - b. The Financial Department should prepare all required documents for inventory.
 - c. The beginning and ending of the inventory should be determined.
 - d. Inventory should be made in December of every year.
 - e. In case of annual inventory, any cash at Itar should be deposited in the Bank before the inventory starts.
 - f. Every employee should sign on the inventory document that lists all assets in their custody and should have a copy of the document.
 - g. After the inventory is approved, the asset should be under the custody of the earlier custodian unless otherwise noted.
 - h. Cash inventory should be on December 31, of every year.
 - i. The Financial Department should prepare the final inventory report that determines the similarities and differences if any with clarifications.
 - j. The committee of the inventory should recommend the asset disposal, selling or revaluation.

5.2 FINANCIAL REPORTS:

- The Financial Department is the responsible of recording all the accrual account and justifying entries.
- The Itar auditor should be supervisor to all justifying entries.

- The Financial Department is responsible to prepare the financial reports maximum at March 31, of every year.

6 JOB DESCRIPTIONS- DUTIES AND RESPONSIBILITIES

6.1. FINANCIAL MANAGER

- Responsible for budgeting preparation in collaboration with all associated departments.
- In charge of the budget spending flow and direct the rules of spending aspects.
- In charge of supervising all Itar financial programs, projects, different financial activities and financial department personnel at Itar.
- Assists in goals setting and performance improvement of finance staff.
- Performs necessary variance and other accounting analysis to identify and resolve any discrepancies or gaps.
- Participates in overall annual budgetary process.
- Manages financial reporting and management tasks.
- Addresses financial issues and inquiries from internal and external stakeholders.
- Responsible for annual financial reports preparation.
- Responsible for presenting and responding to parties inquiries.
- Responsible for the internal audit and preparing all external audit requirements and any auditing inquiries responding.
- Creates financial presentations for management and clients.
- Develops best practices to enhance operational performance and productivity.
- Advises and informs the Director on all aspects of technical financial accounting processes and procedures.

6.2. ACCOUNTANT

The Accountant reports to the Financial Manager and responsible for the following:

- Processing and recording all accounting transactions;
- Follows up and supervise the petty cash and custodies officials;
- Replenishes the advance payments, petty cash and custodies;
- Pays authorized invoices (authorized by Project Director and

Coordinator);

- Selects correct accounts;
- Deposits, verifies, and balance debit and credit entries;
- Maintains records through filing, retrieval, retention, storage, compilation, coding, updating, and purging;
- Operates computer to enter data into spreadsheet and/or database;
- Ensures compliance and delivery of accounts and other information requirements set by Itar management and financiers.

6.3. PROCUREMENT OFFICER

The Procurement Officer reports to the Financial Manager and is responsible for the following:

- Ensures competent quality execution of all regular purchasing duties and related administrative works;
- Maintains complete updated purchasing records/data and pricing in the system;
- Coordinates with user departments and suppliers in the purchasing scope of work for projects assigned;
- Assists in managing and following up overseas orders;
- Handles and monitor claims with vendors for defects, shortages, missing parts;
- Supports relevant departments with quotations for the purpose of tenders;
- Coordinates with suppliers to ensure on-time delivery;
- Responsible for the preparation and process purchase orders and documents in accordance with Itar 's procurement policies and procedures;
- Monitors and co-ordinates deliveries of items between requisitioning departments and suppliers to ensure that all items are delivered to site/store on time;
- Sources, selects and negotiates for the best purchase package in terms of quality, price, terms, deliveries and services with suppliers;
- Purchases and issue order in accordance to specification;
- Plans and manage inventory levels of materials and products;
- Performs other duties as may be assigned.

6.4. TREASURER

The Treasurer reports to the Financial Manager and responsible for the following:

- Responsible for Itar finances including payment of all approved and accounting of income from program fees, projects funding, sponsors, and other sources;
- Responsible for all cash needs at receipts and payments;
- Issues all checks with regard to Itar activities in a timely manner;
- Issues a monthly receipt and expenditures report.

6.5. STOREKEEPER

- Stores and releases supplies or equipment;
- Maintains the supplies records;
- Checks the supplies from time to time for obsolescence or inferiority;
- Disseminates the supply in its designated areas;
- Safeguards and maintaining the condition of each supply item.

7 ACCOUNTING FRAMEWORK

Itar adopts a Modified Cash Basis of Accounting, to reflect the nature of Not-For-Profit activities carried out by Itar and simultaneously uncover the dues from and to other parties (current receivables and payables) at the reporting date.

The modified cash basis is an accounting method that blends elements of the two major accounting methods, the cash method and the accrual method. The cash method recognizes income when it is received and expenses when they are paid, whereas the accrual method recognizes income when it is earned (for example, when the terms of a contract are fulfilled) and expenses when they are incurred. Perhaps, the modified cash basis of accounting adopted by Itar is a form of accounting based on actual receipts and disbursements, which include recognition for:

- a. Bills not paid when due; and
- b. Amounts owed by Itar and collectability of those receivables are high.

