DIRECT ACTION FOR RIGHTS EQUITY AND DEVELOPMENT

(DARED)

“Developing holistic approaches for community development, one community at a time”

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FINANCIAL MANAGEMENT POLICY

Document Number: DARED-FIN-001

Prepared in conformity with the laws of the Republic of Cameroon, the Uniform Acts of OHADA including the Accounting System for Not-for-Profit Entities (SYCEBNL), the regulations of CEMAC, the COSO Internal Control — Integrated Framework, the Core Humanitarian Standard, the FATF Recommendations, OECD anti-corruption guidance, and the financial management requirements of institutional donors.

Approved by the Board of Directors

Effective date: March 2025

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DOCUMENT CONTROL

This section records the identity, status and revision history of the present document. No copy of this policy is valid unless it bears the document number, version number and effective date set out below.

Field	Entry
Document title	Financial Management Policy
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Date of approval	March 2025
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Date of next scheduled review	Three (5) years from the effective date
Classification	Internal — may be disclosed to donors, auditors, regulators and partners
Language of record	English (a French version of equal authority shall be maintained; in the event of divergence, the English text shall prevail unless a donor agreement provides otherwise)

Revision History

Version	Date	Summary of change	Approved by
1.0	March 2019	Original Financial Management Policy, twenty-eight (28) sections	Board of Directors
2.0	March 2025	Comprehensive revision and expansion. Alignment with the OHADA Uniform Act on the Accounting System for Not-for-Profit Entities (SYCEBNL), Cameroonian statutory and fiscal law, CEMAC exchange control and anti-money-laundering regulation, the COSO 2013 Internal Control — Integrated Framework, the Core Humanitarian Standard, and the financial management requirements of institutional donors. Addition of parts on treasury, mobile money, sub-award management, anti-money-laundering and counter-terrorist-financing, whistleblowing, reserves, business continuity and annexes.	Board of Directors

Distribution

A controlled copy of this policy shall be issued to every member of the Board of Directors, the Executive Director, all members of the Finance Department, all Programme and Project Managers, all field office coordinators, the internal auditor and the external auditor. An electronic copy shall be maintained on the DARED shared drive in a read-only folder controlled by the Finance Manager. Uncontrolled printed copies are for reference only and holders are responsible for verifying that they hold the current version.

Related Documents

This policy is to be read together with the following DARED instruments, which form part of a single internal control architecture:

- Constitution and Statutes of DARED and the Board Charter
- Procurement and Contracts Policy (DARED-PRO-001)
- Human Resources Manual and Staff Handbook, including the Salary Grid and Conditions of Service
- Anti-Fraud, Bribery and Corruption Policy
- Whistleblowing and Complaints Handling Policy
- Conflict of Interest Policy and Code of Conduct
- Safeguarding Policy, including Protection from Sexual Exploitation, Abuse and Harassment
- Asset Management and Fleet Management Procedures
- Information Technology, Data Protection and Records Management Policy
- Risk Management Framework and Risk Register
- Partnership and Sub-Award Management Manual
- Delegation of Financial Authority Matrix, issued as Annex A to this policy

Where any of the above documents is silent, this policy governs. Where any of the above documents conflicts with this policy on a financial matter, this policy prevails, and the conflict shall be reported to the Finance Manager for resolution at the next policy review.

FOREWORD BY THE DIRECTOR

Every franc that passes through DARED belongs to somebody else. It belongs to the communities of the North West, South West and other regions in which we work, to the members who founded this organisation, and to the donors and public institutions who have chosen to place their confidence in us. We hold those resources in trust. That is the single idea from which this policy is derived, and every rule in the pages that follow is an application of it.

DARED operates in an environment that is demanding in both directions. Domestically, we are bound by Cameroonian law on associations and non-governmental organisations, by the fiscal and social security obligations that attach to any employer, by the accounting law of the OHADA region, and by the exchange control and anti-money-laundering regulations of the CEMAC zone. Internationally, we work with donors whose financial management requirements are detailed, enforceable and audited. Meeting one set of obligations is not a defence for failing the other. This policy is written so that a single, well-run system satisfies both.

We also work in areas affected by conflict and displacement. This raises the risk of diversion, of pressure on staff, and of documentation being difficult to obtain. It does not lower the standard. It requires that we design controls that are robust and practicable in those conditions, that we record honestly what we could and could not verify, and that we escalate rather than improvise. Nothing in this policy authorises any member of staff to accept a personal risk to their safety in order to comply with a financial procedure.

This document is deliberately detailed. It is intended to be used, not filed. Every person to whom it applies is expected to know the parts that govern their own work, and to ask when they are unsure. Asking is never a failure. Proceeding without authority is.

The Board of Directors has approved this policy and will hold management accountable for its application. Management will in turn hold every member of staff, every consultant, every volunteer handling funds and every implementing partner accountable for the same. There is no exemption, at any level of the organisation, from the obligations set out here.

Tamfu Kilem Bongwe
DIRECTOR

PART I — FOUNDATIONS

1. Policy Statement

DARED is committed to maintaining the highest standards of financial integrity, transparency, accountability, efficiency and stewardship in the management of all financial resources entrusted to the organisation, from whatever source and in whatever form those resources are received.

DARED shall establish, maintain, document and continuously improve financial systems that ensure:

- accountability to the communities and individuals DARED serves, to its members, to donors, to implementing partners, to regulators and to the wider public;
- full compliance with the laws of the Republic of Cameroon, with directly applicable OHADA and CEMAC instruments, and with the terms of every grant agreement, contract and memorandum of understanding to which DARED is party;
- the economical, efficient and effective use of resources, so that the greatest possible proportion of every contribution reaches its intended purpose;
- the prevention, detection, reporting and remediation of fraud, corruption, theft, money laundering, terrorist financing, sexual exploitation and abuse connected to the misuse of resources, and all other forms of financial misconduct;
- financial reporting that is timely, complete, accurate, comparable and capable of independent verification;
- the long-term financial sustainability and independence of the organisation, including the maintenance of adequate reserves and a diversified funding base.

This policy is mandatory. It is not a statement of aspiration and it is not advisory. Compliance is a condition of employment, of engagement as a consultant or volunteer, of appointment to the Board, and of receiving funds from DARED as an implementing partner.

2. Purpose and Objectives

The purpose of this policy is to establish a single, coherent and enforceable framework governing the financial affairs of DARED. Specifically, this policy exists to:

- define the financial governance architecture of the organisation and allocate financial authority, responsibility and accountability unambiguously to identified positions;
- establish the accounting framework, the basis of accounting, and the books, records and supporting documentation that must be maintained;
- set out a system of internal control designed to provide reasonable assurance regarding the reliability of financial reporting, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with applicable laws and agreements;
- govern the full financial cycle, from planning and budgeting through commitment, procurement, payment, recording, reconciliation, reporting, audit and archiving;
- establish rules for the receipt, custody, restriction and application of income, and for the acceptance or refusal of funds;
- govern the financial management of grants, contracts and sub-awards throughout their lifecycle;
- provide for the identification, assessment, treatment and monitoring of financial risk;
- establish preventive and detective measures against fraud, corruption, money laundering and terrorist financing, and a protected route for reporting concerns;
- define the reporting DARED will produce for management, the Board, regulators and donors, and the assurance to which those reports will be subject;

- protect the individual members of staff, Board members and partners of DARED by giving them clear, lawful instructions that they can follow and rely upon.

3. Scope and Application

This policy applies to all financial resources under the control of DARED, of every category, including but not limited to unrestricted funds, restricted grant funds, funds received on behalf of consortium members, funds held in trust, gifts in kind, cash and voucher assistance intended for onward transfer to beneficiaries, and income generated by DARED's own activities.

This policy applies to all persons and entities exercising any function in relation to those resources, namely:

- members of the Board of Directors and of any committee of the Board;
- the Executive Director and all members of the senior management team;
- all members of the Finance Department, including accountants, finance officers, cashiers and finance assistants;
- all programme, project, procurement, logistics, administration, human resources and support staff;
- all Project Managers and budget holders, wherever located;
- all consultants, contractors, service providers and interns who handle DARED funds, incur expenditure on DARED's behalf, or certify expenditure;
- all volunteers, community mobilisers, committee members and other unpaid persons who handle, disburse, receive or account for DARED funds or assets;
- all partner and implementing organisations receiving funds from DARED under a sub-grant, sub-award or partnership agreement, to the extent provided in those agreements and in Part V of this policy;
- all country offices, regional offices, field offices, sub-offices and project sites, whether permanent or temporary.

This policy applies in every location in which DARED operates. Where the law of a jurisdiction outside Cameroon imposes a stricter requirement than this policy, the stricter requirement applies. Where a donor agreement imposes a stricter or more specific requirement than this policy, the donor requirement applies to the funds concerned, and the Finance Manager shall record the difference in the grant file so that it can be applied consistently and evidenced at audit.

4. Guiding Principles

Financial management within DARED shall be governed by the following principles. These principles are the standard against which any question not expressly answered by this policy shall be resolved.

4.1 Transparency

Financial information shall be capable of being understood by those entitled to see it. DARED shall not use accounting treatments, account descriptions, contractual structures or reporting formats whose effect is to obscure the substance of a transaction. Budgets, financial reports and audited financial statements shall be shared with the Board, with donors and, in summary form, with the communities in which DARED works and with the public.

4.2 Accountability

Every financial decision shall be traceable to a named individual who had the authority to make it, and to documentation sufficient to establish that the decision was properly made. Accountability runs upward to the Board and to donors, downward to staff, and outward to affected communities.

4.3 Integrity and Ethical Conduct

Staff shall act honestly and in good faith at all times, shall not seek or accept personal advantage from their position, and shall not permit any consideration of friendship, kinship, ethnicity, religion, political affiliation or personal loyalty to influence a financial decision.

4.4 Value for Money

DARED shall pursue economy in acquiring inputs at appropriate cost and quality, efficiency in converting inputs into outputs, effectiveness in achieving intended outcomes, and equity in ensuring that benefits reach those intended, including the most marginalised. The cheapest offer is not necessarily the best value, and a decision to accept other than the lowest price shall be documented and justified.

4.5 Stewardship

Resources shall be applied only to the purposes for which they were provided, protected from loss, and managed with the care that a prudent person would apply to their own affairs and with the greater care that is owed to resources held on trust for others.

4.6 Legality and Compliance

DARED shall comply with all applicable law. Where the law is unclear, DARED shall take professional advice and shall document the basis on which it acted. No instruction from any person, however senior, may lawfully require a member of staff to breach the law, and any such instruction shall be refused and reported under Section 44.

4.7 Segregation and Independence

No individual shall be in a position to originate, approve, execute, record and review the same transaction. Financial control functions shall be organisationally independent of the functions they control.

4.8 Documentation and Evidence

A transaction that is not documented is not accounted for. The standard is that a competent independent reviewer with no prior knowledge of the transaction should be able to reconstruct it fully from the file alone.

4.9 Proportionality

Controls shall be proportionate to the value and risk of the transaction. Disproportionate controls waste resources and encourage circumvention; inadequate controls invite loss. The Finance Manager shall keep the balance under review and propose adjustments to the Board.

4.10 Timeliness

Late financial information is of reduced value and may be of no value. The deadlines in this policy are obligations, not targets.

4.11 Do No Harm

Financial procedures shall be designed so as not to expose staff, partners or community members to physical risk, and not to create or exacerbate tension within communities. Where a standard procedure would create such a risk, the alternative procedure provided for in Section 57 shall be used and documented.

5. Legal, Regulatory and Normative Framework

DARED is a Cameroonian non-governmental organisation and is bound in the first instance by Cameroonian law and by regional instruments directly applicable in Cameroon. It is bound in the second instance, contractually, by the requirements of its donors. It adopts voluntarily a body of international good practice. This section identifies the framework. It is a summary for orientation and does not replace the texts themselves or professional legal advice.

5.1 Cameroonian National Law

Instrument	Relevance to this policy
Law No. 90/053 of 19 December 1990 on freedom of association	Establishes the legal regime for associations, their acquisition of legal personality by declaration, and the obligations attaching to declared associations.
Law No. 99/014 of 22 December 1999 governing non-governmental organisations	Establishes the NGO accreditation regime and the associated reporting obligations, including the preparation of an annual financial statement showing total income and expenditure and its transmission, with the annual activity report, to the Ministry of Territorial Administration within the statutory deadline. Also requires notification of administrative changes.
Decree No. 2001/150/PM of 3 May 2001 and subsequent implementing texts	Implementation of the NGO law, including the composition and procedure of the accreditation commission and the form of reporting to the supervising administration.
Law No. 92/007 of 14 August 1992 (Labour Code) and its implementing texts	Employment contracts, minimum wage, working time, overtime, leave, termination and severance — all of which have direct payroll and provisioning consequences.
Cameroon General Tax Code, as amended annually by the Finance Law	Personal income tax (IRPP) withheld at source on salaries, the Additional Council Tax surcharge, value added tax, withholding taxes on payments to suppliers and consultants, the special income tax on payments to non-residents, the monthly instalment applicable to the commercial activities of non-profit organisations, registration duties on contracts and leases, stamp duty, and the filing calendar.
Social security legislation and CNPS regulations	Registration of employees with the Caisse Nationale de Prévoyance Sociale within the statutory period following engagement, employer and employee contributions on capped insurable earnings, occupational risk contributions, the Crédit Foncier housing fund levy, the National Employment Fund levy, monthly declarations and the annual declaration of salaries.
Law No. 2016/007 of 12 July 2016 (Penal Code)	Criminal offences of theft, breach of trust, forgery and use of forgery, corruption, influence peddling, misappropriation of public funds and related offences.
Law No. 2003/004 of 21 April 2003 on banking secrecy and related texts	Confidentiality of banking relationships and its statutory exceptions.
Law No. 2010/012 of 21 December 2010 on cybersecurity and cybercriminality, and Law No. 2010/013 on electronic communications	Security and evidential status of electronic records, electronic signatures and electronic payment instructions.
Law No. 2024/017 of 23 December 2024 on the protection of personal data, and prior instruments	Processing of personal data of staff, beneficiaries and suppliers, including bank details, mobile money numbers and biometric identifiers used in cash assistance.
National Anti-Corruption Commission (CONAC) framework and Decree No. 2006/088	The national anti-corruption architecture, to which DARED's own anti-fraud arrangements are aligned.

5.2 Regional Instruments Directly Applicable in Cameroon

Instrument	Relevance to this policy
OHADA Uniform Act of 26 January 2017 on Accounting Law and Financial Reporting (AUDCIF), with the revised OHADA accounting system (SYSCOHADA) annexed	The general accounting law of the OHADA space, in force since 1 January 2018 for individual accounts. Establishes the obligation to keep regular accounts, the form of the books, the ten-year retention of accounting books and supporting documents, and the penal provisions attaching to accounting irregularity.
OHADA Uniform Act of 22 December 2022 relating to the Accounting System for Not-for-Profit Entities (SYCEBNL), applicable from 1 January 2024	The accounting framework specifically applicable to associations, NGOs, foundations, development projects and similar entities in the OHADA space. It provides the chart of accounts, recognition and measurement rules and financial statement formats appropriate to non-profit activity, including the treatment of grants, donations, contributions in kind and volunteer time, and it requires the keeping of a signed and initialled register of donors. This is DARED's primary accounting reference.
CEMAC Regulation No. 02/18/CEMAC/UMAC/CM of 21 December 2018 on foreign exchange, and the implementing Instructions of the Governor of the BEAC	Rules governing foreign currency accounts, inward and outward transfers, supporting documentation for transfers, repatriation obligations, declaration thresholds for the physical movement of currency across borders, and the penalties for non-compliance. Directly relevant to the receipt of donor funds from outside the CEMAC zone and to any payment made abroad.
CEMAC Regulation No. 01/CEMAC/UMAC/CM of April 2016 on the prevention and suppression of money laundering, the financing of terrorism and proliferation, replacing Regulation No. 01/03/CEMAC/UMAC of 2003	The regional anti-money-laundering and counter-terrorist-financing framework, inspired by the FATF Recommendations. Establishes customer due diligence, beneficial ownership identification, record keeping and suspicious transaction reporting obligations, and underpins the reporting regime operated by the Agence Nationale d'Investigation Financière (ANIF).
COBAC prudential regulations, including Regulation R-2016/04 on internal control in credit institutions	Indirectly relevant: these determine the due diligence that DARED's own banks will apply to DARED, and therefore the documentation DARED must be able to produce on demand.
OHADA Uniform Act on General Commercial Law and the Uniform Act on Simplified Recovery Procedures and Enforcement Measures	Contract formation, commercial evidence, and the recovery of debts owed to and by DARED.

5.3 International Standards Adopted by DARED

DARED adopts the following international standards as benchmarks for its financial management. Where they exceed the requirements of national law, DARED applies the higher standard as a matter of policy.

- COSO Internal Control — Integrated Framework (2013), whose five components and seventeen principles structure Part VIII of this policy;
- COSO Enterprise Risk Management — Integrating with Strategy and Performance (2017), for the risk framework in Section 41;
- the Core Humanitarian Standard on Quality and Accountability (CHS), in particular the commitments on effective and efficient resource management, on complaints and feedback mechanisms, and on the prevention of exploitation and abuse;
- the International Aid Transparency Initiative (IATI) standard for the publication of financial information on activities;
- the FATF Forty Recommendations, in particular Recommendation 8 concerning non-profit organisations and the requirement that measures taken be risk-based, targeted and proportionate rather than blanket restrictions on the sector;

- the OECD Convention on Combating Bribery of Foreign Public Officials and the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance;
- ISO 37001 (anti-bribery management systems) and ISO 31000 (risk management) as sources of good practice, without certification being required;
- the International Public Sector Accounting Standards (IPSAS) and the IFRS for SMEs, as interpretive sources where SYCEBNL is silent on a transaction and as the basis for any supplementary reporting a donor may specifically require;
- the International Standards on Auditing (ISA) as issued by the IAASB, to which DARED's external audit shall conform;
- the Sphere Handbook and the Minimum Economic Recovery Standards, for the design of cash and voucher assistance;
- the Global Standard for CSO Accountability and the Istanbul Principles for CSO Development Effectiveness.

