



ACCOUNTING GUIDELINES

The Center runs on a January 1 to December 31 fiscal year and operates under the accrual method of accounting. The Center has one checking account with the Equity BCDC and does not keep a petty cash fund.

DIVISION OF RESPONSIBILITIES

The Board of Directors is responsible for reviewing and approving the annual budget, staff salaries and benefit plans, auditor selection, and decisions to invest in new programs or provinces. The Finance Manager will present a financial update to the board on a quarterly basis.

The Executive Director is a co-signer on the bank account and oversees adherence to all internal controls. He is responsible for reviewing and approving the bank statement and outgoing funds on a monthly basis and seeing that an appropriate budget is developed annually. The Finance Manager is to consult with him on key financial decisions or challenges.

The Finance Manager is a co-signer on the bank account, and is responsible for daily financial management, including processing and documenting incoming and outgoing funds, reviewing cash flow, reconciling bank accounts, conducting expenditure reimbursements, and communicating with the Bookkeeper and Board of Directors on financial matters.

The Bookkeeper is responsible for submitting and documenting monthly payroll and year-end bonuses; processing various tax payments; and assisting with year-end finance statements and audits. The Finance Manager and Executive Director will ask for her guidance on accounting principles when needed.



EXPENDITURE REIMBURSEMENT

CERC employees will be reimbursed for expenses paid on the behalf of the CERC's operations, including:

- Office supplies and business cards
- Venue rental and refreshments for events
- Marketing materials and services
- Program-related costs and small Integrity Clubs grants given from personal funds
- Tickets for and travel to/from useful, work-related meetings and events
- Modest meal/refreshment costs when hosting a meeting

In addition, the CERC will cover the following costs for work-mandated, pre-approved travel (and therefore will not provide lump-sum per diems for travel):

- Economy class airfare (using the least expensive option through our travel agent) or bus/train tickets
- Taxi ride to and from the airport, and other modest local transportation
- Meals during work-related meetings and events
- Accommodations at a low-cost hotel or guest house (if staying one month or less)
- Phone and internet (when required outside of basic, personal phone plan)
- Travel visas

The CERC will not reimburse the following costs:

- Daily commute to and from work
- Non-work-related phone and internet usage
- Non-work-related meals, including lunch during the workday, unless it is during a meeting
- Other items or services which serve only personal purposes
- Personal banking fees

All expenditures must be reasonable and necessary, and employees are expected to act in a careful, cost-effective, and resourceful manner in any use of CERC's funds.



In order to receive reimbursement, employees must:

- Record on the designated template, providing the date, detailed description and use of the item;
- Submit expenditure sheet to the Finance Manager during the following month
- Keep and file a receipt and/or invoice for each individual item
- When reimbursing his/her own expenditures, the Finance Manager must get written approval (paper or email) from the Executive Director before transferring or depositing the funds.

*The Finance Manager and Executive Director will review expenditures and if anything seems inappropriate, one of them will discuss it the sender and have the right to refuse payment for items that do not align with guidelines specified above.

ELECTRONIC TRANSFERS

The Finance Manager manages the CERC's bank account and is responsible for sending transfers to the CERC's partners and associates, following this process:

1. Obtain a receipt/invoice, or create an invoice for the transaction.
2. Ask the recipient for the following banking information:
 - Name on the account
 - Account holder's mailing address
 - Account holder's email address
 - Bank name
 - Bank address
 - Account type (check or savings)
 - Account number
 - Routing or IBAN number
3. Add them as an individual, association or company recipient in our FBNBank RDC account Services section.
4. Fill out the transfer form, including the invoice number and purpose if applicable, and double-check the recipient and amount before submitting.
5. Save a copy of the transfer receipt in the year's "Transfer receipts" Dropbox folder.



WRITING CHECKS

The Executive Director and Finance Manager are co-signers on the CERC's Equity BCDC checking account.

1. Find the checkbook. Try to pick up after the last-used check in order to maintain the number sequence.
2. Write the check in pen directly in the checkbook (to create a carbon copy underneath). Include the purpose or invoice number bottom left line.
3. Scan (or take a picture) of the check before sending it, so that we have proof of it in case it gets lost. Save the digital copy in the shared Dropbox folder, with the file name including the date and recipient name.
4. Record the check details on the CERC Outgoing Funds spreadsheet ("checks" tab), including the date, amount, check #, recipient name, purpose, signer, and any additional notes.
5. Give the check in person or mail it. Make you have the individual or company's most up to date address and get tracking on the letter if the check amount is more than \$1000.

If you receive a request for a voided check, write VOID in large letters across the entire check. Then note on the Outgoing Funds spreadsheet the check number that was designated as void. If they just ask for a digital copy, it can be reused.

DEPOSITING CHECKS

Check mail regularly for checks. Deposit check within 2 business days of receipt.

1. Scan both sides of the check and record the amount.
2. Contact or Go to the CERC's Bank in order to deposit.
3. Save it in the year's "Incoming check copies" Dropbox folder with the date and receipt in the title.
4. Write "deposited" on the check.
5. Record the check details on the year's "Incoming Funds" spreadsheet in Dropbox, including the check number, and restrictions on its use, etc.
6. One week later (after the check has successfully cleared), shred the check.
7. Send a thank you note when appropriate, acknowledging receipt.



PAYROLL PROCESSING

The Bookkeeper processes payroll through direct deposit to employees' personal bank accounts. Employees will receive an email notification each month via SMS Banking system. The payments will be made on the 1st of the month, as long as cash flow allows. With the Executive Director's permission, the Finance Manager may ask the Bookkeeper to temporarily delay payroll or to pay an advance salary payment to an employee.

The CERC does not use timesheets or provide overtime. Given our small team and hardworking team, we offer a flexible vacation and sick leave policy, based on the honor system. Employees must receive out to their manager in advance to get approval (except in the case of sickness or family emergency), and the supervisor has the right to decline if they feel the employee is taking advantage of the system.

ACCOUNTING SOFTWARE

CERC have requested the license to use the accounting software "Netsuite" for its financial management. The Finance Manager is the key point of contact for the relationship with Netsuite, and for updating the software as needed, with support from interns and pro bono consultants when possible.

CERC have designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). Below is current Chart of Accounts, which will be updated as needed.



Chart of Accounts

Account	Type	Account	Type
Checking	Bank	General Costs : Taxes	Expense
Accounts Receivable	Accounts Receivable	General Costs : Telephones	Expense
Advances Paid	Other Current Asset	Local Country Support	Expense
Purchases Returned Not Credited	Other Current Asset	Marketing	Expense
Undeposited Funds	Other Current Asset	Marketing : Fees for Service	Expense
Accounts Payable	Accounts Payable	Marketing : Materials & Ads	Expense
Payroll Liabilities	Other Current Liability	Personnel Costs	Expense
Refunds Payable	Other Current Liability	Personnel Costs : Program Manager	Expense
Sales Taxes Payable	Other Current Liability	Personnel Costs : Finance Manager	Expense
Opening Balance	Equity	Personnel Costs : Benefits	Expense
Retained Earnings	Equity	Personnel Costs : Executive Director	Expense
Donations	Income	Personnel Costs : Hiring	Expense
Donations : Corporation	Income	Personnel Costs : Intern	Expense
Donations : Foundations	Income	Stipend	Expense
Donations : Government	Income	Personnel Costs : Payroll Fees	Expense
Donations : Individual	Income	Personnel Costs : Payroll	Expense
Accounting	Expense	Taxes	Expense
Accounting : Bank Fees	Expense	Personnel Costs : Staff	Expense
Accounting : Fees for Service	Expense	Development	Expense
Business Registration Fees	Expense	Travel & Meetings	Expense
		Travel & Meetings : Airfare	Expense
		Travel & Meetings :	
		Conference/Event Fees	Expense
		Travel & Meetings : Ground Transportation	Expense



Event Expense	Expense	Travel & Meetings : Lodging	Expense
Expenses	Expense	Travel & Meetings : Meals	Expense
Fundraising	Expense	Rounding Gain/Loss	Other Expense
Fundraising : Merchant Fees	Expense	Estimates	Non Posting
General Costs	Expense	Purchase Orders	Non Posting
General Costs : Information			
Technology	Expense	Sales Orders	Non Posting
General Costs : Insurance	Expense	Unapproved Donor Payments	Non Posting
General Costs : Legal Fees	Expense	Unapproved Expense Reports	Non Posting
General Costs : Office Space		Partners Return	
and Supplies	Expense	Authorizations	Non Posting
General Costs : Shipping	Expense		

NetSuite Action Strings

- View/Edit Accounts: Setup ? Accounting ? Chart of Accounts
- For outgoing funds with liability, enter bills: Transactions ? Payables ? Enter Bill
- For outgoing funds without liability, enter checks: Transactions ? Bank ? Write Checks
- To enter expense reports: Transactions ? Employees ? Enter Expense Reports
- Record a donation: Transactions ? Sales ? Create an Invoice ? Accept Payment (use the same categories as on the invoice; make sure to note check/transfer number and purpose of the funds)
- Add a journal entry for accruals: Transactions ? Financial ? Journal Entry
- Create a basic report: Reports ? Financial ? Income Statement
- Perform a reconciliation: Transactions ? Bank ? Reconcile Bank Statement

STANDARDS OF BEHAVIOR

- All money provided to individuals and organizations through the CERC must further its mission and goals. No loans or grants may be used for other causes.
- Employee must not use CERC resources for personal use.
- All employees are expected to operate with complete honesty, transparency, and accountability in dealing with financial matters (See Code of Conduct).