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Financial Policies and Procedures Manual for WAAW Foundation

Introduction

The board and staff of the Working to Advance African Women in STEM Education(WAAW) Foundation are committed to ensuring the sound management of organizational assets in the interest of achieving the organization's mission.

The policies and procedures contained herein are intended to:

1. Protect the assets of the WAAW foundation
2. Put in place basic accounting, billing, and cash control policies and procedures
3. Ensure the maintenance of accurate records of the organization's financial activities
4. Create a framework for operating standards and behavioral expectations
5. Ensure compliance with all federal and state procedures and reporting requirements

Responsible Party

The Executive Director, working with the Chief Operations Officer is responsible for administering and implementing the organizations' financial policies across the organization. The President and the Vice President of the Board of Directors provides oversight and ensures compliance across the entire organization.

The policy has been reviewed and ratified by the board of directors. Changes to the policy must be made and approved by the Board of Directors. A full review of the financial policy and all organizational policies are conducted every end of year.

All members of the organization's management team and administrative staff are expected to be familiar with and in compliance with this policies.

Generally Accepted Accounting Principles (GAAP)

The WAAW Foundation accounting policies and procedures are intended to be consistent with Generally Accepted Accounting Principles (GAAP). If this manual conflicts with specific federal

or State regulation or with other organizational policies that have been adopted or updated more recently, the regulations or more recent board policy shall prevail.

WAAW Foundation does not employ its funds in the use of lobbying, political or religious advocacy or activities.

Fiscal Year

- The fiscal year for the organization will be January 1 – December 31.

Gift Acceptance Policy

The following policies govern how non-standard gifts will be handled:

- WAAW Foundation solicits and accepts gifts that are consistent with its mission.
- Donations will generally be accepted by individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations.
- In the course of its regular fundraising activities, WAAW Foundation will accept donations of cash, marketable securities, bequests, life insurance policies, commercial annuities, retirement plans, and in-kind services.
- Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose. Examples of gifts that may be subject to review include gifts of real property, gifts of personal property, and gifts of securities.
- All decisions to solicit and/or accept potentially controversial gifts will be made by the Executive Committee of the Board in consultation with the Executive Director. The primary consideration will be the impact of the gift on the organization.
- WAAW Foundation will not accept gifts that
 - would result in violating its corporate charter,
 - would result in losing its status as an IRC § 501(c)(3) not-for-profit organization,
 - is too difficult or too expensive to administer in relation to their value,
 - would result in an unacceptable consequences, or

(e) are for purposes outside WAAW Foundation's mission.

Spending Policies:

WAAW Foundation is committed to responsible stewardship of organizational resources.

1. The organization will spend a minimum of 70% percentage of its annual budget on programs in pursuance of its mission and on administrative expenses that support those programs.
2. The organization also spends its funds and annual budget on other items including fundraising, hiring competent staff, training, planning, evaluation, and internal systems, professional affiliations, and other general and administrative expenditures critical to professional management and organizational sustainability.
3. The organization will ensure effective and transparent accounting systems using standard tools such as Quickbooks Online. The organizations accounting books will be available for audit by qualified and approved personnel where necessary.
4. The organization will not accumulate excessive operating funds but will maintain a responsible level of reserves to enable our organization to respond to philanthropic trends and opportunities to better serve the organization's mission.

Ethical Policies

Members of the board and staff of WAAW Foundation are committed to the following ethical practices:

- Act in the best interest of the organization rather than on the basis of personal interests or the interests of third parties.
- Practice sound financial management and compliance with legal and regulatory requirements.
- Employ financial systems to ensure that accurate financial records are kept and that financial resources are used to further the organization's mission and charitable purposes.
- Create and maintain financial reports on a timely basis that accurately portray financial status and activities, provide timely internal financial statements and explain any material variation between actual and budgeted revenues and expenses.
- Provide employees and others with a confidential means to report suspected financial impropriety or misuse of its resources.
- Have written financial policies governing the use of its assets, internal control procedures, and purchasing practices.
- Comply with laws and regulations related to fundraising; licensing; financial accountability; human resources; lobbying and political advocacy; and taxation.
- Respect the interests and intentions of its donors, volunteers, and the general public and manage them with the highest level of professionalism and integrity.
- Use solicitation and promotional materials that are accurate and truthful and identify the organization, its mission, and its intended use of solicited funds accurately.

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- Ensure that contributions are used in accordance with donors' intentions and obtain explicit consent before altering the intended use of a restricted gift.

Restricted Beneficiary Policy

WAAW Foundation programs, funds and scholarship cannot be used to benefit a particular person or family. The applicant pool must be big enough to benefit the greater community the organization serves, and is not able to identify all of the eligible recipients ahead of time. All funds, grants, program or scholarship beneficiaries are awarded on an objective and nondiscriminatory basis. Excellence metrics the organization considers include current or prior academic or test performance, test scores, essays, recommendations, avocation to community service and giveback or financial need. Where possible, shortlisted candidate interviews are conducted to evaluate pre-determined eligibility .

Family members or direct relations of all WAAW Foundation officers, executives, board of directors, executive board, staff and major contributors and members of any selection committees or persons involved in selection of program beneficiaries are disqualified from receiving support or scholarships from WAAW Foundation.

External Audit

- WAAW Foundation will have an audit or review prepared by an external CPA firm at least biannually.
- The selected auditing firm will not be used for non-auditing services except tax form Preparation.
- Every three years, a Request for pro bono CPA services will be sent to audit firms qualified to provide the type of audit that meets WAAW Foundation and/or funder need.
- The COO is responsible for soliciting bids, interviewing firms and making the recommendation to the Board of Directors when selecting the firm to be awarded the audit contract. Acceptance of the audit contract will be evidenced by a signed audit engagement letter.

The audit is reviewed in detail by the Board and accepted by the Board of Directors based upon recommendation by the auditor.

Roles and Responsibilities

The Board of Directors will assume responsibility for ensuring the financial health and sound management of organizational assets. The board will employ management staff members who are capable of producing, analyzing, controlling, reporting, and interpreting financial information.

The Management Team of the organization currently consists of the Executive Director, Chief Operating Officer, Business Development Manager and Software Development Manager.

Board of Directors

The Board of Directors has the authority to execute any policies it determines to be in the best interest of the organization within the parameters of the organization's articles of incorporation, bylaws, or federal, state, and local law. The Board of Directors will approve the annual budget, the audit, and Form 990. The board delegates administration of the financial policies to the Executive and Chief Operating Officer, but reviews operations and activities regularly.

Finance and/or Audit Committees of the board may be established at any time as they are needed, and given proper authorities.

Executive Committee

The Executive Committee has and may exercise, when the Board is not in session, all of the powers of the Board of Directors in the management of the organization except for the authority to amend the bylaws, adopt a plan of merger or consolidation, sell, lease, exchange, mortgage, pledge or make any other disposition of all or substantially all of the property and assets of the Organization.

Executive Director

The Executive Director has the authority to make spending decisions within the parameters of the approved budget, employ and terminate personnel, determine salary levels within the approved salary policy, make decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority, enter into any contractual agreements and sign checks.

Chief Operations Officer (COO)

The COO has whatever authority as may be designated by the Executive Director, including to design the organization's accounting system and chart accounts, make spending decisions within the parameters of the approved budget, make fixed asset purchase decisions, approve expenses and make decisions regarding their cost allocation, hire the bookkeeper/accountant, and sign and approve contractual agreements. The COO will sign checks but not make bookkeeping entries.

The Chief Operations Officer has the authority to choose the auditor, perform regular, in-depth reviews of the organization's financial activity, and oversee the development of the annual budget.

Program Managers/Directors

Program Managers/Directors have whatever authority as may be designated by the Executive Director, including to make spending decisions within the parameters of the approved department or program budget subject to the approval of the COO, and to sign checks or contracts in rare circumstances when the Executive Director is not available.

Bookkeeper/Accountant

Bookkeeping and accounting services will be provided by a contracted individual who is hired and supervised by the COO. This person will make bookkeeping entries, prepare checks for signature, and perform the bank reconciliation. The bookkeeper will not approve expenditures or sign checks.

Budgets

Budgets provide a standard by which to measure performance, encourage planning, and allocate resources in accordance with funding source requirements.

- Budgets should use reasonable assumptions of income and expenses. Budgets should be balanced and should lead to the accumulation of reasonable reserves, which can be used to ensure cash flow over time.

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- The Board should be notified when cash reserves are below 3 months regular operating Expenses.
 - The organization budget is prepared by the COO, in consultation with the Management Team, beginning no later than November of every year.
 - Budgets are approved by the Executive Director prior to submission to the Board of Directors for formal adoption.
 - The Executive Director will submit an annual organization budget to the Board of Directors for their approval in December. The Board may also approve a Capital Budget.

Budget Revisions

- From time to time it will be necessary to deviate from the spending plans captured in organizational budgets.
- Non-budgeted expenditures that exceed \$5,000 will be recommended by the Executive Director to the Board for approval and to consider a formal revision of the approved annual budget
- Non-budgeted expenditures between \$1,000 and \$5,000 that cannot be easily accommodated by shifting expenses from another budget line should prompt a discussion within the Executive Management Team to justify the expense, how it will be financed, and how other budgeted expenses may be affected. Executive Director may make the final decision.
- Non-budgeted expenditures less than \$200 do not require discussion if they are approved by the Executive Director or the Managing Director.
- Within any budgeted expense category, expenditure changes that do not exceed the total budgeted amount are within the discretion of the appropriate Division Director. (For example, funds allocated to Program may be redirected for other Program purposes as long as the total line item amount is not exceeded.)
- The COO should exercise the right to express disagreement and dissent with a decision by the Executive Director and should seek to resolve such disagreements informally.
- When that is not possible, in consultation with the Management Team, the COO may appeal to the Board Treasurer when the Executive Director overrules her/his dissent and the Managing Director desires Board review of the expenditure decision.
- The Board may overturn the decision of the Executive Director within their fiduciary responsibility for the organization.

Financial Records and Reports

The organization will employ a regular process for assessing the status of organizational

finances and assets. The Board of Directors and Management Team will ensure that timely and accurate financial information is available, understood, and used to guide decision-making.

- The fiscal year for the organization will be January 1 – December 31.
- The financial records of the WAAW Foundation will be maintained using the cash basis of accounting.
- Annual budgets will be prepared by the Executive Director and the Management Team and will be approved by the Board.
- A Chart of Accounts will be used to code receipts and disbursements to the proper accounts to enable proper tracking.
- The bookkeeper will reconcile the bank statement with bookkeeping records monthly.
- The bookkeeper/accountant will reconcile the bank statements to the general ledger, and notify the COO of any discrepancies.
- The COO will resolve all discrepancies with the assistance of the bookkeeper/accountant, and the bank, if necessary.
- The COO or Executive Director and Vice President will review monthly bank Statement.
- At a minimum, the bookkeeper will prepare the following monthly financial reports for review by the Vice President, COO and Management team: Balance Sheet, Income Statement, Budget-to-Actual comparison, and Cash Flow Report.
- The Vice President will make a quarterly presentation on the reports to the Board of Directors.
- The Board of Directors will review financial reports and a budget-to-actual presentation and financial report prepared by the COO and Vice President at quarterly meeting.
- The Board of Directors will review the auditor's report and Form 990 annually.
- At least every two years, an audit or review will be conducted by an independent CPA, to be made available to any one who requests it.

Segregation of Duties

WAAW Foundation is committed to sound internal controls that ensure segregation of duties to create accountability and prevent misuse of organizational assets. The most important of these include the following:

- There will be a separation of financial duties and responsibilities so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable or other accounting functions.
- The check signer will not be the same person who approves expenditures, records bookkeeping entries, or prepares checks for signing.
- Bank statements will be reviewed by at least one person (the Vice President) in addition to the person performing the reconciliation.

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- Bank deposits will be made by someone other than the person recording receipts.

Funds Received / Receipts Policies

The following policies govern how funds received by the organization will be processed:

- The book keeper will record all cash or other revenue receipts in the accounting software.
- The COO will be responsible for preparing the documentation on receipts for deposits and making required deposits to the bank.
- All checks and cash receipts received through the mail or in person are recorded either in the donor database (if a donation) or in the cash receipts log maintained as a spreadsheet, listing the date received, payor, cash check #, and amount received, as well as in the fundraising database.
- Any cash received will be deposited in Organizations bank account as soon as possible, no later than 2 working days after receipt.
- For gifts received online or by credit card, the Business Development Manager will acknowledge the gift within 2 working days of receipt.

Fund Disbursement Policies

- The Vice President approves expenditures within the parameters set by the annual operating budget as approved by the Board, with the exception of the Vice President's personal expense reimbursement items, which must be approved by the President. The President or the Executive Director may approve expenditures in rare instances when the Vice President is not available.
- All disbursements, except petty cash, are made by check, bank transfer or credit card and are accompanied by substantiating documentation. Credit card statements will be reconciled to substantiating documentation monthly.
- Blank checks are stored in a locked drawer by the President and Chief Operations Officer and may never be signed in advance.
- Electronic banking allows wire transfers, electronic transfers, stop payments on checks, and account balance inquiries are initiated and completed via computer or telephone. Wire transfers, electronic transfers, and stop payments cannot be set up and approved by the same person. The Vice President or the COO may approve a transaction.

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- The Petty Cash Fund is maintained on an imprest basis, which means that the amount spent will be reimbursed.
 - The COO will act as the custodian of the petty cash fund.
 - The purpose of the Petty Cash Fund is to facilitate small purchases or reimbursements needed in the day-to-day operations of the organization, without going through the check writing process, or to provide change for an event requiring cash transactions.
 - Petty cash disbursements are limited to \$200 in amount.
 - Any advances to employees from the petty cash fund must be authorized by the Vice President or the COO.
 - The petty cash fund will be kept in a locked file cabinet with oversight by the COO.

Payroll

The following policies govern how payment of all employees will be processed:

- Personnel files will be maintained at organizations' HR platform on Bamboo HR for all employees.
Administrative access is limited to the President, Vice President and HR Coordinator (COO) and may be accessed by an employee's supervisor upon request.
- Personnel files will include at a minimum: employment application/resume, dates of employment, letter of hire, job description, salary and salary changes, authorization of payroll deductions, performance reviews and/or disciplinary action, and termination data, when applicable.
- Payroll will be processed once per month.
- All personnel salaries/wage rates are authorized by the President and the Board of Directors.
- The COO maintains all personnel records, monitors the usage of vacation and sick time, and maintains the attendance records.
- Each supervisor reviews and approves all time and attendance records for their Employees, subject to approval by the COO
- The COO shall prepare the payroll request, using the approved time records and salary/wage rates for each employee, and transmit to Vice President.
- The Vice President is responsible for running payroll monthly.
- Payroll is recorded in the bookkeeping system by the bookkeeper/accountant.
- Paychecks are directly transferred to the employees' bank accounts.

Purchasing

The following policies govern how purchasing decisions will be made:

- Only the Executive Director or the COO is authorized to make purchasing decisions for regular supplies and large equipment, including furniture, computers, and software.
- Bids should be sought for goods and services exceeding \$2,000.
- Price should be one of the factors in the evaluation of responses, but the organization is not required to take the lowest price if other factors are important to the decision.

Organizational Credit Cards

WAAW Foundation may authorize credit cards for the purpose of facilitating online and business purchases, including business travel that is not easily handled through normal disbursement processing. The following policies govern how these transactions will be handled:

- Due to the potential for theft, misuse, and auditing problems, use of credit cards is highly restricted, discouraged and monitored carefully.
- Only the President and Vice President may be issued an organizational credit card. Other staff may request that purchases be made for business purposes on their behalf using one of these cards.
- In every instance of credit card usage, the individual using the card will be held personally responsible in the event that the charge is deemed personal or unauthorized.
- All credit card purchases above \$50 must be reconciled and attached to supporting documentation.
- Misuse of credit cards or failure to follow these procedures will lead to restrictions or loss of credit card privileges
- The President and Vice President must be notified immediately if a card is lost or stolen.

Vendor and Contractual Agreements and Leases

The following policies govern how decisions to enter into agreements with vendors or contractors or leases will be conducted:

- Only the President, Vice President, Executive Director or COO may sign a contractual or vendor agreement or lease.
- The COO will maintain a secure file of all vendor, contract, and lease agreements according to the document retention policy.

Safeguarding Assets

The following policies will ensure the security of organizational resources:

- The Managing Director shall have primary responsibility for ensuring that proper Financial Management procedures are maintained and that the policies of the Board are carried out.
- The Board of Directors will provide fiscal oversight in the safeguarding of the organizational assets and shall have primary responsibilities for ensuring that all internal and external financial reports fairly present its financial condition.
- A proper filing system will be maintained for all financial records.
- Actual income and expenditures will be compared to the budget on a quarterly basis.
- All funds will be kept at Official WAAW foundation bank accounts only.
- Bank statements will promptly be reconciled on a monthly basis by the bookkeeper/accountant.
- The board of directors shall approve any new signers for each bank account and any new and necessary bank accounts.
- The COO is responsible for promptly notifying financial institutions of any changes to authorized signers on organizational accounts.
- Documents on all fixed assets will be kept in a locked file.
- Appropriate insurance for all assets will be maintained.

Security and Computer Controls

The following policies govern the security procedures that will be taken to ensure the safety of physical and electronic records:

- The bookkeeper is responsible for inputting the financial data into the computer and bookkeeping software for generating financial reports. Only the bookkeeper will have access to the password required to make changes the system. The COO may have access to review or print information from the system, without making changes.
- Access to a computer or on-line systems for accounting, personnel, payroll, and online and phone banking is controlled by the WAAW Foundation President. Within each system, access permission is set to allow the appropriate level of access depending on staff positions and job duties.
- All organizational offices will be kept locked when not in use. Only staff members will have office keys and access to the office.
- All confidential and financial information will be kept in locked files, including personnel files, financial records, invoices or expenses to be paid, cash or gifts to be



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deposited, fixed asset listings, and petty cash funds.