5.4 Donor Requirements

DARED accepts that institutional donors impose binding financial management requirements as a condition of funding and that these requirements form part of the compliance framework. Requirements that recur across DARED's donor base include those of the United Nations agencies under the Harmonised Approach to Cash Transfers (HACT) and the Partner Capacity Assessment Tool; the United States Government under 2 CFR Part 200 (the Uniform Guidance), including the cost principles, procurement standards and audit requirements; the United Kingdom Foreign, Commonwealth and Development Office; the European Union under the Financial Regulation, the general conditions applicable to grant contracts and the PRAG procurement rules; the German development cooperation requirements applied by GIZ and KfW; and the World Bank Procurement Regulations and Anti-Corruption Guidelines.

The Finance Manager shall maintain, for each active award, a Donor Compliance Summary recording the specific requirements applicable to that award where they differ from this policy. The summary shall address at minimum: eligible and ineligible costs; procurement thresholds and methods; asset title and disposal; exchange rate methodology; the treatment of interest earned; indirect cost recovery; reporting formats and deadlines; audit rights and thresholds; record retention; branding and visibility; and rules on sub-awards and pre-financing.

6. Policy Hierarchy and Order of Precedence

Where obligations conflict, the following order of precedence applies:

- first, the mandatory law of the Republic of Cameroon and directly applicable OHADA and CEMAC instruments;
- second, applicable sanctions regimes and counter-terrorism obligations binding on DARED or on its bankers;
- third, the terms of the specific grant agreement or contract governing the funds concerned;
- fourth, the general donor rules incorporated by reference into that agreement;
- fifth, this policy and its annexes;
- sixth, other DARED policies, manuals and standard operating procedures;
- seventh, custom and prior practice, which have no binding force and may never be relied upon to justify a departure from any of the above.

Where the Finance Manager identifies a conflict between the first and third levels — that is, where a donor requirement cannot be met without breaching Cameroonian law — the matter shall be escalated immediately to the Executive Director, who shall raise it in writing with the donor before any funds are expended on the affected activity.

7. Interpretation, Derogations and Waivers

Questions of interpretation of this policy shall be determined by the Finance Manager, subject to appeal to the Executive Director and, on a matter of principle, to the Board.

A derogation is a departure from a specific requirement of this policy in a specific case. Derogations may be granted only in writing, only in advance except where Section 57 applies, only by the Executive Director or, where the matter affects an amount exceeding the Executive Director's authority under Annex A, only by the Board Chair acting on the recommendation of the Executive Director. A derogation may never authorise a breach of law, of a donor agreement, or of the segregation of duties requirements in Section 40. Every derogation shall be recorded in a Derogations Register maintained by the Finance Manager, which shall be presented to the Board at each meeting and made available to the external auditor without request.

A waiver is a general suspension of a requirement. Waivers may be granted only by the Board, only for a defined period not exceeding six months, and only where the Board records its reasons and the compensating controls it has directed.

Retrospective approval is not a derogation and does not cure a breach. Where expenditure has been incurred without authority, the procedure in Section 45 applies.

PART II — FINANCIAL GOVERNANCE

8. Governance Architecture

Financial governance at DARED is organised in four tiers, each independent of the tier it oversees.

- The Board of Directors holds ultimate fiduciary responsibility and exercises oversight. It does not manage.
- The Finance, Audit and Risk Committee (FARC) is a committee of the Board that performs detailed oversight on the Board's behalf and reports to it.
- Management, headed by the Executive Director, is accountable to the Board for the stewardship of resources and for the design and operation of the control system.
- The internal audit function, or the person or firm performing it, provides independent assurance to the FARC on the effectiveness of that control system and does not report to the Finance Manager on audit matters.

External assurance is provided by the statutory external auditor appointed by the Board, and by such donor audits, verifications, spot checks and capacity assessments as donors are entitled to conduct.

9. The Board of Directors

The Board of Directors is collectively and individually responsible for the financial integrity of DARED. It may delegate authority but may not delegate responsibility. The Board shall:

- approve the annual organisational budget before the beginning of the financial year to which it relates, and approve any revision to that budget exceeding the thresholds in Section 17;
- approve this policy and every other financial policy, and approve amendments to them;
- approve the Delegation of Financial Authority Matrix at Annex A and any revision to it, by formal resolution recorded in the minutes;
- review and approve the annual financial statements and receive the external auditor's report and management letter;
- appoint, and where necessary remove, the external auditor, determine the auditor's remuneration, and satisfy itself as to the auditor's independence;
- appoint the members of the Finance, Audit and Risk Committee and approve its terms of reference;
- approve the opening and closing of every bank account and the designation and removal of every bank signatory, by formal resolution;
- approve the reserves policy and monitor the level of reserves against it;
- approve the acceptance of any grant, donation or contract exceeding the threshold set in Annex A, and any funding proposal that would commit DARED to co-financing, cost-sharing or an unfunded liability;
- approve the write-off of any asset, debt or loss exceeding the threshold in Annex A;
- monitor the financial sustainability of the organisation, including the funding pipeline, donor concentration and the adequacy of cost recovery;
- oversee financial risk, review the financial risk register at least twice a year, and satisfy itself that management has responded adequately to identified risks;
- receive reports of all suspected fraud and all significant control failures, and determine DARED's response;
- evaluate the performance of the Executive Director, including performance on financial stewardship, and set the Executive Director's remuneration;

- ensure that no Board member receives any payment from DARED other than the reimbursement of properly documented expenses actually incurred in the service of the organisation, and that any such reimbursement is disclosed in the annual financial statements.

The Board shall meet not less than four times a year. Financial matters shall be a standing agenda item. The Board shall receive, in advance of each meeting, the quarterly management accounts, the FARC report, the risk register extract, the Derogations Register and a summary of grant performance. Board minutes shall record financial decisions with sufficient specificity that a third party can identify what was approved, by whom, in what amount and on what basis.

10. The Finance, Audit and Risk Committee

The Board shall establish a Finance, Audit and Risk Committee of not fewer than three members, of whom at least one shall have professional accounting, audit or financial management qualifications or substantial equivalent experience. The Executive Director and Finance Manager shall attend by invitation but shall not be members and shall not vote. The Committee shall meet at least quarterly and shall meet the external auditor at least once a year without management present.

The Committee shall:

- review the draft annual budget and recommend it to the Board;
- review the monthly and quarterly management accounts in detail, including budget-versus-actual analysis, cash flow, ageing of advances and receivables, and grant burn rates, and question significant variances;
- review the draft annual financial statements before they are presented to the Board, and consider the appropriateness of accounting policies, estimates and judgements;
- oversee the relationship with the external auditor, review the audit plan, review the management letter, and monitor management's implementation of audit recommendations to closure;
- approve the internal audit plan, receive internal audit reports, and monitor implementation of internal audit recommendations;
- review the risk register and the adequacy of risk treatment;
- receive reports on all fraud allegations, investigations and outcomes, on all losses and write-offs, and on all whistleblowing reports concerning financial matters;
- review the Derogations Register and challenge any pattern of repeated derogation, which is evidence that either the rule or the practice requires change;
- review the results of donor audits, verifications, spot checks and capacity assessments, and the disallowance of any costs;
- report to the Board after each meeting, in writing.

11. The Executive Director

The Executive Director is the principal accounting officer of DARED and is accountable to the Board for all financial matters. The Executive Director shall:

- ensure that this policy is implemented in practice and that all staff are trained in the parts relevant to their functions;
- ensure that a system of internal control is designed, documented, operated and periodically evaluated, and report annually to the Board on its effectiveness;
- recommend the annual budget to the Board and ensure that expenditure remains within the approved budget;
- approve expenditure, contracts and payments within the limits in Annex A, and act as a bank signatory in accordance with Section 24;

- ensure the timely, accurate and complete submission of all statutory returns, donor reports and regulatory filings;
- ensure that DARED's obligations to the Ministry of Territorial Administration, the tax administration, the CNPS and any other supervising authority are met within the applicable deadlines;
- lead resource mobilisation and negotiate grant agreements, subject to Board approval where required;
- appoint, supervise and evaluate the Finance Manager, and ensure that the Finance Department is adequately staffed and resourced;
- report to the Board, without delay and without filtering, every case of suspected fraud, material control failure, material loss, and every regulatory or donor finding;
- ensure that no member of staff suffers detriment for reporting a financial concern in good faith.

The Executive Director shall not: act as sole signatory on any bank account; approve their own expenses, advances or salary adjustments, which shall be approved by the Board Chair; override a control without recording a derogation under Section 7; or authorise expenditure exceeding the limits in Annex A.

12. The Finance Manager

The Finance Manager is the head of the Finance Department and the technical authority on financial matters within DARED. The Finance Manager shall:

- maintain the accounting system, the chart of accounts and the accounting records in accordance with SYCEBNL and this policy;
- prepare the monthly, quarterly and annual management accounts and the annual financial statements;
- coordinate the preparation of the annual budget and of all proposal budgets, and ensure that proposal budgets recover the full cost of the work proposed;
- monitor budget performance and alert budget holders and the Executive Director to variances;
- manage treasury, prepare and maintain the rolling cash flow forecast, and ensure that DARED can meet its obligations as they fall due;
- ensure that all bank and cash accounts are reconciled monthly and that reconciling items are cleared;
- oversee payroll and ensure the accurate and timely calculation, withholding, declaration and remittance of all statutory deductions and employer contributions;
- ensure compliance with tax and social security obligations and maintain the compliance calendar;
- prepare donor financial reports, coordinate the response to donor audits and verifications, and maintain the Donor Compliance Summary for each award;
- coordinate the external audit and act as the primary point of contact for the auditor;
- assess the financial capacity of prospective partners, monitor sub-award expenditure, and verify partner reports;
- maintain the fixed asset register and the financial risk register;
- advise the Executive Director and the Board candidly, including where that advice is unwelcome;
- decline to process any transaction that does not comply with this policy, and escalate the matter rather than process it, protected by Section 44.

The Finance Manager shall not: be a sole signatory; approve expenditure exceeding the limit in Annex A; hold custody of cash for which they are also the recording officer; authorise payments to themselves; or be the sole person with administrative access to the accounting system.

13. Finance Department Staff

The Finance Department shall be structured so that the functions of recording, custody and reconciliation are held by different individuals wherever staffing permits. Where the size of an office does not permit full segregation, the compensating controls in Section 40.6 shall be applied and documented.

The Accountant is responsible for the accurate and timely posting of transactions, the maintenance of the general ledger and subsidiary ledgers, the preparation of bank reconciliations, the maintenance of supporting documentation, and the month-end close.

The Finance Officer is responsible for the verification of payment requests against supporting documentation and budget availability, the preparation of payment vouchers, the administration of advances, and support to budget holders.

The Cashier, where such a position exists, is responsible for the physical custody of petty cash and of any cash held for programme purposes, for the maintenance of the cash book, and for the safe. The Cashier shall not post entries to the general ledger, shall not prepare bank reconciliations and shall not approve any payment.

14. Programme, Project Managers and Budget Holders

Every budget line in every budget shall have a named budget holder. Budget holders are accountable for the funds allocated to them and shall:

- plan expenditure against the approved budget and the approved work plan, and prepare monthly and quarterly spending forecasts;
- initiate expenditure only where budget is available, the activity is within the approved scope, and the cost is eligible under the relevant donor agreement;
- certify that goods have been received, services rendered and activities actually performed, before payment is made;
- ensure that supporting documentation is complete and submitted to Finance within the deadlines in Section 30;
- review the monthly budget-versus-actual report for their budget, confirm or dispute the charges recorded, and explain variances exceeding ten per cent in writing;
- identify at the earliest opportunity any risk of under-spending or over-spending, and propose corrective action;
- ensure that all procurement within their activities complies with the Procurement Policy;
- cooperate fully with internal and external audit and with donor verification.

A budget holder who certifies a false statement of receipt or performance commits a disciplinary offence of the gravest kind and may commit a criminal offence.

15. Field and Project Offices

Field offices operate under delegated authority and remain fully subject to this policy. Each field office shall:

- operate a designated bank account or, where banking infrastructure does not permit, an approved cash and mobile money arrangement authorised in writing by the Finance Manager;
- maintain a cash book, a mobile money register, a petty cash book and a local asset register;
- submit a complete monthly financial return to head office by the fifth working day of the following month, comprising the cash book, bank and cash reconciliations, all original supporting documentation, the advances schedule and the fuel and vehicle logs;
- receive funds by transfer from head office against an approved and justified funding request, on the imprest principle, with no new transfer being released until the previous transfer has been substantially accounted for;

- be visited by the Finance Manager or a delegated finance officer not less than twice a year, with a written report of each visit;
- be subject to unannounced cash counts under Section 26.

16. Consultants, Volunteers and Other Persons Handling Funds

Any person who is not an employee but who handles DARED funds shall, before receiving any funds, sign an undertaking acknowledging this policy, and shall be briefed on the documentation required. Advances to such persons shall be subject to the limits and the accounting deadlines in Section 32. Volunteers and community committee members shall not be required to handle amounts of cash that expose them to risk, and shall be given a written record of every amount entrusted to them and of every amount accounted for.

PART III — FINANCIAL PLANNING, BUDGETING AND TREASURY

17. Budgeting

17.1 Budget Principles

A budget is an authorisation to spend and a statement of intent. No expenditure may be incurred against a budget that has not been approved, and no expenditure may be incurred that exceeds the approved budget without the approval required by Section 17.7.

All budgets shall:

- be derived from and consistent with DARED's strategic plan and the approved annual work plan;
- be built from activities and unit costs, not from prior-year figures adjusted by a percentage, and be capable of being explained line by line;
- be realistic and evidence-based, using current market prices, the approved salary grid, the approved travel and per diem rates, and documented assumptions;
- include the full cost of the work, comprising direct programme costs, direct support costs and a fair share of indirect organisational costs;
- include, where appropriate and permitted by the donor, a contingency provision not exceeding five per cent of direct costs;
- state the currency of the budget and the exchange rate used;
- identify the budget holder for every line;
- be prepared in the format required by the recipient, but always be capable of being mapped to DARED's own chart of accounts.

17.2 Types of Budget

DARED shall prepare and maintain:

- the Annual Organisational Budget, covering all income and all expenditure of the organisation for the financial year, approved by the Board before the year begins;
- Project Budgets, one for each grant or contract, consistent with the signed agreement and its approved amendments;
- Proposal Budgets, prepared during the design of a funding application;
- the Core Cost Budget, identifying the cost of running the organisation independently of any project, and the sources from which those costs will be recovered;
- Departmental and Field Office Budgets, derived from the above;
- Cash Budgets, being the phasing of the above into monthly cash requirements.

17.3 Cost Classification

Costs shall be classified consistently as follows, and the classification shall be reflected in the chart of accounts:

Category	Description
Direct programme costs	Costs incurred directly and exclusively for the delivery of a specific project activity and identifiable with it — training costs, materials distributed, beneficiary transfers, field transport for activities, project staff time.
Direct support costs	Costs incurred for a specific project but of a support nature — the project's share of office rent and utilities where a dedicated project office exists, project-specific monitoring and evaluation, project audit fees, project-dedicated finance and logistics

Category	Description
	staff time.
Shared costs	Costs incurred for the benefit of more than one project or of the organisation as a whole, which are allocated across projects on a documented and consistently applied basis under Section 17.4.
Indirect or overhead costs	The costs of governance, executive management, general finance and administration, statutory audit, insurance, professional fees and organisational development, recovered through an agreed indirect cost rate or a specified allocation.
Ineligible costs	Costs which a donor agreement excludes from reimbursement, or which no donor will fund. These must be identified in advance and funded from unrestricted resources.

17.4 Cost Allocation Methodology

Where a cost benefits more than one funding source it shall be allocated, not arbitrarily assigned. The allocation base shall bear a demonstrable causal relationship to the benefit received, shall be documented in writing, shall be applied consistently, and shall be reviewed at least annually. DARED adopts the following bases:

Cost type	Allocation base
Staff time of persons working on more than one project	Actual hours or days recorded on signed timesheets, allocated to each project in proportion to time worked. Estimated or budgeted percentages may be used for interim postings but must be trued up to actual timesheets at least quarterly.
Office rent, utilities, security and cleaning	Full-time equivalent staff assigned to each project as a proportion of total staff occupying the premises, or floor area where projects occupy distinct space.
Vehicle running costs	Kilometres recorded in the vehicle logbook by purpose of journey.
Communications, internet and IT	Full-time equivalent staff, or actual usage where separately metered.
Bank charges	Direct charge to the project whose transaction incurred the charge; general account maintenance charges allocated on the basis of transaction volume.
Statutory audit fee	Total expenditure by funding source, excluding any project-specific audit fees charged directly.

No cost shall be charged to more than one funding source. Charging the same cost twice, whether deliberately or through inadequate control, is double-funding and is treated as a form of fraud. The Finance Manager shall run a duplicate-charge check as part of each month-end close.

17.5 Full Cost Recovery

DARED shall pursue full cost recovery as a matter of financial policy. Proposal budgets shall include the indirect cost rate permitted by the donor, and where a donor caps or refuses indirect cost recovery, the shortfall shall be quantified in the proposal approval memorandum and the Executive Director shall identify how the shortfall will be met before the proposal is submitted. Submitting a proposal that knowingly under-recovers cost, without identifying the funding of the gap, is prohibited.

17.6 Budget Preparation Calendar

Period	Action
By 31 August	Executive Director issues budget guidelines, planning assumptions, exchange rate assumptions and the indicative salary grid for the following year.
By 30 September	Budget holders submit draft activity plans and costed budgets to the Finance Manager.

Period	Action
By 31 October	Finance Manager consolidates the draft organisational budget, tests it against the funding pipeline and the cash flow forecast, and submits it to the Executive Director.
By 15 November	Executive Director reviews and submits the draft budget to the Finance, Audit and Risk Committee.
By 30 November	FARC reviews and recommends the budget to the Board.
By 15 December	Board approves the Annual Organisational Budget.
By 31 December	Finance Manager loads the approved budget into the accounting system, communicates approved budgets to all budget holders, and confirms budget holder assignments.

17.7 Budget Revision and Virement

The following thresholds govern changes to an approved budget. Amounts are cumulative over the life of the budget, not per transaction, and are measured against the originally approved line.

Change	Approval required
Reallocation within a budget line, or between lines of the same budget category, of up to ten per cent of the affected line and not exceeding XAF 1,000,000	Budget holder, with written notification to the Finance Manager, who shall record it.
Reallocation between budget categories, or exceeding ten per cent of the affected line, or exceeding XAF 1,000,000, whichever is reached first	Executive Director, on the written recommendation of the Finance Manager, recorded in the Budget Revision Register.
Any change exceeding XAF 5,000,000 in aggregate, or any change altering the objectives, results, target group, geographic coverage or duration of a project	Board approval, and prior written donor approval where the agreement so requires.
Any change to the approved salary grid, to staffing establishment, or creating a recurrent liability	Board approval.
Any introduction of a new budget line not present in the approved budget	Executive Director, and donor approval where required.

Where a donor agreement sets a stricter threshold than the above, the donor threshold applies. Where a donor requires prior written approval for a change, the approval must be obtained before the expenditure is incurred, not before it is reported. Expenditure incurred in anticipation of an approval that is subsequently refused is ineligible and shall be charged to unrestricted funds, and the officer who incurred it shall be subject to Section 60.

17.8 Budget Monitoring

The Finance Manager shall issue to each budget holder, by the tenth working day of each month, a Budget-versus-Actual report for the preceding month and cumulatively, showing approved budget, actual expenditure, commitments, remaining balance, percentage utilised and percentage of the period elapsed. Budget holders shall respond within five working days confirming the accuracy of the charges and explaining every variance exceeding ten per cent of the line or XAF 500,000, whichever is the lower.

Where cumulative expenditure on a project deviates from the phased budget by more than fifteen per cent in either direction, the Finance Manager shall prepare a written analysis for the Executive Director identifying the cause, the projected outturn and the recommended action, including whether a no-cost extension or a budget revision should be requested from the donor.

18. Treasury and Cash Flow Management

18.1 Cash Flow Forecasting

The Finance Manager shall maintain a rolling twelve-month cash flow forecast, updated monthly, showing opening balances by account and by fund, expected receipts by donor and instalment, expected disbursements by category, and closing balances. The forecast shall separately identify restricted balances that are not available for general purposes.

The forecast shall be presented to the Executive Director monthly and to the Board quarterly. Where the forecast shows that DARED will be unable to meet its obligations as they fall due at any point in the following six months, the Executive Director shall notify the Board Chair immediately and shall present a remediation plan to the next Board meeting or to an emergency meeting.

18.2 Liquidity Policy

DARED shall at all times hold liquid resources sufficient to meet at least two months of committed obligations, including payroll and statutory remittances. Restricted funds shall not be used to meet obligations of another project or of the organisation generally, even temporarily, other than by way of a formally approved and documented inter-fund loan under Section 18.3.

18.3 Inter-Fund Borrowing

Temporary borrowing between funds is permitted only where: the donor agreement of the lending fund does not prohibit it; the borrowing is approved in advance and in writing by the Executive Director on the recommendation of the Finance Manager; the amount, the purpose, the source of repayment and the repayment date are documented; repayment occurs within ninety days; and the transaction is recorded in an Inter-Fund Loan Register presented to the FARC at each meeting. Borrowing from funds held for onward transfer to beneficiaries or partners is prohibited absolutely.

18.4 Currency and Exchange Rate Management

DARED's functional and reporting currency is the CFA franc of the Central African States (XAF), which is pegged to the euro at a fixed parity. Exposure therefore arises principally on funds denominated in United States dollars, pounds sterling and other floating currencies.

The following rules apply:

- all accounting records shall be maintained in XAF; foreign currency transactions shall be recorded in XAF at the transaction rate;
- the transaction rate is the actual rate obtained on the conversion where the transaction involved a conversion, and otherwise the rate prescribed by the applicable donor agreement, and failing that the monthly average rate published by the BEAC;
- the exchange rate methodology for each award shall be recorded in the Donor Compliance Summary at inception and applied consistently for the life of the award;
- exchange gains and losses shall be recognised in the period in which they arise and, where the donor agreement permits, charged or credited to the project that gave rise to them; where the agreement does not permit this, they shall be borne by unrestricted funds and reported separately;
- budget holders shall be notified of the planning rate to be used for each budgeting cycle, and shall not apply their own rates;
- DARED shall not engage in currency speculation, shall not hold foreign currency for the purpose of gain, and shall not enter into derivative or hedging instruments without prior Board approval.

18.5 Exchange Control Compliance

All foreign exchange operations shall comply with CEMAC Regulation No. 02/18/CEMAC/UMAC/CM and the implementing Instructions of the BEAC. In particular:

- DARED shall not open or operate a bank account outside the CEMAC zone without the prior authorisation of the BEAC obtained through its bank, and shall not maintain funds abroad other than as so authorised;
- every inward transfer shall be supported by documentation identifying the payer, the purpose and the underlying agreement, which shall be provided to the receiving bank on request and retained in the grant file;
- every outward transfer shall be supported by the documentation required by the bank and the regulation, including invoices, contracts and evidence of the underlying obligation, assembled before the transfer is requested rather than afterwards;
- the physical transport of currency across a national frontier shall comply with the applicable declaration requirements, and no member of staff shall be asked to carry currency across a frontier on DARED's behalf without written instruction from the Executive Director and confirmation that the declaration has been made;
- where a transfer is delayed or queried by a bank on compliance grounds, the matter shall be referred to the Finance Manager and shall not be resolved by splitting the transfer into smaller amounts, which constitutes structuring and is prohibited under Section 45.

18.6 Investment of Surplus Funds

Surplus funds not required for immediate use may be placed only in interest-bearing deposit accounts with financial institutions approved under Section 24.2, with a maturity not exceeding twelve months, and only with the prior approval of the Board. DARED shall not invest in equities, foreign currency positions, cryptocurrency, commercial paper, real estate held for gain, or any instrument whose capital value may fall. Interest earned on donor funds shall be identified by fund, and shall be treated in accordance with the donor agreement, which will generally require that it be returned to the donor or applied to the project.

PART IV — ACCOUNTING, RECORDS AND SYSTEMS

19. Accounting Framework

19.1 Applicable Framework

DARED shall maintain its accounts in accordance with the OHADA Uniform Act relating to the Accounting System for Not-for-Profit Entities (SYCEBNL), applicable in Cameroon since 1 January 2024, read together with the Uniform Act on Accounting Law and Financial Reporting (AUDCIF) in respect of matters of general accounting law.

19.2 Basis of Accounting

DARED shall maintain its accounts on the accrual basis. Income shall be recognised when DARED has an entitlement to it and the amount can be measured reliably, and expenditure shall be recognised when the liability is incurred, irrespective of the date of payment. Cash-basis information required by a donor shall be produced by way of reconciliation from the accrual records, and the reconciliation shall be retained.

19.3 Fundamental Accounting Conventions

The following conventions apply: going concern; consistency of method from period to period, with any change disclosed and justified; prudence, so that assets and income are not overstated and liabilities and expenses are not understated; substance over form; separate valuation of each asset and liability without offsetting; accruals and matching; historical cost, subject to any revaluation permitted by the framework; materiality; and the intangibility of the opening balance sheet, which shall agree in every respect with the closing balance sheet of the preceding period.

19.4 Fund Accounting

DARED shall operate fund accounting. Every transaction shall be attributed to a fund, and the accounting system shall be capable of producing a statement of financial position and a statement of financial activities for each fund and for the organisation as a whole. Funds shall be classified as:

- Unrestricted funds, available for any purpose within DARED's objects, including general donations, membership fees, unrestricted grants and recovered indirect costs;
- Designated funds, being unrestricted funds which the Board has resolved to apply to a specified purpose, and which the Board may re-designate;
- Restricted funds, being funds which the donor has specified may be used only for a particular purpose or within a particular period, which the Board has no power to redirect;
- Endowment funds, if any, being funds held on terms that the capital may not be expended.

Restricted funds shall never be used for a purpose other than that for which they were given. Where a restricted purpose becomes impossible to fulfil, the Finance Manager shall notify the donor in writing and seek instructions; the funds shall not be applied elsewhere pending those instructions.

19.5 Chart of Accounts

The Finance Manager shall maintain a chart of accounts based on the SYCEBNL account classes, structured to permit reporting simultaneously by natural account, by fund and donor, by project and budget line, by cost centre and office, and by activity or result area. The structure is set out in Annex C. The chart of accounts shall be amended only by the Finance Manager, and every amendment shall be logged with the date, the reason and the person authorising it. Budget holders may not create accounts.

19.6 Recognition of Specific Non-Profit Transactions

Transaction	Treatment

Transaction	Treatment
Grant with performance conditions	Recognised as income as the conditions are met and the related expenditure is incurred. Amounts received in advance of performance are recognised as a liability (deferred income) and not as income.
Grant without conditions	Recognised as income when DARED becomes entitled to it.
Unconditional donation	Recognised when received or when receipt is virtually certain.
Donation in kind (goods)	Recognised at fair value at the date of receipt, with a corresponding expense or asset. Fair value shall be evidenced by the donor's valuation, a market price for equivalent goods, or an independent valuation, and the basis retained on file.
Donated services and volunteer time	Recognised where the service would otherwise have been purchased, can be measured reliably, and is provided by someone with the relevant skill. Valued at the rate DARED would have paid. Disclosed separately. Where recognition criteria are not met, the contribution is disclosed narratively and not recognised.
Donated use of premises or equipment	Recognised at the equivalent market rental over the period of use.
Membership fees	Recognised over the period to which the membership relates.
Consultancy and service income	Recognised as the service is delivered, by reference to stage of completion.
Cash and voucher assistance to beneficiaries	Recognised as programme expenditure when transferred to the beneficiary, evidenced by the distribution list and receipt. Funds held pending distribution remain an asset with a corresponding liability.
Funds held as lead agency for consortium members	Recognised as a liability, not as DARED income, to the extent that DARED acts as a conduit; DARED's own share is recognised as income.

19.7 Register of Donors

In accordance with the requirements of SYCEBNL, DARED shall maintain a Register of Donors, signed and initialled, recording for each contribution the identity of the donor, the date, the amount or the nature and value of the contribution in kind, the restriction attaching to it if any, and the reference to the underlying agreement or receipt. The Register shall be maintained by the Finance Manager, shall be kept up to date continuously, and shall be presented to the external auditor.

20. Books, Records and the Accounting Cycle

20.1 Required Books and Records

DARED shall maintain, in a form permitting inspection at any time:

- the general ledger and trial balance;
- the journals, comprising the cash receipts journal, cash payments journal, bank journal, purchases journal, payroll journal and general journal;
- the cash book for each cash location and the mobile money register for each mobile money account;
- the bank book for each bank account, and the monthly bank reconciliation for each;
- the fixed asset register;
- the inventory and stores records;
- the advances and receivables ledger, with ageing;
- the payables ledger and the commitments register;
- the Register of Donors;
- the payroll register and individual employee records;

- the grant files and contract files;
- the procurement files;
- the Derogations Register, the Budget Revision Register, the Inter-Fund Loan Register, the Losses and Write-Offs Register and the Gifts and Hospitality Register.

20.2 Standards for Record Keeping

Accounting records shall be kept without blank spaces, erasures, overwriting or alteration of any kind. Corrections shall be made only by a reversing entry or a clearly identified correcting entry, never by deletion or overwriting, and every correction shall identify the person making it, the date and the reason. Documents shall be filed in a manner permitting a transaction to be traced from the source document to the financial statements and back again. Vouchers shall be sequentially numbered and no number shall be omitted; where a voucher is cancelled it shall be retained marked "CANCELLED".

20.3 The Financial Year

DARED's financial year runs from 1 January to 31 December, in accordance with OHADA accounting law. Project reporting periods that differ from the financial year shall be accommodated by the accounting system without altering the financial year.

20.4 Month-End Close

The month-end close shall be completed by the tenth working day of the following month. The close checklist is at Annex D and comprises, at minimum: posting of all transactions for the period; receipt and posting of all field office returns; reconciliation of every bank account to the bank statement; reconciliation and physical count of every cash location; reconciliation of every mobile money account to the operator statement; review and ageing of advances and receivables; accrual of known unrecorded liabilities; payroll reconciliation to the payroll register and to the statutory declarations; inter-fund reconciliation, ensuring inter-fund balances net to zero; review of the fund balances; duplicate-charge check; review of suspense accounts, which shall be cleared to zero or the balance explained in writing; and preparation of the management accounts.

No transaction shall be posted to a closed period. Where an error in a closed period is discovered, it shall be corrected in the current period by a documented adjusting entry, and where material, disclosed.

20.5 Year-End Close

In addition to the month-end procedures, the year-end close shall include: a full physical verification of fixed assets and reconciliation to the register; a full physical stock count with independent observation; confirmation of bank balances directly from the banks; circularisation of significant debtors, creditors and partners; review of all advances, with any advance outstanding for more than ninety days being escalated for recovery or write-off; assessment of the recoverability of receivables and provision for doubtful amounts; assessment of provisions for employee benefits including leave and severance under the Labour Code; review of restricted fund balances and of deferred income; identification of post-balance-sheet events; and preparation of the draft financial statements and the audit file.

20.6 Supporting Documentation Standard

The minimum documentation required for each category of transaction is set out in Annex E. As a general standard, every payment file shall contain: the approved requisition; evidence of the procurement process where applicable; the contract, purchase order or agreement; the original invoice bearing the supplier's tax identification and, where applicable, the supplier's tax compliance certificate; the goods received note or certificate of service completion signed by the recipient; the payment voucher bearing the account codes, the budget line and the signatures of the preparer, the verifier and the approver; evidence of payment; and evidence of any tax withheld and remitted.

An original document is required. A photocopy or scan may be retained only where the original has been provided to a donor or a regulator, in which case the file shall record where the original is held. Where an original receipt cannot be obtained, a Certificate of Expenditure signed by the person who incurred the cost and countersigned by their supervisor may be accepted, but only up to the limit in Annex E, only exceptionally, and the Finance Manager shall report the aggregate of such certificates to the FARC quarterly.

21. Financial Information Systems

21.1 System Requirements

DARED shall operate a computerised double-entry accounting system capable of: multi-fund, multi-project, multi-currency and multi-cost-centre accounting; producing a full audit trail identifying the user, the date and time of every entry and every amendment; enforcing user access rights by role; preventing the deletion of posted transactions; producing the reports required by this policy; and being backed up reliably.

21.2 Access Control

Access to the accounting system shall be granted by role, on the principle of least privilege, and approved in writing by the Finance Manager. A record of all users, their roles and the date access was granted or revoked shall be maintained. Access shall be revoked on the day a person leaves DARED or changes role. Passwords shall not be shared under any circumstances; sharing a password is a disciplinary offence, and the account holder is accountable for everything done under their credentials. Administrator access shall be held by at least two persons and shall not be held by a person who also processes transactions, save where the Finance Manager documents compensating controls.

21.3 Data Integrity, Backup and Continuity

The accounting database shall be backed up daily to a secure location separate from the primary system, and a monthly backup shall be retained off-site or in a secure cloud location. The restoration of a backup shall be tested at least twice a year and the test documented. Financial data shall be encrypted in transit and at rest where the system permits.

21.4 Personal Data

Financial records contain personal data, including bank details, mobile money numbers, salary information and, in cash assistance programmes, beneficiary identity data. Such data shall be processed only for the purpose for which it was collected, shall be accessible only to those who need it, shall not be transmitted by unsecured means, and shall be retained and destroyed in accordance with the Data Protection Policy and Annex M. Beneficiary lists shall never be shared with any party not entitled to receive them, and particular care shall be taken where disclosure could expose beneficiaries to risk.

22. Record Retention and Archiving

Accounting books and supporting documents shall be retained for not less than ten (10) years from the end of the financial year to which they relate, in accordance with OHADA accounting law. Where a donor agreement, the Cameroon General Tax Code, or any other applicable requirement prescribes a longer period, or where the period runs from a different date such as the date of final payment or the closure of the award, the longer or later period applies. The retention schedule is at Annex M.

Records shall be stored securely, protected against fire, water, insects and unauthorised access, indexed so that a specific document can be retrieved within one working day, and remain readable throughout the retention period. Electronic records shall be retained in a format that remains accessible as technology changes, and the integrity of scanned documents shall be assured. Where records are digitised, the originals shall nonetheless be retained for the full period unless the Finance Manager has confirmed in writing that the applicable law and every relevant donor agreement permit destruction.

No record shall be destroyed while it is or may become relevant to an audit, an investigation, a legal proceeding, a donor query or a regulatory enquiry. On the initiation of any such matter the Finance Manager shall issue a written hold notice suspending destruction of the affected categories. Destruction at the end of the retention period shall be authorised in writing by the Finance Manager, carried out securely, and recorded in a destruction log.

PART V — INCOME, GRANTS AND PARTNERSHIPS

23. Revenue and Resource Mobilisation

23.1 Sources of Income

DARED's income may comprise: grants from institutional donors, foundations and public bodies; donations from individuals, corporations and diaspora contributors; membership fees; income from consultancy, service delivery and training; income from the disposal of assets; bank interest; contributions in kind; and any other lawful income consistent with DARED's objects and its non-profit character.

23.2 General Rules on Income

All income shall be:

- recorded in the accounting records on the day of receipt, or the first working day thereafter;
- banked or otherwise secured intact and promptly, and in any event within two working days of receipt, without any deduction of expenses from receipts;
- acknowledged by an official pre-numbered receipt issued to the payer, a copy of which is retained;
- classified correctly by source, by fund and by restriction, on the basis of the underlying agreement or the donor's stated intention;
- recorded in the Register of Donors;
- reported separately by funding source in the management accounts and the financial statements.

Income shall never be received into a personal account of any staff member, Board member, volunteer or partner. Income shall never be netted against expenditure. Cash income shall be counted in the presence of two persons and both shall sign the receipt record.

23.3 Ethical Fundraising and Acceptance of Funds

DARED shall not accept funds where acceptance would compromise its independence, its integrity, its impartiality or the safety of the communities it serves. The Executive Director shall refuse, and shall report to the Board, any offer of funds which:

- originates from a source that cannot or will not be identified;
- originates from a person or entity subject to United Nations, European Union, United States, United Kingdom or other applicable sanctions, or from a person or entity appearing on any applicable terrorism designation list;
- originates from proceeds that DARED has reason to believe are unlawful;
- is conditional upon DARED taking a position, delivering a service or reporting a result that DARED does not believe to be true or right;
- is conditional upon the exclusion of a group of people on a prohibited ground, or upon the delivery of assistance in a manner inconsistent with humanitarian principles;
- derives from an industry whose activities are incompatible with DARED's mission, as determined by the Board;
- is offered by a person seeking, expressly or by implication, a personal advantage, a contract, an appointment or influence over DARED's decisions.

Every proposed grant, and every donation exceeding the threshold in Annex A, shall be subject to the donor due diligence procedure at Annex I before acceptance. Where funds have been received before due diligence could be completed, they shall be held in a separate liability account and not applied until due diligence is complete; if due diligence produces an adverse result, the funds shall be returned to the source from which they came and the matter reported under Section 44.

23.4 Anonymous and Unidentified Receipts

An anonymous cash donation exceeding XAF 500,000, or any unidentified credit to a bank or mobile money account exceeding that amount, shall not be recognised as income. It shall be held in a suspense liability account, investigated, and if the source cannot be established within sixty days, reported to the Executive Director for a decision, which may include reporting to the competent authority under Section 45.

24. Banking Arrangements

24.1 General

All DARED funds shall be held in bank accounts opened in the name of DARED. The use of a personal account, or of an account in the name of any officer, member, partner or third party, to hold or transmit DARED funds is prohibited absolutely and constitutes gross misconduct.

24.2 Selection of Banks

Bank accounts shall be opened only with institutions licensed by the Ministry of Finance and supervised by COBAC, of sound standing, and acceptable to DARED's principal donors. The Finance Manager shall assess proposed banks on: licensing and supervisory status; capital adequacy and reputation; the quality of anti-money-laundering controls, since DARED's own compliance depends in part on its bank; branch and agency network in DARED's areas of operation; fees; the availability of secure electronic banking with role-based access; and the ability to provide statements promptly and in a usable format.

24.3 Opening, Changing and Closing Accounts

Every bank account shall be opened, and every change of signatory made, only by resolution of the Board, recorded in the minutes, with a certified extract provided to the bank. The Finance Manager shall maintain a register of all accounts showing the bank, branch, account number, currency, purpose, associated fund or project, date opened, authorised signatories and date of the authorising resolution. Accounts shall be closed when the purpose for which they were opened ends, and dormant accounts shall be reviewed annually and closed unless there is a documented reason to retain them.

24.4 Signatories and Payment Authorisation

Every payment from a bank account shall require two signatories acting jointly. Signatories shall be drawn from at least two of the following categories: the Executive Director, the Board Chair or Treasurer, the Finance Manager, and one other senior manager designated by the Board. At least one signatory to every payment shall be from Category A as defined in Annex A.

The following rules apply without exception:

- no person shall be a sole signatory on any account;
- a person shall not sign for a payment of which they are the beneficiary, nor for a payment to a person with whom they have a relationship required to be disclosed under Section 43;
- the person who prepares a payment shall not be a signatory to it;
- signature stamps, pre-signed cheques and blank signed instruments are prohibited absolutely; a person who signs a blank instrument commits gross misconduct;
- cheque books and payment instruments shall be held under dual control in a safe, and their issue and use recorded in a register;
- electronic banking credentials shall be personal, shall never be shared, and the system shall be configured to require the electronic equivalent of dual authorisation;

- where a signatory is absent for a prolonged period, an alternate shall be appointed by Board resolution and not by informal arrangement.

24.5 Bank Reconciliation

Every bank account shall be reconciled to the bank statement monthly, within ten working days of the month end. The reconciliation shall be prepared by a person who does not sign payments and does not have custody of cheque books, and shall be reviewed and signed by the Finance Manager. Reconciling items shall be listed individually with their date and nature. Any item outstanding for more than sixty days shall be investigated and explained in writing; unpresented cheques outstanding for more than six months shall be cancelled and reversed. Any unexplained difference, of any amount, shall be reported immediately to the Executive Director and shall not be written off without the approval required by Section 46.

25. Mobile Money and Electronic Payments

Mobile money is a normal and often necessary payment channel in DARED's operating environment. It is subject to the same standards of control as any other channel.

- Mobile money accounts used for DARED business shall be registered in the name of DARED where the operator permits, and where the operator requires registration in the name of a natural person, the account shall be registered to a designated officer, declared to the Finance Manager, used exclusively for DARED funds, and closed or transferred immediately on that officer's departure or change of role.
- Every mobile money account shall have a designated custodian and a designated approver, who shall be different persons.
- A Mobile Money Register shall be maintained for each account, recording every receipt and every disbursement with the date, the counterparty's name and number, the amount, the purpose, the transaction reference and the resulting balance.
- The register shall be reconciled to the operator's statement monthly and included in the month-end close.
- Ceilings shall be set by the Finance Manager for the balance that may be held in any mobile money account and for a single transfer, and shall be recorded in Annex F.
- Transfers to beneficiaries shall be supported by an approved distribution list, and the operator's transaction records shall be retained as evidence of receipt alongside the beneficiary acknowledgement.
- Structuring — dividing a payment into several smaller transfers to remain below a control threshold, a reporting threshold or an operator limit — is prohibited and shall be treated under Section 45.
- Transaction fees shall be recorded as an expense of the project bearing the payment and shall not be deducted from a beneficiary's entitlement.

Where DARED uses any other electronic payment platform, the Finance Manager shall document the controls applicable to it before it is used, applying the principles of this section by analogy.

26. Cash and Petty Cash Management

26.1 Minimisation of Cash

Cash handling creates risk to funds and to people. DARED shall minimise the use of cash. Payment shall be made by bank transfer or mobile money wherever practicable. Cash payment is permitted only where electronic payment is genuinely impractical, and the reason shall be recorded on the payment voucher.

26.2 Petty Cash

Petty cash shall operate on the fixed imprest system. The following apply:

- the imprest shall not exceed XAF 300,000 at head office and XAF 200,000 at a field office, unless a higher limit is approved in writing by the Finance Manager for a documented operational reason and reviewed quarterly;
- a single petty cash payment shall not exceed XAF 50,000; a requirement exceeding that amount shall be met by bank transfer or mobile money, and shall not be split;
- the imprest shall be replenished only on presentation of the petty cash book and all supporting vouchers for the amount expended, and only up to the amount so evidenced;
- the petty cash holder shall not approve payments, shall not post to the ledger, and shall not have access to the bank accounts;
- cash shall be kept in a safe or lockable cash box, secured to the structure of the building where possible, with the key and combination held by the custodian and a sealed duplicate held by the Finance Manager;
- the safe shall contain no personal money and no property of any individual;
- a petty cash count shall be performed at every replenishment, at every month end, on the handover of custody, and on a surprise basis by the Finance Manager or internal auditor at least quarterly, and shall be recorded on a cash count certificate signed by the counter and the custodian;
- any shortage shall be reported immediately, made good by the custodian where it results from negligence, and recorded under Section 46; any surplus shall be recorded as income and not retained by the custodian.

26.3 Programme Cash

Where a programme requires the holding or distribution of cash beyond petty cash levels, a specific written authorisation shall be issued by the Finance Manager for each operation, setting out the amount, the custodian, the route, the security arrangements, the distribution method, the documentation to be obtained and the deadline for accounting. Cash in transit shall be accompanied by at least two persons, shall not follow a predictable route or schedule, and shall be insured where insurance is available and cost-effective. No individual shall be required to carry an amount that creates an unacceptable personal risk, and the assessment of that risk rests with the person carrying it as well as with management.

27. Grant Financial Management

27.1 Pre-Award

Before a proposal is submitted, the Finance Manager shall confirm in writing that: the budget recovers the full cost of the work or the shortfall is identified and funded; the co-financing requirement, if any, is achievable and its source identified; the cash flow implications, including any period of pre-financing before the first instalment, are affordable; the donor's financial requirements are ones DARED can meet; the audit and reporting obligations are understood and costed; and the exchange rate and inflation assumptions are stated. A proposal shall not be submitted without this confirmation.

27.2 Award Acceptance and Inception

On award, and before any expenditure is incurred, the Finance Manager shall:

- read the signed agreement in full, together with all annexes and incorporated general conditions;
- prepare the Donor Compliance Summary described in Section 5.4 and circulate it to the Executive Director, the Project Manager and all relevant staff;
- open the project in the accounting system with a unique project code and the approved budget loaded at the level of detail required for reporting;
- open a dedicated bank account where the agreement so requires, or otherwise confirm the account arrangements;
- establish the grant file, whose contents are specified in Section 27.6;

- enter all reporting deadlines and payment milestones in the Financial Reporting Calendar at Annex L;
- hold a written inception briefing with the project team covering eligible and ineligible costs, procurement rules, documentation standards, asset rules, branding, and the consequences of non-compliance.

27.3 Implementation

During implementation the Finance Manager shall monitor: expenditure against budget by line and in total; the burn rate against the elapsed period; the ageing of advances to staff and partners; compliance with procurement rules; the eligibility of costs charged; the accuracy of cost allocations; the timeliness of reporting; and the receipt of instalments. Concerns shall be raised with the Project Manager promptly and, if unresolved, escalated to the Executive Director.

27.4 Amendments

No change to the budget, the activities, the timeframe, the geography or the partners of a funded project shall be implemented before the donor's written approval has been obtained where the agreement requires it. Verbal indications, emails from persons without authority, and assurances that approval "will follow" are not approval. The Finance Manager shall maintain a log of all amendment requests, their status and their outcome, and shall ensure that approved amendments are reflected in the accounting system and the Donor Compliance Summary.

27.5 Close-Out

Financial close-out shall commence not less than ninety days before the end date of the award and shall include: a stop date for new commitments; settlement or accrual of all outstanding liabilities; recovery or write-off of all outstanding advances; reconciliation of project expenditure to the general ledger and to the donor reports; verification that all costs charged are eligible and correctly allocated; a final physical verification of project assets and a decision, agreed with the donor, on their disposition; determination of the treatment of any unspent balance, interest earned and exchange differences; the final financial report; arrangements for any project-specific audit; refund of any amount due to the donor; archiving of the complete grant file with the retention date marked; and a written close-out memorandum recording lessons learned. The project code shall be closed in the accounting system only after the Finance Manager has signed the close-out memorandum.

27.6 The Grant File

A single grant file, in physical and electronic form, shall be maintained for each award and shall contain: the proposal and approved budget; the signed agreement, all annexes and all amendments; the Donor Compliance Summary; the donor's general conditions; all correspondence with the donor on financial matters, including every approval; all budget revisions and their approvals; all financial reports submitted and the working papers reconciling them to the ledger; the schedule of instalments requested and received; the procurement files or an index to them; the sub-award agreements and partner reports; the asset list; all audit and verification reports and management responses; and the close-out memorandum.

28. Partner and Sub-Award Financial Management

28.1 Principle

Where DARED transfers funds to another organisation, DARED remains accountable to the donor and to the law for the use of those funds. Partnership does not transfer accountability. At the same time, partnership shall be conducted with respect for the partner's autonomy, and DARED shall support partners to build financial capacity rather than merely policing them.

28.2 Due Diligence and Capacity Assessment

Before any agreement is signed, a prospective partner shall be assessed using the Financial Capacity Assessment tool at Annex J, covering: legal registration and good standing; governance and board oversight; accounting system and records; segregation of duties; banking and cash controls; procurement procedures; payroll and statutory compliance; asset management; audit history; anti-fraud, safeguarding and whistleblowing arrangements; sanctions and terrorism screening of the entity and its leadership; and previous experience with donor funds. The assessment shall be documented, shall result in a risk rating, and shall determine the disbursement method, the frequency of verification and the capacity-building support to be provided.

Where the assessment identifies weaknesses that do not preclude partnership, a written capacity-building plan with milestones shall form part of the agreement, and disbursement may be made conditional on progress against it.

28.3 The Sub-Award Agreement

Every transfer of funds to a partner shall be governed by a written agreement signed before any funds are released, which shall as a minimum address: the parties and their legal status; the purpose, activities and results; the approved budget and the rules on reallocation; the total amount and the disbursement schedule and conditions; the eligibility of costs and any specific exclusions; the flow-down of all applicable donor conditions, including procurement rules, asset rules, branding, anti-terrorism and sanctions clauses, and audit rights; record-keeping and retention obligations; reporting content, format and deadlines; the right of DARED, its donors and their auditors to inspect records and premises; anti-fraud, anti-corruption, safeguarding and PSEAH obligations and the duty to report allegations to DARED; conflict of interest disclosure; the treatment of assets on termination; suspension and termination rights and the recovery of misused funds; dispute resolution and governing law; and the obligation to notify DARED of any change in legal status, leadership or banking arrangements.

28.4 Disbursement

Funds shall be released in tranches against a written request supported by the previous period's financial report and a forecast of need. The first tranche shall not exceed the amount reasonably required for the initial period. No subsequent tranche shall be released until at least seventy-five per cent of the preceding tranche has been accounted for and verified, unless the Finance Manager records in writing an operational justification for an exception. Funds shall be transferred only to the partner's institutional bank account named in the agreement; a request to change the account shall be verified by direct contact with a known officer of the partner using contact details already on file, and never by relying on the details in the request itself.

28.5 Monitoring and Verification

Partner financial reports shall be reviewed by the Finance Manager against the budget, the agreement and the eligibility rules before the expenditure is accepted into DARED's accounts. In addition, DARED shall conduct financial monitoring visits, whose frequency is determined by the risk rating, and at which a sample of transactions shall be traced to original supporting documentation, cash and bank balances verified, assets inspected, payroll records examined, and the partner's own controls tested. Each visit shall produce a written report with findings, an agreed action plan and deadlines, and the closure of previous actions shall be verified.

Expenditure that cannot be supported by adequate documentation shall not be accepted. Where a partner has incurred ineligible or unsupported expenditure, DARED shall seek recovery, shall offset against future tranches where the agreement permits, and shall report to the donor as required.

28.6 Consortium and Lead Agency Arrangements

Where DARED acts as lead agency, funds held for onward transfer to consortium members are not DARED income and shall be accounted for as a liability. Where DARED is a consortium member, the terms of the lead agency's agreement flow down to DARED and shall be recorded in the Donor Compliance Summary. In either case the allocation of shared costs among consortium members shall be agreed in writing before implementation begins.

PART VI — EXPENDITURE MANAGEMENT

29. Commitment Control

No person shall commit DARED to any expenditure — by signing a contract, issuing a purchase order, placing a verbal order, engaging a consultant, agreeing a lease, or by any other means — unless: the commitment is within the approved budget and budget funds are available; the commitment is within that person's authority under Annex A; the commitment is for an eligible cost under the applicable funding agreement; and the procurement requirements of Section 30 have been complied with.

A person who commits DARED without authority may be held personally liable for the resulting cost, in addition to disciplinary consequences. A commitment made without authority does not bind DARED as against that person, and the Executive Director shall consider whether to ratify or repudiate it.

The Finance Officer shall maintain a commitments register recording all outstanding purchase orders and contractual obligations, so that budget availability is assessed against budget less actual expenditure less commitments, not against budget less actual expenditure alone.

30. Procurement Interface

All procurement shall comply with DARED's Procurement and Contracts Policy. The role of Finance in procurement is to verify, before payment, that the required process was followed and documented. Finance shall not approve payment where the procurement documentation is absent or incomplete.

The following indicative thresholds apply unless a donor agreement prescribes stricter ones, in which case the stricter apply. The Procurement Policy governs in the event of any inconsistency in detail.

Value (XAF)	Method	Documentation required
Up to 100,000	Direct purchase	Receipt or invoice; goods received note or certificate of service
100,001 to 1,000,000	Three documented quotations	Request for quotations, quotations received, comparative analysis, purchase order
1,000,001 to 10,000,000	Restricted tender, minimum three suppliers invited from an approved list	Tender documents, sealed offers, evaluation committee minutes, award notification, signed contract
Above 10,000,000	Open competitive tender	Published invitation, tender documents, sealed offers, evaluation committee report, Board or Executive Director approval per Annex A, signed contract
Any value	Single-source or direct award	Written justification approved in advance by the Executive Director, and by the donor where required; recorded in the Single-Source Register

Splitting a requirement into smaller purchases in order to avoid a procurement threshold is prohibited and shall be treated as a control breach under Section 60. The Finance Manager shall test for splitting as part of the month-end review by examining payments to the same supplier within short periods.

Every supplier shall be verified before the first payment: legal existence, taxpayer identification number, bank account in the supplier's own name, and screening against applicable sanctions and designation lists under Section 45.3. A supplier database shall be maintained by Finance, and changes to a supplier's bank details shall be verified by call-back to a previously known contact, never to a number supplied in the change request.

31. Payment Processing

31.1 Conditions Precedent to Payment

No payment shall be made unless all of the following are satisfied and evidenced on the payment file:

- an approved requisition exists, raised before the commitment;
- the required procurement process was followed and documented;
- a valid original invoice has been received, in the name of DARED, bearing the supplier's taxpayer identification number where the supplier is registered;
- the goods have been received or the services rendered, certified by a person other than the person who ordered them where practicable;
- the amount agrees to the contract, purchase order or agreed rate;
- budget is available on the correct budget line and the cost is eligible under the applicable agreement;
- the account codes, project code, fund and cost centre have been assigned;
- any tax required to be withheld has been calculated;
- the payment has been authorised by a person with authority under Annex A;
- the payment has not previously been made, verified by checking the invoice number against the supplier ledger.

31.2 The Payment Voucher

Every payment shall be supported by a sequentially numbered payment voucher recording: the date; the payee; the amount in figures and in words; the description; the account, project, fund and budget line codes; the method of payment and its reference; and the signatures, with names and dates, of the preparer, the verifier and the approver, who shall be three different persons wherever staffing permits.

On payment, the invoice and all supporting documents shall be stamped "PAID" with the date and the payment reference, to prevent re-presentation.

31.3 Payment Methods

Payment shall be made by bank transfer as the default method. Mobile money may be used within the limits in Section 25. Cheques may be used where a transfer is impractical and shall be crossed and made payable to the named payee, never to "cash" or "bearer". Cash payment is permitted only within the limits of Section 26 and with the reason recorded. Payment shall be made to the payee named on the invoice and to no other person; a request to pay a third party shall be refused unless supported by a written assignment verified by the Finance Manager.

31.4 Payment Timing and Discipline

Valid invoices shall be paid within thirty days of receipt, or within the contractual term if shorter. Late payment damages DARED's reputation and its ability to obtain competitive prices. Suppliers shall not be paid in advance except where the contract requires it, where an advance payment guarantee has been obtained for significant amounts, and where the Executive Director has approved.

32. Advances, Floats and Staff Debt

An advance is a payment made before the expenditure it funds is incurred. Advances create risk and shall be minimised.

- Advances shall be made only against an approved advance request specifying the purpose, the amount, the activity and the date by which it will be accounted for.

- An advance shall be made only to a person with a contractual relationship with DARED; advances to volunteers require the specific approval of the Finance Manager.
- A person shall not hold more than one outstanding advance at a time. A second advance shall not be issued until the first has been fully accounted for and cleared. This rule may be waived only in writing by the Finance Manager, and only where the activities genuinely overlap.
- Advances shall be accounted for within seven working days of the completion of the activity, or within fourteen days of receipt where no specific activity is identified, by submission of a retirement statement with all supporting documentation and the return of any unspent balance.
- An advance outstanding beyond thirty days shall be reported to the Executive Director. An advance outstanding beyond sixty days shall be recovered by deduction from salary, where lawful and where the employee's contract permits, in instalments that do not reduce net pay below the statutory minimum.
- Advances shall never be used to circumvent procurement, to avoid documentation requirements, or to move expenditure between periods.
- The Finance Manager shall present an aged schedule of all outstanding advances to the Executive Director monthly and to the FARC quarterly.

DARED shall not make personal loans to staff, Board members or their relatives. Salary advances may be granted only in accordance with the Human Resources Manual, only within the limits it prescribes, only in cases of documented hardship, and shall be recovered by payroll deduction within the same financial year.

33. Travel and Expense Management

33.1 Authorisation

All travel shall be authorised in advance in writing by the budget holder and, for travel outside the region of the duty station or outside Cameroon, by the Executive Director. The travel authorisation shall record the purpose, the itinerary, the duration, the estimated cost, the budget line and the security clearance where the destination requires it.

33.2 Rates and Entitlements

The Board shall approve annually, on the recommendation of the Executive Director, a schedule of per diem rates, mileage rates and accommodation ceilings, distinguishing between locations and, where appropriate, between staff categories. The schedule is at Annex G. Rates shall be set by reference to actual local costs and, where a donor prescribes rates, the lower of DARED's rate and the donor's rate shall be charged to that donor.

Per diem is intended to cover meals and incidental expenses. Where meals or accommodation are provided by DARED, by a partner or by the event organiser, the corresponding element of the per diem shall be deducted. Claiming per diem in respect of provided meals or accommodation is a false claim and is treated under Section 60.

33.3 Travel Arrangements

Travel shall use the most economical means consistent with safety, security, the reasonable comfort of the traveller and the effective use of time. Air travel shall be in economy class unless the Executive Director approves otherwise for a documented reason; the Executive Director's own exceptions require the approval of the Board Chair. Bookings shall be made through the approved travel provider where one exists, and the traveller shall not book their own travel and then claim reimbursement except where no alternative exists.

33.4 Claims and Reimbursement

Expense claims shall be submitted on the approved form within thirty days of the completion of the travel, supported by original receipts, boarding passes, the signed attendance sheets or other evidence that the activity took place, and the approved travel authorisation. Claims submitted after thirty days require the written approval of the Finance Manager; claims submitted after ninety days shall not be paid save in exceptional circumstances approved by the Executive Director, and shall never be paid after the closure of the financial year to which they relate.

Claims shall be verified by Finance against the authorisation and the rate schedule, and approved by a person senior to the claimant. No person shall approve their own claim. The Executive Director's claims shall be approved by the Board Chair or Treasurer. Board members' claims shall be approved by the Board Chair, and the Chair's by the Treasurer.

33.5 Non-Reimbursable Costs

The following shall not be reimbursed: personal expenditure of any kind; alcoholic beverages; fines and traffic penalties; expenditure for accompanying family members; costs of a personal nature incurred during official travel such as laundry beyond a reasonable amount on trips exceeding seven days; upgrades not authorised in advance; and any payment made to a public official other than a documented official fee paid against an official receipt.

34. Payroll and Employment Costs

34.1 Basis of Payroll

Payroll shall be based exclusively on: a written employment contract signed by both parties and consistent with the Cameroon Labour Code; the salary grid approved by the Board; and, where relevant, approved timesheets and attendance records. No person shall be paid who is not on the approved staff establishment, and no payment shall be made to a person for whom a signed contract is not held on file.

34.2 Payroll Processing and Controls

- The Human Resources function shall maintain the personnel database and shall notify Finance in writing of every joiner, leaver and change, with the supporting documentation, by the cut-off date each month.
- Payroll shall be prepared by one person and reviewed by another, and shall be approved by the Executive Director before payment. Changes to standing payroll data shall require written authorisation from both Human Resources and Finance.
- A month-on-month variance analysis shall be prepared explaining every change from the previous month, and reviewed by the Executive Director.
- Payment shall be made by bank transfer to an account in the employee's own name. Cash payment of salary is permitted only where the employee has no bank access, requires the written approval of the Finance Manager, and shall be witnessed and receipted.
- A payslip shall be issued to each employee showing gross pay, each deduction and net pay.
- The payroll shall be reconciled monthly to the general ledger, to the bank payment, and to the statutory declarations.
- An independent verification of the existence of staff shall be conducted at least annually, comparing the payroll to personnel files and to physical presence, with particular attention to field locations.
- Payroll data is confidential. Access shall be restricted, and disclosure of an individual's remuneration outside the persons entitled to know is a disciplinary offence.

34.3 Time Recording

Every employee whose costs are charged to more than one funding source shall complete a timesheet for each month, recording time by project and by activity, signed by the employee and approved by their supervisor. Timesheets shall be submitted to Finance by the third working day of the following month and shall be the basis for the allocation of that employee's cost. A timesheet is a certification; completing one inaccurately is a disciplinary offence and, where it results in a charge to a donor, may constitute fraud.

34.4 Statutory Deductions and Employer Contributions

DARED shall calculate, withhold, declare and remit, within the statutory deadlines, all amounts required by Cameroonian law, including personal income tax (IRPP) withheld at source together with the Additional Council Tax surcharge, employee social security contributions to the CNPS, the employee housing fund contribution, and all employer contributions including CNPS pension and family allowance contributions, occupational risk contributions, the housing fund levy, the National Employment Fund levy and the payroll tax.

Amounts withheld from employees are held on trust for the State and the CNPS and are not DARED's money. They shall never be used for any other purpose, however temporarily, and however severe DARED's cash position. Failure to remit withheld amounts exposes the organisation to penalties and interest and exposes officers personally to liability.

34.5 Employee Benefits and Provisions

DARED shall recognise and provide for liabilities arising from employment, including accrued but untaken leave, end-of-service indemnities and severance obligations under the Labour Code, and any medical or other benefit provided by contract. Provisions shall be calculated annually and reviewed by the external auditor. Where a project funds a post whose severance liability will crystallise after the project ends, the Finance Manager shall ensure that the liability is either funded within the project or provided for from unrestricted reserves, and shall report the unfunded amount to the Board.

35. Consultants, Contractors and Service Providers

A consultant is engaged under a contract for services and is not an employee. The distinction shall be respected in substance and not merely in form; engaging a person as a consultant where the reality of the relationship is employment exposes DARED to reclassification, back taxes, social security arrears and penalties. The Executive Director shall not approve a consultancy contract for a person performing a continuing role under DARED's direction and control.

Every consultancy shall be governed by a written contract specifying the deliverables, the timeframe, the fee and payment schedule linked to deliverables, the treatment of expenses, intellectual property, confidentiality, conflict of interest and anti-corruption obligations, safeguarding obligations, and termination. Payment shall be made only against an accepted deliverable certified by the contract manager.

Withholding taxes shall be applied to payments to consultants and service providers in accordance with the General Tax Code, at the rate applicable to the category of the payee and to the nature of the payment, and remitted within the statutory deadline. The withholding certificate shall be issued to the payee and a copy retained. Payments to non-resident providers attract a distinct regime, and the Finance Manager shall confirm the applicable treatment, including the effect of any double taxation treaty, before the contract is signed rather than at the point of payment.

36. Cash and Voucher Assistance to Beneficiaries

Where a programme transfers cash or vouchers directly to beneficiaries, the following apply in addition to the general rules:

- the transfer modality, the delivery mechanism, the transfer value and the frequency shall be documented in the project design and approved by the Executive Director;
- beneficiary selection shall follow documented criteria applied transparently, and the beneficiary list shall be verified and approved by a person independent of the person who compiled it;
- beneficiary identity data shall be handled in accordance with Section 21.4, and lists shall never be disclosed to unauthorised parties;
- the financial service provider shall be selected through a documented procurement process and subjected to due diligence including sanctions screening;

- reconciliation shall be performed between the approved beneficiary list, the instruction sent to the provider, the provider's transaction report and the beneficiary acknowledgements, and any difference investigated before the next distribution;
- distribution shall be observed by a person independent of the distributing team on a sample basis, and post-distribution monitoring shall include verification that the intended recipient received the correct amount;
- a functioning complaints and feedback mechanism shall be available to beneficiaries and its reports reviewed by the Finance Manager as a source of fraud intelligence;
- fees charged by the provider shall be transparent and shall not be borne by the beneficiary;
- no member of staff, volunteer, community committee member or partner may charge, request or accept any payment, service or favour from a beneficiary in connection with assistance; any such allegation shall be reported immediately under the Safeguarding Policy and Section 44.

37. Taxation and Statutory Compliance

DARED shall comply fully with its obligations under the General Tax Code and related legislation. The non-profit character of DARED does not exempt it from all taxes, and the Finance Manager shall obtain and document professional advice on DARED's position in relation to at least: corporate income tax and the minimum instalment applicable to any commercial activity carried on by a non-profit organisation; value added tax, both as a possible taxable person and as a payer of VAT on purchases; withholding taxes on salaries, on payments to suppliers and consultants, and on payments to non-residents; registration duty on contracts, leases and certain agreements; stamp duty; the business licence, where applicable; local taxes; and customs duties and any exemption available on imported programme goods.

The Finance Manager shall maintain a Statutory Compliance Calendar recording every obligation, the responsible officer, the deadline and the date of completion, and shall report compliance status to the Executive Director monthly and to the FARC quarterly. Evidence of every filing and every payment shall be retained. DARED shall obtain and keep current its tax compliance certificate ("attestation de non-redevance") and its CNPS compliance attestation, which are commonly required by donors and in tender processes.

Where an exemption or a privileged fiscal regime is claimed, its legal basis shall be documented, the conditions monitored, and the position reviewed annually. DARED shall not claim an exemption on the basis of custom, on the basis of another organisation's practice, or on the basis of a verbal assurance.

PART VII — ASSET AND INVENTORY MANAGEMENT

38. Fixed Assets

38.1 Definition and Capitalisation

An item shall be capitalised where it is held for use in DARED's activities, has a useful life exceeding one year, and has a cost equal to or exceeding XAF 250,000, or a lower threshold where a donor agreement so requires. Items below the threshold shall be expensed but, where attractive and portable, shall nonetheless be recorded in an Attractive Items Register and tracked in the same way as capitalised assets. The capitalised cost shall include purchase price, non-recoverable taxes, transport, installation and any cost necessary to bring the asset into use.

38.2 The Asset Register

The Finance Manager shall maintain a fixed asset register recording for each asset: a unique DARED asset number; the description, make, model and serial or chassis number; the date of acquisition; the supplier and the purchase reference; the cost; the funding source and the donor's asset title conditions; the location and the custodian; the condition; the depreciation method, rate and accumulated depreciation; the insurance position; and, on disposal, the date, method, authority and proceeds.

Every asset shall be physically labelled with its asset number on acquisition. Every asset shall have a named custodian who signs for it and who is responsible for its safekeeping and proper use. Assets shall not be moved between locations, or issued to a different custodian, without a signed transfer note copied to Finance.

38.3 Depreciation

Assets shall be depreciated on a straight-line basis over their estimated useful lives, from the month of entry into service. Indicative rates, to be applied unless a donor or the accounting framework requires otherwise, are:

Asset class	Useful life	Annual rate
Buildings and permanent structures	20 years	5%
Building improvements and fixtures	10 years	10%
Motor vehicles and motorcycles	5 years	20%
Generators and heavy equipment	5 years	20%
Office furniture and fittings	5 years	20%
Computers, tablets and peripherals	3 years	33.3%
Communications and audio-visual equipment	3 years	33.3%
Programme and field equipment	3 to 5 years	20% to 33.3%

38.4 Physical Verification

A full physical verification of all assets shall be performed at least annually, by persons independent of the custodians, and reconciled to the register. Differences shall be investigated individually and reported. In addition, spot verification of a sample shall be performed at each field office visit. The verification report shall be signed by the verifiers and reviewed by the Finance Manager, and shall be available to the external auditor and to donors.

38.5 Use, Maintenance and Insurance

Assets shall be used exclusively for DARED's purposes. Private use of DARED assets, including vehicles, generators, computers and communications equipment, is prohibited except where expressly authorised in writing and, where relevant, charged at an approved rate. Maintenance records shall be kept for vehicles, generators and significant equipment. Assets shall be insured where insurance is available at reasonable cost, and the Finance Manager shall review the adequacy of cover annually, taking account of the security environment.

38.6 Vehicles and Fuel

Every vehicle and motorcycle shall have a logbook recording each journey with the date, driver, purpose, project to be charged, start and end odometer readings and passengers. Fuel shall be issued against a numbered fuel voucher or a controlled fuel card, and consumption shall be analysed monthly against kilometres travelled, with variances outside a defined tolerance investigated. Vehicle logs shall be submitted with the monthly financial return and shall be the basis for the allocation of running costs under Section 17.4.

38.7 Disposal

Disposal shall be authorised in accordance with Annex A and, where the asset was purchased with donor funds, in accordance with the donor agreement, which may reserve title to the donor, require the donor's prior written consent, require transfer to a beneficiary community or government entity, or require that proceeds be returned. The disposal method shall be transparent — public auction, sealed bid, competitive sale, transfer to another organisation, or destruction where the asset is beyond use — and shall be documented with the valuation, the offers received, the decision and its reasons, the buyer's identity, the proceeds and the receipt. Staff, Board members and their relatives may participate in a public disposal process only where the process is genuinely open, their interest is declared in advance under Section 43, and they take no part in the decision. Proceeds shall be banked intact and recorded against the correct fund.

39. Inventory and Programme Supplies

Programme supplies, distributable items, stationery, fuel stocks and drugs or nutritional commodities where held shall be:

- received against a goods received note reconciled to the purchase order and the delivery documentation, with any shortage or damage recorded at the point of receipt and notified to the supplier immediately;
- recorded in a stock ledger or bin card showing receipts, issues and balances;
- stored securely, with access limited to designated storekeepers, and stored in conditions appropriate to the commodity;
- issued only against an approved requisition signed by the recipient;
- counted physically at least quarterly, and at every change of storekeeper, by persons independent of the storekeeper, and reconciled to the records with differences investigated;
- managed on a first-expired-first-out basis where items have an expiry date, with expiry dates monitored and expiring stock reported in advance;
- written off only in accordance with Section 46, with damaged or expired commodities disposed of safely and the disposal witnessed and documented.

Distribution to beneficiaries shall be evidenced by a distribution list signed or thumb-printed by each recipient, verified by a person independent of the distributing team on a sample basis.

PART VIII — INTERNAL CONTROL, RISK AND INTEGRITY

40. The Internal Control Framework

DARED adopts the COSO Internal Control — Integrated Framework (2013). Internal control is a process, effected by the Board, management and all other personnel, designed to provide reasonable — not absolute — assurance regarding the achievement of objectives relating to operations, reporting and compliance. Internal control is the responsibility of every member of staff and not of the Finance Department alone.

40.1 Control Environment

The Board and the Executive Director shall set and demonstrate a tone at the top of integrity and ethical values. This is expressed through: a Code of Conduct signed annually by every Board member, staff member, consultant and volunteer; consistent enforcement of that Code without regard to the seniority of the person concerned; the visible willingness of senior staff to be subject to the same controls as everyone else; competence, so that persons appointed to financial roles have the necessary knowledge and are trained and supervised; clear organisational structures, reporting lines and job descriptions; and accountability, so that performance appraisal includes performance on compliance and control.

Management override of controls is the single most common route to material loss in organisations of DARED's size. Any instruction to bypass a control shall be given, if at all, only as a documented derogation under Section 7, and any member of staff receiving an undocumented instruction to bypass a control shall record it in writing and report it under Section 44.

40.2 Risk Assessment

DARED shall specify objectives with sufficient clarity to permit the identification of risks to their achievement, shall identify and analyse those risks, shall specifically consider the potential for fraud, and shall identify and assess changes that could significantly affect the control system. The mechanism is set out in Section 41.

40.3 Control Activities

DARED implements the following categories of control activity, which run through this policy:

Category	Application
Authorisation and approval	Delegation of Financial Authority Matrix; requisition and payment approval; budget approval and revision approval; Board resolutions for banking.
Segregation of duties	No individual initiates, approves, executes, records and reviews the same transaction. Detailed matrix at Annex B.
Verification and reconciliation	Bank, cash and mobile money reconciliations; payroll reconciliation; inter-fund reconciliation; asset and stock counts; supplier statement reconciliation.
Physical controls	Safes and lockable cash boxes; secure stores; asset labelling and custody; controlled access to premises; controlled custody of cheque books and payment instruments.
Information system controls	Role-based access; password discipline; audit trails; prohibition on deletion of posted entries; backup and restoration testing.
Budgetary and performance controls	Budget-versus-actual review; commitment accounting; burn-rate monitoring; variance explanation.
Documentation controls	Sequential numbering; original documents; stamping of paid invoices; standard file contents; retention.
Supervisory review	Review and sign-off of reconciliations, payrolls, journals, reports and field returns by a person other than the preparer.

40.4 Information and Communication

Relevant, quality information shall be generated and communicated internally to enable the discharge of control responsibilities, and externally to those with a legitimate interest. Staff shall be informed of the controls applicable to their work, of changes to them, and of the reasons for them. Channels shall exist for communicating upward, including anonymously, and their existence shall be publicised repeatedly rather than once at induction.

40.5 Monitoring Activities

Controls shall be monitored through ongoing supervisory review, periodic self-assessment under Section 59, internal audit under Section 51, external audit under Section 52 and donor verification under Section 53. Deficiencies shall be evaluated and communicated to those responsible for corrective action and to senior management and the Board as appropriate, and their remediation tracked to closure.

40.6 Segregation of Duties and Compensating Controls

The following functions shall be performed by different individuals: initiation of a transaction; authorisation; execution or payment; custody of the related asset; recording in the accounting records; and reconciliation or independent review.

Where the size of an office makes full segregation impossible, the Finance Manager shall document the limitation and the compensating controls applied, which may include: increased supervisory review by head office; lower approval thresholds; mandatory dual signature on all payments regardless of value; more frequent unannounced cash counts; review of all transactions above a low threshold by head office before payment; monthly review of the complete transaction listing by the Finance Manager; mandatory annual leave of not less than ten consecutive working days for every person in a financial role, during which their duties are performed by another; and periodic rotation of duties. The record of limitations and compensating controls shall be reviewed by the FARC annually and disclosed to the external auditor.

41. Risk Management

DARED shall maintain a Financial Risk Register, in the format at Annex H, identifying each risk, its cause, its potential consequence, the inherent likelihood and impact, the controls in place, the residual likelihood and impact, the risk owner, the further action required, the deadline and the status. The register shall be reviewed and updated by management quarterly and reviewed by the FARC at each meeting and by the Board at least twice a year.

Risk categories to be addressed include, at minimum:

Risk category	Illustrative risks
Fraud and misappropriation	Fictitious suppliers, ghost employees, collusion in procurement, false claims, diversion of cash and commodities, kickbacks, falsified documentation.
Donor compliance	Ineligible expenditure, breach of procurement rules, missed deadlines, unapproved budget changes, disallowance and refund demands, suspension or termination of funding.
Liquidity and cash flow	Delayed instalments, pre-financing requirements, concentration of receipts, inability to meet payroll or statutory obligations.
Funding concentration and sustainability	Excessive dependence on a single donor or a small number of awards; absence of unrestricted income; inadequate cost recovery.
Currency	Exposure on awards denominated in floating currencies; adverse movement between budgeting and expenditure.
Credit and counterparty	Failure of a bank or mobile money operator; non-recovery of advances; partner default.

Risk category	Illustrative risks
Regulatory and fiscal	Non-compliance with tax, social security, NGO reporting or exchange control obligations; penalties and interest; loss of accreditation.
Money laundering and terrorist financing	Receipt of illicit funds; diversion to designated persons; sanctions breach; loss of banking relationships (de-risking).
Cybersecurity and information	Business email compromise and payment redirection fraud; ransomware; loss of data; unauthorised disclosure of beneficiary data.
Operational and security	Loss of assets or cash to theft or armed incident; inability to access field locations; disruption to banking; loss of records.
Human resources	Loss of key finance staff; inadequate segregation; skills gaps; pressure on staff to breach controls.
Reputational	Adverse audit findings, public allegations, association with a compromised partner or donor.

For each significant risk, management shall select a treatment — avoid, reduce, share or accept — and shall document the reason. Acceptance of a significant residual risk shall be approved by the Board.

42. Fraud, Bribery and Corruption

42.1 Position

DARED maintains a position of zero tolerance towards fraud, bribery and corruption. Zero tolerance means that every allegation is taken seriously and examined, that no allegation is suppressed for reasons of reputation or convenience, and that substantiated misconduct results in proportionate consequences without regard to the position of the person concerned. It does not mean that every allegation is presumed true; the presumption of innocence applies until an allegation is substantiated through a fair process.

42.2 Prohibited Conduct

The following are prohibited and constitute gross misconduct and, in most cases, criminal offences:

- fraud, being any intentional act or omission designed to deceive others resulting in loss to DARED, its donors or its beneficiaries, or gain to the perpetrator or another;
- theft and misappropriation of cash, assets, commodities or information;
- bribery, being the offering, promising, giving, requesting, agreeing to receive or accepting of any financial or other advantage to induce or reward the improper performance of a function, whether the other party is a public official or a private person, and whether the advantage is for the recipient or for another;
- facilitation payments, being small payments to secure or expedite a routine action to which DARED is in any event entitled, which are prohibited without exception save where a payment is extorted under threat to personal safety, in which case the payment shall be made if necessary to preserve safety and reported to the Finance Manager within twenty-four hours and recorded accurately in the accounts;
- kickbacks and secret commissions;
- collusion with suppliers, bid rigging and the sharing of confidential tender information;
- embezzlement, including the temporary use of DARED funds for personal purposes with the intention of repayment;
- money laundering and the financing of terrorism;
- falsification, alteration, destruction or concealment of records, including timesheets, receipts, distribution lists, attendance sheets and reports;

- nepotism and favouritism in procurement or recruitment;
- the abuse of position to obtain sexual favours, money or any other advantage from a beneficiary, a job applicant, a supplier or a colleague;
- the deliberate circumvention of a control, including splitting transactions and structuring payments;
- knowingly permitting or failing to report any of the above.

42.3 Prevention

Preventive measures comprise the control activities in Section 40.3, together with: pre-employment verification of identity, qualifications and references, and screening of candidates for finance and senior roles against applicable designation lists; supplier verification and screening; declarations of interest under Section 43; the Gifts and Hospitality Register; mandatory leave and rotation for financial roles; fraud-awareness training on induction and annually thereafter; and the clear and repeated communication that reporting is expected and protected.

42.4 Gifts and Hospitality

No member of staff, Board member, consultant or volunteer shall solicit any gift, hospitality or advantage from any person doing business or seeking to do business with DARED. Modest hospitality in the ordinary course of business and gifts of nominal value, not exceeding XAF 25,000, may be accepted where refusal would cause offence, and shall be recorded in the Gifts and Hospitality Register. Any gift exceeding that value shall be declined politely, or where declining is not possible, accepted on behalf of DARED, surrendered to the Executive Director and recorded. Cash or cash equivalents shall never be accepted in any amount. No gift or hospitality of any value may be accepted from a party to an active procurement or tender process.

42.5 Response to Suspected Fraud

Any person who suspects fraud shall report it immediately under Section 44. The person receiving the report shall not investigate independently, shall not confront the suspect, shall not alert the suspect, and shall not attempt to gather evidence in a manner that may compromise it. The Fraud Response Plan at Annex K governs, and provides for: immediate securing of evidence, including electronic records and access logs; suspension of the suspect's access to systems, funds and premises where necessary, as a neutral protective measure and not a sanction; preliminary assessment by a person independent of the area concerned; notification to the Executive Director and, where the Executive Director is implicated, directly to the Board Chair; notification to the Board and FARC; notification to donors within the period required by each agreement, which is frequently between twenty-four and seventy-two hours of DARED becoming aware, irrespective of whether the allegation has been substantiated; a formal investigation conducted fairly, with the subject given the opportunity to respond; a written report with findings, quantification of loss and recommendations on control weaknesses; disciplinary action; recovery of losses through civil action or salary deduction where lawful; referral to the police or the competent authority where a criminal offence appears to have been committed; and a control remediation plan tracked to closure.

DARED shall not enter into any agreement whose effect is to conceal misconduct, and shall not accept the repayment of misappropriated funds in exchange for the matter not being reported to donors or authorities.

43. Conflict of Interest and Related-Party Transactions

A conflict of interest exists where a person's private interests — financial, familial, personal or in another organisation — could influence, or could reasonably be perceived to influence, their performance of a DARED function. Perception matters as much as reality.

Every Board member, member of staff, consultant and volunteer shall complete a written declaration of interests on appointment, annually thereafter, and immediately upon any change. Declarations shall be filed by the Executive Director, and the Executive Director's own declaration and those of Board members by the Board Chair. The register shall be available to the external auditor and to donors on request.

A person with a conflict shall declare it as soon as they become aware of it, shall take no part in the discussion, evaluation, decision, approval or supervision of the matter, and shall leave the meeting for the relevant item, which shall be recorded in the minutes. Declaring an interest does not by itself permit participation.

Related-party transactions — including transactions with an entity in which a Board member, a member of staff or a close relative of either has an interest — shall be permitted only where: the interest was declared in advance; the interested person took no part in the decision; the transaction is demonstrably at arm's length and on terms no more favourable than would be obtained from an unrelated party; the transaction was subject to the normal procurement process; the transaction is approved by the Executive Director or, where a Board member is involved, by the Board; and the transaction is recorded in a Related-Party Transactions Register and disclosed in the annual financial statements.

The employment or engagement of a close relative of a Board member or of a member of staff shall be permitted only through open competitive recruitment in which the related person takes no part, and shall be disclosed to the Board. Direct reporting relationships between close relatives are prohibited.

44. Whistleblowing, Complaints and Protected Reporting

Every person has a duty to report any suspected breach of this policy, any suspected fraud, corruption or misconduct, and any instruction to act improperly. Reporting is not disloyalty; failing to report is a breach of this policy in its own right.

Reports may be made to the line manager, the Finance Manager, the Executive Director, the Chair of the FARC or the Board Chair, whichever the reporter considers appropriate, and reports concerning any of those persons shall be made to another of them. DARED shall maintain at least one reporting channel that does not pass through management, publicised to staff, partners, suppliers and communities, and accessible to persons who do not read or who do not use email.

Reports may be made anonymously and shall be examined on their merits. A reporter acting in good faith shall not suffer dismissal, disciplinary action, transfer, non-renewal, exclusion or any other detriment, whether or not the concern turns out to be substantiated. Any retaliation against a reporter is itself gross misconduct. The identity of a reporter shall be disclosed only to those who must know it in order to deal with the matter, and the reporter shall be told, before any disclosure that could identify them, what is proposed.

A person who makes a report they know to be false, or who makes a report maliciously, commits a disciplinary offence. A report that is honestly made but not substantiated is not a false report.

The Finance Manager shall maintain a log of financial reports received, action taken and outcome, and shall report the log to the FARC at each meeting, with individual identities withheld unless disclosure is necessary.

45. Anti-Money-Laundering, Counter-Terrorist-Financing and Sanctions

45.1 Position

DARED is committed to ensuring that its resources are not used, directly or indirectly, for money laundering, for the financing of terrorism or proliferation, or for the benefit of any designated person or entity. DARED applies a risk-based approach consistent with FATF Recommendation 8, recognising both that non-profit organisations can be misused and that measures must be targeted and proportionate rather than a blanket restriction on legitimate humanitarian and development activity.

45.2 Risk Assessment

The Finance Manager shall conduct and document, at least annually, an assessment of DARED's exposure to money laundering and terrorist financing risk, having regard to: the sources of DARED's funds; the geographies in which it operates, including areas where armed groups are present; the delivery channels used, including cash and mobile money; the partners and suppliers with whom it deals; and the beneficiary populations served. The assessment shall inform the intensity of the controls applied.

45.3 Screening

DARED shall screen against applicable United Nations, European Union, United States, United Kingdom and other relevant sanctions and designation lists, and against Cameroonian designations where they exist: all institutional donors and significant private donors before acceptance of funds; all implementing partners and their governing body members and senior management, before signature and periodically thereafter; all suppliers and consultants above the threshold set by the Finance Manager, before the first payment; and all staff in senior and financial positions on recruitment. Screening shall be documented with the date, the lists checked and the result, and retained. A positive or possible match shall be escalated to the Executive Director immediately, and no payment shall be made pending resolution.

Beneficiary screening shall not be conducted as a matter of routine, because it is generally incompatible with humanitarian principles and with data protection, unless a specific donor agreement requires it, in which case the Finance Manager shall document the requirement, its legal basis and the safeguards applied.

45.4 Controls

The following controls apply: no acceptance of anonymous or unexplained funds beyond the limit in Section 23.4; identification of the source of significant donations; prohibition of cash receipts above the limit in Section 26; prohibition of payment to any account other than that of the named payee; prohibition of payment to a jurisdiction subject to comprehensive sanctions; prohibition of structuring; retention of full transaction records for the period in Section 22; and immediate escalation of any transaction that is unusual, that lacks an apparent lawful purpose, that involves an unexpected third party, or that a counterparty appears anxious to keep undocumented.

45.5 Reporting

Where the Executive Director, on the advice of the Finance Manager, concludes that there are reasonable grounds to suspect that funds are the proceeds of crime or are connected to terrorist financing, DARED shall take legal advice and shall make such report as the law requires to the Agence Nationale d'Investigation Financière. The fact that a report has been made or is contemplated shall not be disclosed to the person concerned or to any person not required to know. Records of the matter shall be retained and access restricted.

45.6 Banking Relationships

DARED shall maintain complete, current documentation of its legal status, governance, beneficial ownership, funding sources and activities so that it can respond promptly to bank due diligence. Where a bank restricts or terminates a relationship, the Executive Director shall notify the Board immediately, shall seek the reasons in writing, and shall ensure that an alternative arrangement is established before operations are affected.

46. Losses, Write-Offs and Financial Investigations

Every loss of cash, assets or commodities, and every irrecoverable receivable, shall be reported to the Finance Manager immediately on discovery, and shall be recorded in the Losses and Write-Offs Register whether or not it is ultimately written off. The register shall record the date, the nature and amount, the circumstances, the person responsible for the asset, the action taken to recover, the recommendation, the authority for write-off and the control lesson identified.

A write-off is an accounting recognition that an amount is irrecoverable. It does not extinguish any claim against a person responsible, does not end any disciplinary process, and does not prevent criminal referral. Write-offs shall be authorised in accordance with Annex A, shall require the Finance Manager's written recommendation stating what recovery action was taken, and shall be reported to the FARC and, above the threshold in Annex A, approved by the Board. Losses arising from theft or suspected fraud shall be reported to the police where appropriate, and to donors where the loss affects their funds.

Where a loss results from the negligence or misconduct of an identified person, recovery shall be sought, including by deduction from salary or final entitlements where lawful, and disciplinary action shall be taken independently of recovery.

PART IX — REPORTING AND ASSURANCE

47. Management Reporting

The Finance Manager shall produce the following, by the deadlines stated:

Report	Frequency and deadline	Recipients and content
Management accounts	Monthly, by the 15th	Executive Director and senior management. Statement of financial activities by fund; statement of financial position; budget versus actual for the organisation and by project; cash and bank position by account; cash flow forecast update; aged advances and receivables; commitments; grant burn rates; exceptions and issues.
Budget holder reports	Monthly, by the 10th working day	Each budget holder, for their own budget, with variance explanation required within five working days.
Consolidated quarterly report	Quarterly, within 21 days of quarter end	Board and FARC. As above, with narrative analysis, funding pipeline, reserves position, risk register extract, statutory compliance status, Derogations Register, losses and write-offs, audit action tracker.
Cash flow forecast	Monthly, rolling 12 months	Executive Director monthly; Board quarterly.
Grant performance dashboard	Monthly	Executive Director and Project Managers. Contracted value, received, spent, committed, remaining, elapsed period, projected outturn, reporting status.
Statutory compliance report	Monthly	Executive Director. Status of every filing and remittance.

Management accounts shall be accompanied by a short written commentary identifying what has changed, what requires a decision and what is going wrong. A report that requires the reader to derive these things unaided has not done its job.

48. Statutory and Regulatory Reporting

DARED shall prepare and submit, within the applicable deadlines:

- annual financial statements in the form prescribed by SYCEBNL, comprising the statement of financial position, the statement of financial activities, the cash flow statement, the statement of changes in funds, the notes and the management report;
- the annual financial statement of total income and expenditure and the annual activity report required under the legislation governing non-governmental organisations, transmitted to the Ministry of Territorial Administration within the statutory deadline following their preparation;
- notification to the supervising administration of any change in the statutes, the address of the head office or the composition of the governing body, within the statutory period;
- all tax declarations and remittances required by the General Tax Code, including monthly payroll tax declarations, withholding tax declarations, value added tax declarations where applicable, and the annual return;
- all CNPS declarations and remittances, including monthly contribution returns and the annual declaration of salaries;
- any return required by the ministry supervising DARED's sector of activity, by regional or divisional authorities, or under the terms of any accreditation or authorisation held.

The Finance Manager shall maintain evidence of every submission, including the date-stamped receipt or electronic acknowledgement, and shall report any missed deadline to the Executive Director and the FARC with an explanation and a remediation plan.

49. Donor Reporting

Donor financial reports shall be: prepared in the format and for the periods specified in the agreement; reconciled to the general ledger, with the reconciliation retained as a working paper; reviewed by the Finance Manager and approved by the Executive Director before submission; consistent with the narrative report, so that expenditure and activity tell the same story; supported by the underlying documentation, which shall be available for inspection; and submitted by the deadline.

Where a report cannot be submitted on time, the donor shall be notified in advance of the deadline, not afterwards, with an explanation and a revised date. Where an error is discovered in a submitted report, it shall be corrected and the donor informed promptly; concealing an error compounds it.

Where a donor disallows a cost, the Finance Manager shall analyse the reason, determine whether other costs are affected, correct the accounting treatment, fund the disallowed amount from unrestricted resources, report the matter to the FARC, and implement the control change that prevents recurrence.

50. Annual Financial Statements

The annual financial statements shall be prepared within ninety days of the financial year end, submitted to external audit, reviewed by the FARC, and approved by the Board. They shall disclose, in addition to the requirements of the accounting framework: the accounting policies applied; the analysis of income by source and of expenditure by activity and by nature; movements on each material fund and the purpose of each restricted fund; related-party transactions, including any payment or reimbursement to a Board member; the remuneration policy and the aggregate remuneration of senior management; contributions in kind and volunteer time; commitments and contingent liabilities; the reserves position against the reserves policy; and post-balance-sheet events.

Approved financial statements shall be provided to donors on request, made available to members, and published in summary form as part of DARED's accountability to the communities it serves.

51. Internal Audit

DARED shall maintain an internal audit capability appropriate to its size, whether through a dedicated internal auditor, a shared arrangement with a peer organisation, or an outsourced engagement. The internal auditor shall report functionally to the FARC and administratively to the Executive Director, shall not report to the Finance Manager on audit matters, shall have unrestricted access to all records, premises, systems and personnel, and shall not be given operational responsibilities that would compromise independence.

Internal audit shall operate to a risk-based annual plan approved by the FARC, covering over a three-year cycle: payments and procurement; payroll and human resources; cash, bank and mobile money; advances; assets and stores; field office operations; grant and donor compliance; partner and sub-award management; the reliability of financial reporting; and the follow-up of previous findings. Unplanned reviews may be commissioned by the FARC or the Executive Director at any time.

Reports shall state the objective, the scope, the work performed, the findings with their cause and effect, a risk rating and agreed management actions with owners and deadlines. Reports shall be issued to the FARC, the Executive Director and the responsible manager.

52. External Audit

DARED's financial statements shall be audited annually by an independent professional auditor appointed by the Board, of appropriate standing and qualification, and independent of DARED, of its Board and of its management. The audit shall be conducted in accordance with International Standards on Auditing.

The Board shall consider the auditor's independence annually and shall consider rotating the audit firm, or at least the engagement partner, at appropriate intervals. The auditor shall not be engaged to provide services that would compromise independence, in particular bookkeeping, the preparation of the financial statements being audited, or the design of the internal control system.

The audit shall commence within a timeframe permitting the signed report to be available for the Board and for donors within six months of the financial year end. The Finance Manager shall prepare a complete audit file in advance, comprising the draft financial statements, the trial balance and lead schedules, all reconciliations, the fixed asset register and verification report, stock records, payroll reconciliations, grant agreements and reports, minutes of the Board and FARC, and the registers required by this policy.

The auditor's management letter shall be presented in full to the FARC and the Board. Management shall provide a written response to every point, with an action, an owner and a deadline.

53. Donor Audits, Verifications and Capacity Assessments

DARED shall cooperate fully with any audit, expenditure verification, spot check, capacity assessment or investigation conducted by a donor or its agents in accordance with the applicable agreement, and shall provide access to records, premises, systems and personnel. The Finance Manager shall coordinate each exercise, shall ensure that documentation is retrieved promptly, and shall be present at the closing meeting.

Where a project-specific audit is required, its cost shall be budgeted within the project. Findings, disallowances and recommendations shall be treated in the same way as external audit findings under Section 54, and shall additionally be reported to the Board.

54. Follow-Up of Audit Findings

The Finance Manager shall maintain a single Audit Action Tracker consolidating every recommendation from internal audit, external audit, donor audits and verifications, management self-assessment and investigations, recording the source, the finding, the agreed action, the owner, the deadline, the status and the evidence of completion. The tracker shall be reviewed by the Executive Director monthly and by the FARC at each meeting.

A recommendation shall be closed only on evidence that the control now operates, not on assurance that it has been instructed. A recommendation overdue by more than ninety days shall be escalated to the Board with an explanation from the responsible officer. A recommendation that recurs in a subsequent audit shall be treated as a significant control failure and reported as such.

PART X — SUSTAINABILITY, CONTINUITY AND COST RECOVERY

55. Reserves

DARED shall build and maintain unrestricted reserves sufficient to enable it to meet its obligations in the event of an interruption in funding, to fund unrecovered costs, to meet unforeseen liabilities including severance obligations, and to preserve its independence.

The Board shall set a reserves target, expressed as a number of months of core operating expenditure, and shall review it annually. The target shall be not less than three months and DARED shall work towards six months. The reserves policy shall state: the target and its basis; the sources from which reserves will be built, principally recovered indirect costs, unrestricted income and operating surpluses; the circumstances in which reserves may be drawn upon and the authority required, which shall be the Board in every case; the timeframe for replenishment after any drawdown; and the form in which reserves are held, which shall be liquid and low-risk.

The reserves position shall be reported to the Board quarterly and disclosed in the annual financial statements, with an explanation where the level is below target.

56. Financial Sustainability

The Executive Director shall present to the Board annually a financial sustainability analysis addressing: the funding pipeline over the following twenty-four months, with probabilities; donor concentration, expressed as the percentage of income from the largest donor and the largest three donors, with an objective of reducing dependence on any single source; the proportion of income that is unrestricted; the rate of indirect cost recovery achieved against cost incurred; the trend in core costs; the adequacy of reserves; and the risks to sustainability and the plan to address them.

DARED shall diversify its funding base, including through local resource mobilisation, membership, service and consultancy income consistent with its non-profit status and its fiscal position, and partnerships. Any income-generating activity shall be assessed in advance for its tax consequences, its consistency with DARED's objects and accreditation, and its risk to reputation and independence, and shall require Board approval.

57. Business Continuity and Emergency Financial Procedures

The Executive Director shall maintain a business continuity plan addressing the financial consequences of disruption, including: loss of access to premises, records or systems; failure of banking or mobile money services; inability to reach field locations; loss of key personnel; and security incidents affecting cash or assets.

In a declared emergency, the Executive Director may authorise the following simplified procedures, for a period not exceeding thirty days, renewable only with the approval of the Board Chair:

- expedited procurement using direct award, with written justification recorded at the time and the full file completed retrospectively;
- temporarily increased petty cash and mobile money limits, specified in writing;
- acceptance of alternative documentation where standard documentation cannot be obtained, provided the alternative is recorded contemporaneously and certified by two persons;
- revised approval routing where an approver is unreachable, with the substitute named in advance.

The following may never be suspended, in any circumstances: dual authorisation of payments; the prohibition on personal accounts; the prohibition on payment to a person other than the named payee; sanctions screening; the recording of every transaction; and the reporting of suspected fraud.

Every use of emergency procedures shall be logged, reported to the Board at its next meeting, notified to affected donors, and reviewed by the FARC and the external auditor. The Finance Manager shall ensure that documentation gaps arising during the emergency are remedied as soon as conditions permit, and shall report honestly where they cannot be.

Where operations are disrupted by conflict or insecurity, additional measures shall apply: reduction of cash held in affected locations; more frequent but smaller transfers; avoidance of predictable patterns; enhanced monitoring for diversion, including triangulation of distribution records with post-distribution monitoring and community feedback; and explicit assessment of the risk that assistance is being taxed, diverted or appropriated, with escalation to the Executive Director and the donor where that risk materialises. No member of staff shall be instructed to travel with funds into a location they assess as unsafe.

PART XI — IMPLEMENTATION AND ADMINISTRATION

58. Implementation, Training and Capacity

This policy takes effect on the effective date recorded in the Document Control section. The Executive Director shall ensure that:

- a copy is issued to every person to whom it applies, and an acknowledgement of receipt and understanding is obtained and filed;
- induction for every new staff member, consultant and volunteer handling funds includes the parts of this policy relevant to their role;
- refresher training is delivered at least annually to all staff, and more intensively to budget holders and finance staff;
- training is delivered in a language and manner accessible to the participants, and includes practical case examples drawn from real situations;
- partners receive orientation on the requirements flowed down to them;
- a record of all training delivered, with attendance, is maintained and available to auditors and donors.

59. Compliance Monitoring and Self-Assessment

The Finance Manager shall conduct a documented self-assessment of compliance with this policy at least annually, using a checklist derived from its provisions, covering head office and every field office. The results, with an action plan, shall be presented to the FARC. The self-assessment does not replace internal or external audit and shall not be conducted by the person whose work is being assessed.

60. Policy Violations and Consequences

Failure to comply with this policy is a disciplinary matter. The response shall be proportionate to the seriousness of the breach, to whether it was deliberate, negligent or the result of inadequate instruction, to whether it was disclosed voluntarily, and to whether it caused loss. Available responses include:

- counselling, retraining and closer supervision;
- a written warning recorded on the personal file;
- recovery of losses, by deduction from salary or final entitlements where lawful and permitted by the contract;
- withdrawal of financial authority;
- suspension pending investigation, which is a protective measure and not a sanction;
- termination of employment, of a consultancy contract or of a partnership agreement;
- referral to the police or the competent authority;
- civil proceedings for recovery;
- reporting to donors and to regulators as required.

Certain breaches shall ordinarily be treated as gross misconduct: theft, fraud and falsification of records; the acceptance or offering of a bribe or kickback; the use of a personal account for DARED funds; signing a blank payment instrument; sharing system credentials; deliberate circumvention of procurement or approval thresholds; retaliation against a person who has made a report in good faith; and instructing a subordinate to breach this policy.

Nothing in this section limits DARED's obligation to report to donors and authorities as required by law and by agreement, and no disciplinary outcome may be traded against a decision not to report.

61. Policy Review and Amendment

This policy shall be reviewed by the Finance Manager and approved by the Board at least once every three years. It shall be reviewed earlier where there is a change in applicable legislation, in the accounting framework, in the regulatory environment, in donor requirements, in DARED's scale, structure or operating context, or following a significant control failure, fraud or adverse audit finding.

Proposals for amendment may be made by any member of staff to the Finance Manager. Amendments to the substance of this policy require Board approval. The Executive Director may issue standard operating procedures and instructions that give effect to this policy without amending it, provided they do not reduce any requirement of it. The annexes may be updated by the Executive Director on the recommendation of the Finance Manager, except Annex A, which requires Board approval by formal resolution.

Every version of this policy shall be retained permanently, so that the rules applicable at any past date can be established.

62. Approval

This Financial Management Policy, Version 2.0, was approved by the Board of Directors of Direct Action for Rights Equity and Development and takes effect from the date recorded in the Document Control section.

Name and signature	Name and signature
Chairperson, Board of Directors	Executive Director / Director
Date:	Date:
Name and signature	Name and signature
Treasurer / Chair, Finance, Audit and Risk Committee	Finance Manager
Date:	Date:

ANNEXES

Annex A — Delegation of Financial Authority Matrix

This Annex is approved by the Board of Directors by formal resolution and may be amended only by the Board. Amounts are expressed in CFA francs (XAF), which is the operative currency. United States dollar equivalents are indicative only, calculated at the planning rate approved for the current year, and shall not be used to determine authority.

A.1 Expenditure, Commitment and Payment Approval

Position	Limit per transaction (XAF)	USD equivalent (indicative)	Notes
Programme / Project Officer	Up to 300,000	~500	Within approved budget and work plan only
Programme / Project Manager, Field Office Coordinator	Up to 1,500,000	~2,500	Within approved budget only
Finance Manager	Up to 3,000,000	~5,000	May not approve own expenditure
Executive Director	Up to 15,000,000	~25,000	May not approve own expenditure
Executive Director jointly with Board Chair or Treasurer	15,000,001 to 30,000,000	~25,000 to 50,000	Written joint approval required
Board of Directors	Above 30,000,000	Above ~50,000	By resolution recorded in the minutes

A.2 Other Approvals

Decision	Authority
Opening or closing a bank account; appointment or removal of a signatory	Board resolution, without exception
Acceptance of a grant or contract up to XAF 30,000,000	Executive Director
Acceptance of a grant or contract above XAF 30,000,000, or with co-financing or unfunded liability	Board
Acceptance of a single donation above XAF 5,000,000	Executive Director, after due diligence under Annex I
Signature of a sub-award or partnership agreement	Executive Director, within the approved project budget
Employment contracts within the approved establishment and salary grid	Executive Director
Changes to the salary grid or the staff establishment	Board
Executive Director's remuneration, expenses and advances	Board Chair
Board members' expense claims	Board Chair; the Chair's claims by the Treasurer
Single-source procurement of any value	Executive Director, with written justification; donor approval where required

Decision	Authority
Budget revision — see Section 17.7	As set out in Section 17.7
Write-off up to XAF 500,000	Executive Director, on the Finance Manager's recommendation
Write-off from XAF 500,001 to 2,500,000	Executive Director with Board Chair, reported to the FARC
Write-off above XAF 2,500,000	Board resolution
Disposal of an asset with net book value up to XAF 1,000,000	Executive Director, subject to donor conditions
Disposal of an asset with net book value above XAF 1,000,000, or any vehicle or land	Board, subject to donor conditions
Derogation from this policy	Section 7
Emergency financial procedures	Executive Director for 30 days; renewal by Board Chair
Inter-fund borrowing	Executive Director, reported to the FARC
Investment of surplus funds	Board

A.3 Bank Signatory Categories

Category A: Chairperson of the Board, Treasurer, Executive Director. Category B: Finance Manager, and one further senior manager designated by Board resolution. Every payment requires two signatures, of which at least one shall be from Category A. Two Category B signatures are not sufficient for any payment. Signatory limits shall mirror the approval limits in A.1; a signatory may not sign for an amount exceeding their own approval authority unless the payment has been approved by a person with the requisite authority and that approval is evidenced on the voucher.

Annex B — Segregation of Duties Matrix

P = performs; R = reviews or approves; X = must not perform. Where a cell is blank the function is not applicable to that role.

Function	Budget holder	Finance Officer	Accountant	Cashier	Finance Manager	ED / Signatory
Initiate requisition	P	X	X	X		
Verify budget availability	X	P			R	
Conduct procurement	P (committee)	R	X	X	R	R
Certify goods or services received	P	X	X	X		
Prepare payment voucher	X	P	P	X	X	X
Approve payment	R	X	X	X	R	P
Execute payment / sign	X	X	X	P (cash only)	P	P
Custody of cash and cheque books	X	X	X	P	X	X
Post to the ledger	X		P	X	R	X

Function	Budget holder	Finance Officer	Accountant	Cashier	Finance Manager	ED / Signatory
Prepare bank reconciliation	X	X	P	X	X	X
Review bank reconciliation	X	X	X	X	P	R
Maintain the asset register	X	X	P	X	R	X
Physical verification of assets	R	P	X	X	R	X
Prepare payroll	X	P	X	X	R	X
Review and approve payroll	X	X	R	X	R	P
Grant system access	X	X	X	X	P	R

Annex C — Chart of Accounts Structure

The chart of accounts follows the SYCEBNL account classes. Each transaction carries a composite code enabling reporting on all dimensions simultaneously.

Segment	Content
Natural account	SYCEBNL class and account, identifying the nature of the item — resources and funds, non-current assets, stocks, third parties, treasury, expenses by nature, income by nature, and off-balance-sheet commitments.
Fund / donor	Unique code per funding source, distinguishing unrestricted, designated, restricted and endowment funds.
Project	Unique code per award, with sub-codes per result area or component where the donor reports at that level.
Budget line	The line as it appears in the approved donor budget, so that reports can be produced without manual mapping.
Cost centre	Head office department, field office or project site.
Activity	Optional segment for activity-level analysis where programme design requires it.

Rules: the chart of accounts is maintained solely by the Finance Manager; every amendment is logged; no transaction may be posted without a complete code string; suspense and clearing accounts must be cleared to nil at each month end or the balance explained in writing; inter-fund accounts must net to zero across funds.

Annex D — Month-End Close Checklist

Task	Owner	Deadline
All transactions for the period posted; cut-off applied	Accountant	Day 3
Field office returns received, reviewed and posted	Finance Officer	Day 5
All bank accounts reconciled to statements; reconciliations signed	Accountant / Finance Manager	Day 6
Cash counted at every location; count certificates signed	Cashier / Finance Manager	Day 1
Mobile money accounts reconciled to operator statements	Finance Officer	Day 6

Task	Owner	Deadline
Advances aged; overdue advances escalated	Finance Officer	Day 6
Receivables aged and reviewed for recoverability	Accountant	Day 7
Known unrecorded liabilities accrued	Accountant	Day 7
Payroll reconciled to register, bank payment and statutory declarations	Finance Officer	Day 7
Statutory remittances confirmed and evidence filed	Finance Officer	Day 7
Inter-fund balances reconciled to nil	Accountant	Day 8
Suspense and clearing accounts cleared or explained	Accountant	Day 8
Duplicate-charge and transaction-splitting review performed	Finance Manager	Day 8
Fund balances and restricted balances reviewed	Finance Manager	Day 9
Budget-versus-actual reports issued to budget holders	Finance Manager	Day 10
Management accounts and commentary issued	Finance Manager	Day 15

Annex E — Minimum Supporting Documentation by Transaction Type

Transaction	Minimum documentation
Purchase of goods	Approved requisition; procurement documentation per threshold; purchase order or contract; original invoice; goods received note signed by the recipient; delivery note; payment voucher; proof of payment; withholding tax certificate where applicable
Purchase of services	Approved requisition; procurement documentation; contract or terms of reference; original invoice; certificate of satisfactory completion signed by the contract manager; deliverable or report; payment voucher; proof of payment; withholding tax certificate
Salary payment	Signed employment contract; approved payroll; timesheet where costs are shared; payslip; bank transfer schedule and proof of payment; statutory declarations and remittance receipts
Consultancy payment	Signed contract with deliverables; accepted deliverable with written acceptance; invoice; payment voucher; withholding tax certificate; consultant's tax registration where applicable
Travel and per diem	Approved travel authorisation; approved rate schedule reference; boarding passes or transport tickets; accommodation invoice; attendance or participant list; activity report; claim form; proof of payment
Workshop or training	Approved activity plan and budget; venue procurement documentation; participant list signed by each participant with contact details; agenda; per diem or transport sheet signed by each recipient; photographs where appropriate; activity report
Beneficiary cash transfer	Approved beneficiary list with selection criteria evidence; approved transfer instruction; provider transaction report; beneficiary acknowledgement or receipt; reconciliation; post-distribution monitoring report
Distribution of goods	Approved distribution plan; stock issue voucher; distribution list signed or thumb-printed; independent observation report; post-distribution monitoring
Fuel	Fuel voucher or card statement; vehicle logbook entries; consumption analysis
Advance	Approved advance request; proof of payment; retirement statement with all supporting receipts; evidence of return of unspent balance
Sub-award disbursement	Signed agreement; approved fund request; previous period's verified report; proof of transfer to the institutional account named in the agreement

Transaction	Minimum documentation
Asset acquisition	As for purchase of goods, plus entry in the asset register, asset label allocation, custodian acknowledgement, insurance notification
Asset disposal	Approval per Annex A; donor consent where required; valuation; record of the disposal process and offers; buyer identity; official receipt; evidence of banking of proceeds; register update
Income received	Official pre-numbered receipt; bank credit advice or deposit slip; donor agreement or correspondence identifying restriction; Register of Donors entry

Certificate of Expenditure: where an original receipt is genuinely unobtainable, a Certificate of Expenditure signed by the person incurring the cost and countersigned by their supervisor may be accepted for amounts not exceeding XAF 25,000 per transaction and not exceeding XAF 150,000 per person per month. Certificates shall be exceptional, shall state why a receipt could not be obtained, and shall be reported in aggregate to the FARC quarterly. Donor agreements may prohibit them entirely, in which case the prohibition applies.

Annex F — Cash, Petty Cash and Mobile Money Limits

Parameter	Limit
Petty cash imprest — head office	XAF 300,000
Petty cash imprest — field office	XAF 200,000
Maximum single petty cash payment	XAF 50,000
Threshold above which payment must be by bank transfer or mobile money	XAF 100,000
Maximum balance in a mobile money account	XAF 1,000,000
Maximum single mobile money transfer	XAF 500,000, or the operator limit if lower
Maximum cash held at any location outside a bank, other than during a distribution	XAF 1,000,000
Frequency of surprise cash counts	At least quarterly per location
Deadline for retirement of an advance	7 working days after activity completion; 14 days otherwise
Threshold above which an anonymous or unidentified receipt is not recognised as income	XAF 500,000
Gift acceptance threshold	XAF 25,000, recorded in the register

These limits may be varied only in writing by the Finance Manager, for a stated period and a stated reason, recorded in the Derogations Register.

Annex G — Travel, Per Diem and Mileage Rate Schedule (Template)

Category	Yaoundé / Douala (XAF/day)	Regional capitals (XAF/day)	Rural / field (XAF/day)
Accommodation ceiling — senior staff			
Accommodation ceiling — other staff			

Category	Yaoundé / Douala (XAF/day)	Regional capitals (XAF/day)	Rural / field (XAF/day)
Meals and incidentals — senior staff			
Meals and incidentals — other staff			
Participants and community members			
Consultants (unless contract provides otherwise)			

Item	Rate
Mileage — DARED vehicle	Not applicable; fuel charged on actual
Mileage — private vehicle authorised for official use	XAF per kilometre, to be set annually
Motorcycle transport	XAF per kilometre or per journey, to be set annually
International travel per diem	By reference to the applicable published international rate, capped at the donor rate where lower

Rates shall be approved annually by the Board on the recommendation of the Executive Director, set by reference to documented local costs, and shall be the same for all funding sources except where a donor rate is lower, in which case the lower rate is charged to that donor. Where meals or accommodation are provided, the corresponding element is deducted.

Annex H — Financial Risk Register (Template)

Ref	Risk description	Cause and consequence	Inherent likelihood	Inherent impact	Existing controls	Residual rating	Owner
F-01							
F-02							
F-03							

Additional columns to be maintained: further action required; deadline; status; date last reviewed. Likelihood and impact are rated 1 (very low) to 5 (very high); the rating is the product. Risks with a residual rating of 15 or above shall be reported to the Board with a treatment plan at every meeting until reduced.

Annex I — Donor Due Diligence and Fund Acceptance Checklist

Check	Evidence retained
Legal identity of the donor established and verified	Registration documents, website, public register
Beneficial ownership and control understood where the donor is a private entity	Ownership records, public sources
Source of funds identified and plausible in relation to the donor's known activities	Correspondence, agreement, public information
Sanctions and designation screening of the donor and, where relevant, its principals	Dated screening record with

Check	Evidence retained
	lists checked
Adverse media check	Dated search record
No condition inconsistent with DARED's mission, independence, impartiality or safeguarding obligations	Review of draft agreement
No condition requiring exclusion of a group on a prohibited ground	Review of draft agreement
Reputational assessment considered and documented	Memorandum to the Executive Director
Financial requirements of the agreement are ones DARED can meet	Finance Manager's pre-award confirmation under Section 27.1
Approval obtained at the level required by Annex A	Written approval or Board minute

Annex J — Partner Financial Capacity Assessment (Summary Tool)

Assessment area	Rating (1–4)	Evidence and comments
Legal registration, statutes and good standing		
Governance: functioning board, oversight of finances		
Accounting system and quality of records		
Segregation of duties and approval controls		
Banking arrangements, signatories and reconciliation		
Cash and mobile money controls		
Procurement procedures and documentation		
Payroll and statutory compliance (tax, CNPS)		
Asset management and register		
Budgeting and budget monitoring capability		
Financial reporting capability and timeliness		
Audit history and response to findings		
Anti-fraud, whistleblowing, safeguarding and PSEAH policies		
Sanctions and designation screening of entity and leadership		
Previous experience managing donor funds		

Rating scale: 1 = high risk, controls absent; 2 = substantial risk, significant gaps; 3 = moderate risk, minor gaps; 4 = low risk, controls adequate. The overall rating determines the disbursement method and frequency, the verification intensity, the level of transaction testing at monitoring visits, and the capacity-building plan. A partner rated 1 overall shall not receive funds until agreed improvements are in place, or shall receive funds only under a direct-payment or in-kind modality in which DARED makes payments to third parties on the partner's behalf.

Annex K — Fraud Response Plan (Summary)

Stage	Action	Responsibility and timing
1	Receive report; record it; do not investigate, confront or alert	Recipient of the report; immediately
2	Secure evidence, including electronic records, access logs and physical documents	Finance Manager or nominated person; within 24 hours
3	Suspend the subject's access to systems, funds and premises if necessary as a protective measure	Executive Director; immediately where warranted
4	Notify the Executive Director; where the Executive Director may be implicated, notify the Board Chair directly	Immediately
5	Preliminary assessment: is there a credible basis for the allegation	Person independent of the area concerned; within 5 working days
6	Notify the Board Chair and the Chair of the FARC	Executive Director; within 48 hours of the preliminary assessment
7	Notify affected donors within the period required by each agreement	Executive Director; commonly within 24 to 72 hours of becoming aware
8	Appoint an investigator and agree terms of reference and timeframe	FARC or Executive Director
9	Conduct the investigation fairly; give the subject the opportunity to respond; maintain confidentiality	Investigator
10	Report: findings, quantified loss, control weaknesses, recommendations	Investigator to the FARC and the Board
11	Disciplinary action; recovery; criminal referral where appropriate	Executive Director / Board
12	Remediate controls; track to closure; report final outcome to the donor	Finance Manager; tracked in the Audit Action Tracker

Annex L — Financial Reporting Calendar (Template)

Obligation	Frequency	Deadline	Responsible
Field office financial returns	Monthly	5th working day	Field Coordinators
Bank and cash reconciliations	Monthly	Day 6	Accountant
Budget holder reports issued	Monthly	Day 10	Finance Manager
Management accounts	Monthly	Day 15	Finance Manager
Payroll tax and CNPS declarations and remittances	Monthly	Statutory deadline	Finance Officer
Withholding tax declarations and remittances	Monthly	Statutory deadline	Finance Officer

Obligation	Frequency	Deadline	Responsible
Quarterly report to Board and FARC	Quarterly	Within 21 days	Finance Manager
Donor financial reports	Per agreement	Per agreement	Finance Manager
Draft annual financial statements	Annual	Within 90 days of year end	Finance Manager
External audit completed and report issued	Annual	Within 6 months of year end	Finance Manager
Annual financial statement and activity report to the supervising ministry	Annual	Statutory deadline	Executive Director
Annual declaration of salaries	Annual	Statutory deadline	Finance Officer
Annual physical verification of assets	Annual	Before year-end close	Finance Manager
Annual review of per diem and travel rates	Annual	Before budget approval	Executive Director
Annual conflict of interest declarations	Annual	January	Executive Director
Annual AML/CFT risk assessment	Annual	Q1	Finance Manager

Annex M — Record Retention Schedule

Record category	Minimum retention	Retention starts from
Accounting books, journals, general ledger	10 years	End of financial year
Payment vouchers and all supporting documents	10 years	End of financial year
Bank statements and reconciliations	10 years	End of financial year
Annual financial statements and audit reports	Permanent	—
Grant agreements, amendments and final reports	10 years, or the longer period required by the agreement	Final payment or award closure, whichever is later
Procurement files and contracts	10 years	Contract completion
Payroll records and payslips	10 years	End of financial year
Employment contracts and personnel files	10 years	End of employment
Tax and social security declarations and receipts	10 years	End of financial year
Fixed asset register and disposal records	10 years	Disposal of the asset
Register of Donors	Permanent	—
Board and committee minutes and resolutions	Permanent	—
Statutes, registration and accreditation documents	Permanent	—
Insurance policies and claims	10 years	Expiry or settlement
Fraud investigation files	10 years	Closure of the matter
Beneficiary personal data	Per the Data Protection Policy; the minimum necessary	Closure of the activity

Where a donor agreement, a legal proceeding, an audit or an investigation requires longer retention, the longer period applies. Destruction requires the written authorisation of the Finance Manager and shall be recorded in a destruction log.

Annex O — Fixed Asset Register: Required Fields

Asset number; description; category; make and model; serial, chassis or engine number; date of acquisition; supplier; purchase order and invoice references; cost; currency and exchange rate where purchased in foreign currency; funding source and project code; donor asset title conditions; date placed in service; useful life; depreciation method and rate; accumulated depreciation; net book value; location; custodian and date of custodian acknowledgement; condition at last verification; date of last physical verification; insurance policy and expiry; maintenance history reference; disposal date, method, authority, buyer and proceeds; date register updated and by whom.

Annex P — Glossary and Abbreviations

Term	Meaning
ANIF	Agence Nationale d'Investigation Financière — Cameroon's financial intelligence unit
AUDCIF	OHADA Uniform Act on Accounting Law and Financial Reporting (2017)
BEAC	Banque des États de l'Afrique Centrale, the central bank of the CEMAC zone
Budget holder	The named person accountable for a budget line
CAC	Additional Council Tax, a surcharge applied to certain Cameroonian taxes
CEMAC	Communauté Économique et Monétaire de l'Afrique Centrale
CHS	Core Humanitarian Standard on Quality and Accountability
CNPS	Caisse Nationale de Prévoyance Sociale, the national social insurance fund
COBAC	Commission Bancaire de l'Afrique Centrale, the regional banking supervisor
Commitment	A legally or practically binding obligation to incur expenditure, whether or not yet invoiced
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CVA	Cash and voucher assistance
Derogation	An approved departure from a specific requirement of this policy in a specific case
DGI	Direction Générale des Impôts, the tax administration
FARC	Finance, Audit and Risk Committee of the Board
FATF	Financial Action Task Force
Fund accounting	Accounting that segregates resources by the restrictions attaching to them
IRPP	Impôt sur le Revenu des Personnes Physiques, personal income tax
MINAT	Ministère de l'Administration Territoriale, the ministry supervising associations and NGOs
OHADA	Organisation pour l'Harmonisation en Afrique du Droit des Affaires
PSEAH	Protection from sexual exploitation, abuse and harassment

Term	Meaning
Restricted funds	Funds that a donor has specified may be used only for a stated purpose or period
Structuring	Splitting a transaction to fall below a control, reporting or regulatory threshold
SYCEBNL	OHADA accounting system for not-for-profit entities, applicable from 1 January 2024
SYSCOHADA	The OHADA accounting system annexed to AUDCIF, applicable to commercial entities
Unrestricted funds	Funds available for any purpose within DARED's objects
Virement	The reallocation of budget between lines
XAF	CFA franc of the Central African States, DARED's functional currency

Annex Q — Compliance Mapping

This Annex maps the principal external requirements to the provisions of this policy, to assist auditors, donors and regulators.

Requirement	Source	Policy provision
Regular keeping of accounts, prescribed books, ten-year retention	OHADA AUDCIF	Sections 19, 20, 22; Annex M
Not-for-profit accounting framework; register of donors; prescribed financial statements	OHADA SYCEBNL	Sections 19.1, 19.6, 19.7, 48, 50
Annual financial statement and activity report to the supervising ministry; notification of changes	Cameroon NGO and association legislation	Sections 11, 48
Withholding and remittance of payroll taxes and social contributions	Cameroon General Tax Code; CNPS regulations	Sections 34.4, 37, 48
Withholding tax on supplier and consultant payments	Cameroon General Tax Code	Sections 35, 37
Foreign exchange operations, documentation and prohibition on unauthorised foreign accounts	CEMAC Regulation 02/18	Sections 18.4, 18.5, 24
Customer due diligence, screening, record keeping, suspicious transaction reporting	CEMAC AML/CFT Regulation; FATF Recommendations	Sections 23.3, 23.4, 45
Risk-based, proportionate measures for non-profit organisations	FATF Recommendation 8	Sections 41, 45.1, 45.2
Control environment, risk assessment, control activities, information and communication, monitoring	COSO 2013	Section 40
Effective and efficient resource management; complaints mechanisms; PSEAH	Core Humanitarian Standard	Sections 4, 36, 42, 44
Anti-bribery internal controls, ethics and compliance programme	OECD guidance; ISO 37001	Sections 42, 43, 44
Cost allocation, eligible costs, procurement standards, sub-award monitoring, audit	Institutional donor rules	Sections 17.3, 17.4, 27, 28, 30, 49, 53

Requirement	Source	Policy provision
Independent external audit conducted to international standards	ISA; donor requirements	Section 52
Transparency and publication of financial information	IATI; Global Standard for CSO Accountability	Sections 4.1, 50

Final Provisions

This policy comprises sixty-two (62) sections and seventeen (17) annexes and constitutes the complete financial management framework of Direct Action for Rights Equity and Development. It supersedes all previous financial policies, instructions and practices, whether written or customary.

Questions on the interpretation or application of this policy should be directed to the Finance Manager in the first instance.

END OF POLICY