8 ADJUSTMENTS

Adjusting entries are applied to realize and record the accrued and prepaid expenses and revenues; accounting records mistakes and bank reconciliations. Adjustments shall be executed by the Financial Manager with highlighting the acceptable justifications and timings and approved by Itar Director for Itar whole activities or according to the financier's requirements for projects.

The adjustment should be conduct by the end of every month for the accounts mentioned above with acceptable justification and Itar Director Approval. No adjustments should be allowed after the annual closing but will be dealt with as transactions for previous year.

9 INTERNAL CONTROL

Appropriate measures of internal control should be adopted to improve the dependability of accounting records. These measures must include:

- An foundation plan to provide, to the extent feasible, segregations of duties for different employees to handle the authorization, custodial and accounting functions;
- A system of authorization and recording procedures adequate to provide reasonable accounting control over assets, liabilities, income and expenses;
- The employment of personnel skilled and capable of executing duties and responsibilities; and
- An internal audit activity to conduct effective and timely audits of records and accounts including verification of financiers' accounts, with assistance provided, where needed, by an independent auditing firm.

9.1 INTERNAL CONTROL STANDARDS

Itar must provide safeguards for all Itar property, whether cash or other assets, and assure that it is used solely for authorized purposes. Control will be enhanced if the duties of the Foundation personnel are divided so that no one person handles all aspects of a transaction from beginning to end.

Although a complete separation of functions may not be feasible for all Itar functions, some measure of effective control may be obtained by planning the assignment of duties carefully.

- Cash receipts should be recorded immediately and deposited daily.
- Bank accounts should be reconciled monthly according to the bank statement from Itar bank.
- A petty cash fund should be entrusted to a single custodian and used for all minimal payments other than those made by check.
- Checks to vendors should be issued only in payment of approved invoices, and the supporting documents should then be cancelled.
- The person who is responsible for the physical custody of an asset should not also have responsibility for keeping the records related to that asset.
- The person who has authority for placing employees on the payroll and establishing wage rates should not be the same person who signs the checks.

10 EXTERNAL AUDIT

External auditors are engaged each year to deliver an opinion on the fairness and appropriateness of the Foundation 's financial statements and ensure that they are prepared in accordance with applicable local laws and generally acceptable standards.

Itar management represented by the Itar Director and Financial Manger should ensure that the Foundation appoints auditors with a reputable recognized qualification.

11 ARCHIVING

Financial documents archiving is the responsibility of the Financial Department including the creation; managing and disposal of records related to all aspects of Itar financial and accounting documents records.

The Financial Department should determine authority for Records document purpose, rationale and responsibility for record keeping such as a good archiving for easy access for reviewing, getting information from historical data or for auditing purposes. According to the Yemeni law, all financial and accounting documents should be kept for ten years. This period may vary in case of projects according to financers' requirements.

The Financial Department has the right to dispose all financial documents after the required keeping date.

12.4 PETTY CASH

CASH CYCLE

Advance Payment Handover

Date:

Custodian				Job Title		
Purpose of Custody				Payment Voucher No.		
The Amount of Custody				Journal Voucher No.		
No.	Advance Payment	Payment	Remaining	Description	Attachments	Notes
Total						

Custodian

Accountant

Financial Manager

EXECUTIVE
DIRECTOR

CASH
CYCLE

Date:

Petty Cash Statement

Date	Description	Invoice / Receipt No.	Receipts	Payments	Payments Types	Notes
Total						

Accountant

Financial Manager

EXECUTIVE DIRECTOR

CASH
CYCLE

No.
Date:

Petty Cash Replenished Requisition

Payment from / / to / /

Date	Amount	Description	No.
Total			
Total Receipts			
Custody Amount		Treasurer	
Net Amount			
New Custody			

Accountant

Financial Manager

EXECUTIVE DIRECTOR

Approval

TO: DIRECTOR OF HRD

FROM: FINANCIAL MANAGEMENT

SUBJECT: PAYMENT APPROVAL /BANK

NO. ()

DATE: / /20

PAGE NO.: 1/1

Regarding the above subject kindly we request your approval to pay the following payments:

No.	Name	Description	USD
1			
	Annexes		
	Item		
Total			

Applicant:

Approved by:

Financial Manager

EXECUTIVE DIRECTOR

PAYROLL CYCLE

Date:

**Salaries
Sheet**

No.	Employee Name	Job Title	Net Salary	Signature
Total				

Financial Manager

EXECUTIVE DIRECTOR

12.6 LOANS

Ref.

Date:

Loan Requisition

To: Dear Itar Director, From:

Regarding the above subject kindly we request your approval to pay me a loan amount of

.....

To be deducted from my salary during.....

I need this loan for the reasons as follows:

.....
.....
.....
.....
.....
.....
.....
.....

Requested by:

Name:

Signature:

