STAIRWAY FOUNDATION INC.
a learning and resource center for children's rights

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Finance & Accounting

Policies and Procedures Manual

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Finance & Accounting Policies and Procedures Manual

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Introduction

This Manual has been prepared to document the internal accounting procedures for Stairway Foundation, Inc. (SFI). Its purpose is to ensure that assets are safeguarded, that financial statements are in conformity with generally accepted accounting principles, and that finances are managed with accuracy, efficiency, and transparency.

All personnel with a role in the management of SFI's fiscal operations are expected to uphold the policies and procedures in this manual. It is the intention of SFI that this accounting manual serves as our commitment to proper, accurate financial management and reporting.

These policies will be reviewed annually, revised as needed by the staff, and approved by the Executive Director and the Board of Trustees.

Division of Responsibilities

The following is a list of personnel who have responsibilities within the accounting department.

Board of Trustees:

1. Formulates and approves organizational policies and fiduciary standards.
2. Reviews and approves annual budget.
3. Reviews annual and periodic financial statements and information.
4. Appoints authorized signatories on SFI's bank accounts. (Approval of appointment is by at least two board members).
5. Reviews and approves all contracts over One Million Pesos.
6. Reviews and approves all non-budgeted expenditures over Three Hundred Thousand Pesos.
7. Appoints the external auditor, and reviews and approves the annual audit reports.

Executive Director:

1. Reports periodically to the Board of Trustees on the organization's operations and financial performance.
2. Ensures that Stairway Foundation, Inc. complies with all legal, accounting and statutory obligations in accordance with the laws of the Philippines.
3. Signatory to all bank accounts of the organization.
4. Assures compliance to Accounting Policies & Procedures
5. Reviews and approves all financial reports.
6. Reviews and approves annual budget.
7. Reviews and approves the payroll summary.
8. Reviews and approves all vouchers and invoices of Administrator.
9. Approves inter-account bank transfers.

Treasurer of the Board of Trustees

1. Signatory to all bank accounts of the organization.
2. Reviews Annual Budget and Annual Financial Report.
3. Assures compliance of the organization to accounting policies and procedures.
4. Conducts monitoring visits in Mindoro Office.
5. Ensures compliance in the Internal Control System.
6. Develops and Recommends Policies to strengthen the internal control.

Corporate Secretary of the Board of Trustees

1. Signatory to all bank accounts of the organization.
2. Ensures compliance in the Internal Control System.
3. Develops and Recommends Policies to strengthen the internal control.

Admin Officer/OIC (Mindoro Office)

1. Second Signatory to all bank accounts of the organization.
2. Approves requests and liquidations of Program Coordinators.
3. Checks the Petty Cash and other Cash Funds; conducts unscheduled cash count.
4. Provides information and instructions for billing to bookkeeper.
5. Ensures that state-mandated employee contributions with SSS, Philhealth and HDMF are paid on time.

Finance Officer/Bookkeeper (Mindoro Office)

1. Records and maintains all transactions in the accounting system (Quickbooks), for Mindoro transactions.
2. Prepares journal vouchers.
3. Reviews and encodes collection and disbursement reports.
4. Reviews all vouchers and invoices
5. Reviews all reimbursements and liquidations for both Manila and Mindoro Office, for approval of the Executive Director and Admin Officer.
6. Prepares payroll (with instructions for deductions from OIC-Manila and Admin-Mindoro) and sends out pay-slip via email.
7. Requests for payment of employees' state-mandated contributions with SSS, Philhealth and HDMF.
8. Assists program coordinators in the preparation of supplemental budgets/special budgets.
9. Prepares financial reports for donors.
10. Maintains complete filing system to support financial records.
11. Prepares bank reconciliation for all accounts.
12. Manages and maintains SFI's Corporate Online Banking Accounts.
13. Coordinates with Admin Officer regarding preparation and sending out of statement of accounts.
14. Prepares and sends out statement of account after finalizing the rates.
15. Sends out acknowledgement of SOA payments and Acknowledgement Receipts for remittances/grants that enter Mindoro and Manila bank accounts.
16. Monitors and follows-up SOA receivables (in coordination with Admin Officer).
17. Monitors foreign exchange rates.
18. Prepares and submits government reports (SEC/BIR).
19. Verifies request for payments submitted by Manila Office and facilitates approval from the ED.
20. Coordinates with bank during inter-fund transfers after securing approval of ED.
21. Monitors monthly fund balances and submits monthly fund balance reports to program coordinators and to ED.
22. Manages the process around annual internal and external financial audit.

23. Processes and submits finance related documents needed during application/renewal of registration, licenses, accreditation, permits and certification.
24. Reviews, develops, and/or recommends finance policies to strengthen the internal control.
25. Coordinates to Manila Office's Bookkeeper/s and other finance staff.

Cashier/Admin Staff (Mindoro Office)

1. Prepares checks for payments for both Mindoro and Manila Office requests.
2. Issues official receipts.
3. Has access on Corporate Online Banking Account.
4. Manages the Petty Cash Fund and Food Revolving Fund.
5. Reviews list of unliquidated cash advances and collection reports.
6. Mails correspondence letters.
7. Responsible for deposit of funds and encashment of checks.
8. Prepares weekly collection report.
9. Prepares and submits payroll debit-memo.
10. Prepares and submits monthly government reports (SSS/PHIC/HDMF/BIR).
11. Pays and Settles billing and dues.
12. Ensures that all finance forms including checks and vouchers are available.
13. Verifies payroll prepared by the bookkeeper.
14. Manages staff's DTRs, loans and other deductions.
15. Maintains complete filing system to support financial records.

Officer-In-Charge/Program and Operations Manager (NCR Office)

1) Signatory to all BDO bank accounts of the organization.
2) Reviews and checks petty cash fund for NCR Operations.
3) Authorizes all inter-fund transfers together with the Executive Director; if necessary.
4) Approves monthly budget requests submitted by Program Staff.
5) Reviews Monthly Financial Report of Advocacy Program together with the bookkeeper.

Finance Officer/Bookkeeper (NCR Office)

1. Records and maintains all transactions in the accounting system (Quickbooks), for NCR transactions.
2. Prepares journal vouchers.
3. Reviews and encodes collection and disbursement reports.
4. Reviews all vouchers and invoices
5. Reviews all reimbursements and liquidations of NCR Office, for approval of

OIC-Manila and/or Executive Director.

6. Assists program coordinators in the preparation of supplemental budgets/special budgets.
7. Prepares financial reports for donors.
8. Prepares bank reconciliation for selected accounts.
9. Manages and maintains SFI's Corporate Online Banking Accounts.
10. Coordinates with OIC-NCR Office regarding preparation and sending out of statement of accounts.
11. Prepares and sends out statement of account after finalizing the rates.
12. Sends out acknowledgement of SOA payments and Acknowledgement Receipts for remittances/grants that enter NCR Office bank accounts.
13. Monitors and follows-up SOA receivables.
14. Monitors foreign exchange rates.
15. Coordinates with bank during inter-fund transfers after securing approval of OIC-NCR Office and Executive Director.
16. Monitors monthly fund balances and submits monthly fund balance reports to program coordinators and to ED.
17. Manages the process around annual internal and external financial audit.
18. Reviews, develops, and/or recommends finance policies to strengthen the internal control.
19. Coordinates to Mindoro Office's Bookkeeper and other finance staff.

Finance/Admin Staff (NCR Office)

1. Manages the Petty Cash Fund of NCR Office.
2. Prepares liquidation report of Petty Cash Fund and request for replenishment.
3. Follows-up and coordinates liquidation reports of Advocacy Program Staff upon the advice of the bookkeeper, and to ensure it is reviewed by the Program Manager before recording.
4. Prepares and submits Cash Advances, request for payment and liquidation reports aside from Petty Cash.
5. Assists the Program Coordinator in reviewing and submitting requests of Manila Office.
6. Issues official Receipts.
7. Prepares Collection Reports.
8. Ensures timely deposits of return funds and other cash transactions.
9. In-charge in the coordination and monitoring of the BTS Notebooks.
10. Prepares and sends-out SOA and follows-up payment for the BTS Notebooks.
11. Manages various office logbooks.
12. Provides Secretarial and Administrative support including supervising, monitoring and training the messenger.

13. Coordinates to Mindoro Office on concerns relevant to finance/admin in consultation with the OIC NCR Office.
14. Prepares request letter for the permission of identified staff to use the office during weekend/holidays.
15. Manages filing of finance and admin records as well as the office calendar.
16. Acts as property custodian for NCR Office and maintains an updated property inventory.
17. Ensures that basic office supplies are available.
18. Performs other tasks assigned by OIC NCR Office and/or Executive Director.

Internal Control

Internal Control is the system of checks and balances, operated in the organization to ensure that assets are secured and accounted for, the risk of fraud is minimized and the accounting system is operated in such a way as to ensure the accuracy and truthfulness of the accounting records and the resulting financial statements and reports.

The following are the key internal control objectives for Stairway Foundation, Inc.:

1. Ensure that all grants are received and properly recorded, and that compliance with the terms of any related restrictions is adequately monitored;

2. Ensure that expenditures comply with grant conditions;

3. Budgets are carefully monitored;

4. Executive Director approves all activity;

5. Ensure that controls are effective at all times in lieu of external audit;

6. Accounting records are maintained for each project and be available to donors when requested;

7. Donor request for access to accounting records must be communicated through the Executive Director.

Grant Compliance

1. When a new grant is received or renewed, a copy of the executed grant must be forwarded to the Finance Officer/Bookkeeper.
2. The Finance Officer/Bookkeeper should set up a permanent file for the grant and maintain the contract along with any other financial correspondence regarding the grant.
3. It is the responsibility of the Finance Officer/Bookkeeper to review the grant contract and financial requirements, which must be complied with by SFI.

Grant Agreements

Ensuring compliance with terms and conditions of donor/grant financing agreements starts with ensuring that a donor/grant financing agreement fully complies with SFI's financial policy and procedures.

a) The Executive Director would be ultimately responsible for ensuring that the organization consents to and complies with all financing agreements with donors/funders.

b) All project coordinators/head of project management units shall ensure that all donor/funder funds are utilized according to the terms and conditions of the grant agreement. This shall include

- Application of funds in accordance with the approved budget.
- Compliance with procurement procedures.
- Compliance with disbursement and payment procedures including claims and other retirement of funds.
- Compliance with reporting procedures for donors among others.

Budget

Program Staff together with the Executive Director shall prepare and recommend to the Board of Trustees, for approval, the annual budget. All budgets shall be prepared on a zero-based budgeting system with sufficient detail to identify revenue and expenditures by program and project in accordance with the organization's chart of accounts. The budget shall only contain income and expenses for projects, programs, and activities that are well defined and planned, and for which it is reasonable to project, with a relatively high degree of accuracy, the related income and expense.

Budgetary Control and Monitoring

1. Budgetary control is the practice of regularly comparing actual results against expected results.

2. The most important method of budgetary control is variance analysis, which involves comparison of actual results achieved during a period with the budget.

3. The difference between actual results and expected results are called variances and these are used to provide a guideline for control action by management.

4. Effective budgetary control requires robust, reliable and relevant financial management reporting systems, which should be able to communicate the results of management action on a timely basis.

5. The administration of budgetary control shall be the responsibility of the Executive Director.

6. However, the detailed work of communicating variance information and co-coordinating control efforts shall be the responsibility of the Bookkeeper/Finance Officer.

7. The Executive Director shall endorse appropriately agreed control action on the variances.

8. The Finance Unit along with the program staff shall ensure that approved control action is implemented within the agreed timeframe.

9. The Executive Director works closely with the SFI NCR Office Manager/OIC on the budgets and budget controls for the NCR Office.

Reserves

Reserves are unrestricted net assets, excluding property. Reserves shall be used in the following situations:

1. To infuse funds for maintaining operations during times of financial or other stress, given a solid plan of action;

2. To be used as venture capital or seed money for new programs and services necessary for organization growth and for appropriate multi-year programs and services, to be repaid to the reserve fund, regardless of program success, based on a payment plan approved by the Board of Trustees;

3. To fund infrastructure requirements that cross several years in service or use and therefore shall not be charged to the yearly operating budget, such as technology with multi-year impact.

It is the policy of SFI to maintain a reserve equal to 12 months of organization's annual unrestricted operating expenses.

Reserve levels shall not drop below 50 percent of unrestricted annual operating expense. If the budget process or financial projections show that this threshold is not feasible, the Board of Trustees and Management shall devise a plan for corrective action and implement it.

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Conflict of Interest Policy

It is in the best interest of SFI to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This Conflict of Interest Policy is designed to help trustees, officers, employees, contractors and volunteers of SFI to identify situations that present potential conflicts of interest and to provide SFI with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency of its operations.

Conflict of Interest Defined.

In this Conflict of Interest Policy, a person with a conflict of interest is referred to as an "Interested Person." For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:

a. A member of the Board of Trustees (a "trustee"), officer, employee or volunteer, including a board member (or family member of any of the foregoing,) is a party to a contract, or involved in a transaction with Stairway Foundation Inc. for goods or services.

b. A trustee, officer, employee or volunteer, (or a family member of any of the foregoing,) has a material financial interest in a transaction between SFI and an entity in which the trustee, officer, employee or volunteer, or a family member of the foregoing, is a director, trustee, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.

c. A trustee, officer, employee or volunteer (or a family member of the foregoing,) is engaged in some capacity or has a material financial interest in a business or enterprise that competes with Stairway Foundation Inc.

Other situations may create the *appearance of a conflict*, or present a *duality of interest*s in connection with a person who has influence over the activities or finances of SFI. All such circumstances should be disclosed to the SFI Board of Trustees or staff, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of SFI are not compromised by the personal interests of stakeholders in SFI.

Gifts, Gratuities, and Entertainment and Favors.

Accepting gifts, gratuities, entertainment and or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/gratuity/entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence, or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value, or entertainment of nominal or insignificant value, which are not related to any particular transaction or activity of Stairway Foundation Inc.

Fiduciary Responsibility

Members of the Board of Trustees (a trustee) and staff members have a clear obligation to conduct all affairs of the organization according to the highest ethical standards. Loyalty, honesty, truthfulness and moral virtue are expected to be practiced and upheld in all actions of the board and staff.

Covenant

Members of the Board of Trustees (a trustee) and staff members agree to place the welfare of the organization above personal interests, interest of the family members, or others who may be personally involved in substantial affairs affecting the organization's basic functions.

Definitions.

a. A "Conflict of Interest" is any circumstance described in Part 1 of this Conflict of Interest Policy.

b. An "Interested Person" is any person serving as a member of the Board of Trustees (a trustee) an officer, employee or volunteer or a major donor to SFI, or anyone else, who is in a position of control over SFI or who has a personal interest that is in conflict with the interests of SFI.

c. A "Family Member" is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an Interested Person.

d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's or Family Member's judgment, with respect to transactions to which the entity is a party.

e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods or services, the providing or receipt of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another entity organization. The making of a gift to SFI is not a Contract or Transaction.

Procedures for Addressing the Conflict of Interest

a. Prior to action of the Board of Trustees or committee, action on a Contract or Transaction involving a Conflict of Interest, a trustee director or committee member having a Conflict of Interest, and who is in attendance at the meeting, shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

b. If Board of Trustee members are aware that staff members, contractors or other volunteers have a conflict of interest, relevant facts should be disclosed by the board member/trustee or by the Interested Person himself/herself, if invited to the board meeting as a guest, for purposes of disclosure.

c. A member of the Board of Trustees (a “trustee”) or a committee member who does not attend a meeting, at which he or she has reason to believe that the Board of Trustees or committee will act on a matter in which the person has a Conflict of Interest, shall disclose to the chairperson of the meeting all facts material to the Conflict of Interest prior to the meeting. The chairperson shall report the disclosure at the meeting, and the disclosure shall be reflected in the minutes of the meeting.

d. A person who has a Conflict of Interest shall not participate in, or be permitted to hear, the board's or committee's discussion of the matter, except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

e. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

f. The person having a Conflict of Interest may not vote on the Contract or Transaction, and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Trustees of SFI has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Trustees.

g. Interested Persons, who are not members of the Board of Trustees of SFI or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to their supervisor, or the chairperson, any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect SFI's participation in such Contract or Transaction.

In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor, or the chairperson of the Board of Trustees, who shall determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to this Conflict of Interest Policy.

Violations of the Conflicts of Interest Policy

a. If the Board of Trustees has reasonable cause to believe that a Board of Trustee member, committee member, or employee or volunteer has failed to disclose actual or possible Conflicts of Interest, it shall inform the Executive Director, trustee, committee member, or employee of the basis for such belief, and afford the trustee, committee member, or employee an opportunity to explain the alleged failure to disclose.

b. If, after hearing the Trustee's, Board committee members` or the employee's response, and after making further investigation as warranted by the circumstances, the Board of Trustees determines that the Trustee, Board of Trustee committee member, or employee or volunteer has failed to disclose an actual or possible Conflict of Interest, the Board of Trustees shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the meetings Discussion for Conflicts of Interests with the Board of Trustees, and all committees with Board-delegated powers, shall contain the following information:

a. The names of the persons who disclosed, or otherwise were found to have, a financial interest in connection with an actual or possible Conflict of Interest, the nature of the financial interest, any action taken to determine whether a Conflict of Interest was present, and the Board of Trustee's or committee's decision as to whether a Conflict of Interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Confidentiality

Each trustee, director, officer, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of Conflicts of Interest or potential Conflicts of Interest, which might be detrimental to the interests of SFI. Furthermore, trustees, officers, employees, contractors and volunteers shall not disclose or use information relating to the business of SFI for their personal profit or advantage or the personal profit or advantage of their Family Member(s).

Review of Conflict of Interest Policy.

The Conflict of Interest Policy is to be reviewed every annual meeting of the board of trustees and every annual general staff assembly, together with other key policies of the organization.

The trustees, employees and volunteers are to disclose in writing any relationships, positions or circumstances, in which he/she is involved with, that he or she believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a trustee of, or consultant to, another non-profit organization, or ownership of a business that might provide goods or services to Stairway Foundation Inc. Any such information regarding the business interests of a trustee, officer, employee or volunteer, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the Chairperson of the Board of Trustees, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Conflict of Interest Policy. (see appendix – Basic Conflict of Interest Disclosure Form)

Cash Receipts Procedures

Procedures in Mindoro:

The Cashier is responsible for all cash/check collections. All collections are deposited intact the next banking day but due to the considerable distance of the office from the bank in Mindoro, weekly deposit is allowed provided that all not-deposited cash are kept in the cash box. The Administrator & Bookkeeper ensure the completeness and safety of the cash.

A Collection Report is prepared weekly by the Cashier and forwarded to the Bookkeeper for recording.

Procedures in NCR Office:

The Finance and Admin Staff is responsible for all cash/check collections. As much as possible, all collections are deposited intact the next banking day if the accumulated amount is P2,000.00 and above. All deposit slips are attached to the Official Receipt to ensure timely deposit and for easy monitoring of the Bookkeeper.

The OR is turned over to the Bookkeeper every week for recording and review.

Important Guidelines:

-All NCR Office transactions should be deposited in Banco de Oro Bank

-All Mindoro transactions should be deposited in Philippine National Bank

-In cases partners deposited payments in BDO acct, either Mindoro or NCR Office should issue OR

Funds Received by Wire Transfer:

The Administrator and Bookkeeper receive the information from donor regarding the funds transferred. The Bookkeeper will check with the bank and request for a Credit Confirmation with details of sender, date, original amount, conversion rate and special instructions. This document will be presented to the Official Receipts custodian for issuance of OR. The bookkeeper sends out acknowledgement of SOA payments and Acknowledgement Receipts for remittances/grants that enter Mindoro and NCR Office bank accounts.

Disbursements Procedures

The policy in disbursements is very important, as this is mostly where more staff are involved. Higher controls are placed in this procedure to ensure stewardship of funds is properly exercised. A clear-cut policy and guidelines are developed to avoid confusion among any of the parties involved.

General Guidelines:

1. All payment requests that cannot be disbursed from the Petty cash fund requires an approved Check Requisition Form (see appendix – Cash Requisition Form). It is used to initiate payments. Below are the contents of CRF:

   - Type of Disbursement:
     - Request for Payment – Direct payment to suppliers and/or service providers
     - Cash Advances
     - Fund Transfer – Interbank transfers
     - Others, such as reimbursements, replenishments, etc.
   - Date Requested: Date of request
   - Activity / Purpose: Reason for request (e.g. events, purchases, bills payments, etc.)
   - Date of Activity: Span of time of the activity
   - Payee's Name: Name to be indicated in the check or the recipient
   - Charged to: Name of the budget line item and which Project to be charged
   - Items: Quantity of items to be purchased or paid
   - Particulars/Description: Explanation of payments
   - Total Amount: Amount per line item
   - Total Amount Requested: Exact amount to be indicated in the check
   - Requested: Signed over printed name by requestor
   - Reviewed by: Signed over printed name by Bookkeeper/Finance Staff
   - Approved by: Signed over printed name by Program Manager/OIC SFI NCR Office

2. The CRF should be properly approved and properly accomplished by the requestor

3. CRF shall only be processed with complete documentation and justification and details of payment, as shown below:

   - **Direct Payment to Suppliers/Service Provider** *(All documents must be Complete and duly signed)*
     - Check Requisition Form
     - Contract/Memorandum of Agreement (For Services)
     - Billing Statement/Statement of Account (For Services)
     - Billing Invoice (For Purchase of Goods)
     - Purchase Order, if applicable

- Quotation with Comparative report and Justification (see Policy for Quotation)
- Other documents, when necessary

- **Request for Cash Advance** *(All documents must be Complete and duly signed)*
  - Check Requisition Form
  - Cost Estimate (Breakdown of Expenses)
  - Other documents, when necessary
- **Request for Reimbursement / Replenishment (for petty cash)** *(All documents must be Complete and duly signed)*
  - Check Requisition Form
  - Scanned Signed Liquidation Form, if expenses are greater than the cash advance
  - Replenishment report, for PCF
  - Cash Count Sheet, for PCF
  - Supporting Documents (Vouchers, Official Receipts, Acknowledgement Receipts, etc.)
  - Other documents, when necessary
- **Fund Transfer** *(All documents must be Complete and duly signed)*
  - Check Requisition Form
  - Details/reason of transfer
  - Other documents, when necessary

Authorized Bank Signatories and Authorizers

Proper segregation of duties is necessary to ensure adequate internal controls for check preparation and online payment transactions. It is the policy of Stairway Foundation, Inc. to have two authorizing signatories for all payments.

It is the policy of the organization to give check-signing authority to the following positions:

1. Executive Director
2. Board Treasurer
3. Corporate Secretary
4. NCR Office OIC
5. Operations Administrator
6. Senior Program Staff

PROCESS	ACTION	DOCUMENT	RESPONSIBLE PERSON
Fill out check requisition form	-All sections must be properly and completely filled; -ensure to include all required attachments (See guidelines)	Check requisition form	Requesting Staff
Verification of request	-Check accuracy of figures; -make comments on charging if necessary; -check completeness of attachments; -check request if within the budget		Bookkeeper/Finance Staff
Approval of request	-Check validity of activity; -make comments on charging		Officer In Charge-ED/Admin/Program Manager/PCs OIC SFI NCR Office/Program Manager (For NCR Office)

Prepare check voucher and check (see appendix – Check Voucher Form)	-Fill out all necessary lines; -attach the duly approved requisition form; -check required attachments; -check accuracy of figures in cv and check; -stamp cv and all attachments with "Paid". -All cancelled checks must be stamped w/ "Cancelled" and indicate reason	Check Voucher & Check	Finance and Admin Staff

Verification and review of CV and Check	-Double check accuracy of details such as name, figures (both in numerical and words), date and account & class charging -Ensure cancelled checks are stamp w/ "Cancelled".		Finance and Admin Staff
Approval of CV & Check	-Double check accuracy of figures and charging -Approve the validity of requested/conducted activity -Ensure cancelled checks are stamp w/ "Cancelled". Affix signature as approval to cancellation		ED/Admin/OIC SFI NCR Office-Program Manager
Send all documents to the 2nd signatory	-Final checking of the accuracy of figures and charging; -validity of activity		Authorized Bank Signatories

<u>Guidelines for releasing of Check Payment to Suppliers:</u>

1. Time: as determined
2. Who will claim:
   - Payee
   - Supplier
   - Requestor may claim check payable to Supplier with Authorization letter and photocopy of ID of Payee
3. Requirement prior to and after issuance:
   - Valid Official receipt
   - Requestor that claimed check are required to provide the receipt
   - Receipt of payment must be properly and completely acknowledged by the recipient of check in the check voucher “Received by”.
4. Unclaimed check
   - Finance and Admin Staff is responsible for safekeeping all unclaimed checks.

Online Banking

In the face of the current pandemic and the possibilities of similar situation in the future, it is important to make use of every possible means to facilitate requests necessary on the conduct of our organization. Online banking provides flexibility to further support our organization's operations. It is also vital to document the process to make sure that we are still in compliance to our internal controls while using our online facility.

PROCESS	ACTION	DOCUMENT	RESPONSIBLE PERSON
Send requests thru e-email	-All details from the CRF must be present such as name/payee, activity/purpose, date of activity, charging (account and funder) and other important information; -Ensure to include all required attachments (see guidelines for check disbursement)	Request for Payment form and/or Email request with similar details on RFP	Requesting Staff
Seek E-mail Approval to process request thru Online Banking Transfer	-Forward email request with complete details and attachments; -Double check accuracy of details such as name, figures, purpose, date and account & class charging		Bookkeeper/ Authorized/ Assigned Maker
Approval of Fund Transfer Request	-Check validity of request; -Make comments on charging; -Give go signal to process thru online banking transfer		OIC SFI NCR Office-Program Manager/Executive Director
Process request on the Online Banking Facility Request Online Authorization/ Approval	-Open online bank and process payment, double check all inputted details and make sure to charge the request on its proper SFI bank account/funder; -Forward email with approval to the request and its attachments -Attach screenshot of processed transaction from Online Bank		Bookkeeper/ Authorized/ Assigned Maker

Verification and Approval of Fund Transfer Request	-Any 2 from all registered approver/authorizers will verify and approve the request. The processing period for the disbursement of Cash Advances and Payment Request will take three to five working days from the submission date of request form.		OIC SFI NCR Office-Program Manager & Executive Director or any Other Online Authorizer
Record transaction in Quickbooks Assign Journal Vouchers	-Record within 48 hours or as necessary, assign journal vouchers and compile all attachments	Journal Voucher	Bookkeeper
Approval of Journal Entries and Vouchers	Double check entries and other details		OIC SFI NCR Office-Program Manager/ Executive Director

BDO Online Banking Process

For Non-BDO Payment:

1. Open BDO Business Banking Online (https://business.bdo.com.ph/fo/login)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > Choose Outward Payment
4. Choose from Outward Payment Template if the payee's name is saved.
5. If not, complete the following details:
   BANK DETAILS
   - Type of Remittance – mostly pesonet for all transactions
   - Amount
   - Transfer from – choose what SFI bank account
   - Date of Incorporation – 08/03/1994
   - Place of Incorporation – Puerto Galera
   - Nature of Business – NGO/FOUNDATION/SOCIAL SERVICES
   - Nationality – Philippines

BENEFICIARY DETAILS

- Beneficiary Name – 3 boxes for First, Middle and Last Name. If Corporation, tick the box "Is Corporation?" and enter the correct company name in 1 box provided.
- Beneficiary Addresses 1 to 3 – Fill out all the 3 boxes for the address
- Beneficiary Bank – Choose one among the choices
- Beneficiary Bank Address
- Beneficiary Account Number
- Beneficiary Information – this field is optional (you can type the details of the transaction)

OTHER DETAILS

- Bank to Bank Information – this field is optional (you can type the details of the transaction)
- Tick the box "I would like to save this as a template for future use."
- Save as (Type abbreviated beneficiary name to save it on the Outward Payment Details.

6. Tick Next Step
7. Tick Submit

For BDO Payment:

1. Open BDO Business Banking Online (https://business.bdo.com.ph/fo/login)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > Fund Transfer – Other Party
4. Amount
5. Transfer from – choose what SFI bank account
6. Transfer to – choose one among the lists. If not on the list, contact the system administrator
7. Remarks – details of transfer or payment
8. Recipient's E-mail Address (optional)
9. Transfer Schedule – always Immediate
10. Tick Next Step
11. Tick Submit

For Interbank Transfer:

1. Open BDO Business Banking Online (https://business.bdo.com.ph/fo/login)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > Fund Transfer – Own

4. Amount
5. Transfer from – choose what SFI bank account
6. Transfer to – choose one among the lists
7. Remarks – details of transfer or payment
8. Recipient's E-mail Address (optional)
9. Transfer Schedule – always Immediate
10. Tick Next Step
11. Tick Submit

<u>PNB Online Banking Process</u>

For Other Services:

1. Open PNB C@shNet Plus (https://cashnetplus.pnb.com.ph/fo/index?wicket-crypt=vW6ha0-EnR8&wicket-crypt=bwmmAqco5WI)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > Check Other Services:

    - Account Portfolio
    - Transaction History
    - SOA Viewing
    - Checkbook Reorder
    - Stop Payment Order

For Interbank Transfer:

1. Open PNB C@shNet Plus (https://cashnetplus.pnb.com.ph/fo/index?wicket-crypt=vW6ha0-EnR8&wicket-crypt=bwmmAqco5WI)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > Payments and Transfers
4. Transfer to Own Accounts Details
    - Amount
    - Transfer From
    - Transfer To
    - Remarks
5. Click Submit

For Paywise/Payroll Services:

1. Open PNB C@shNet Plus (https://cashnetplus.pnb.com.ph/fo/index?wicket-crypt=vW6ha0-EnR8&wicket-crypt=bwmmAqco5WI)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > Paywise/Payroll
4. Select Upload Paywise
5. Upload File – Browse Files to Upload

6. Put Remarks
7. Click Submit

For International/Local Bank Transfers:

1. Open PNB C@shNet Plus (https://cashnetplus.pnb.com.ph/fo/index?wicket-crypt=vW6ha0-EnR8&wicket-crypt=bwmmAqco5WI)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > International/Local Bank Transfers
4. Provide the following Bank Details
   - Remittance Type
   - Amount
   - Transfer From
   - Date Established
   - Place of Incorporation
   - Country
   - Applicant Name
   - Address
   - Telephone Number
   - Tax Identification Number
5. Provide the following Beneficiary Details
   - Beneficiary Name
   - Beneficiary Bank
   - Beneficiary Address
   - Beneficiary Account Number
   - Beneficiary Bank Address
   - Beneficiary Information
6. Provide Other Details
   - Bank to bank information
   - Transfer Schedule
   - Remarks
7. Click Submit

For Transfer to Other Banks – Instapay:

1. Open PNB C@shNet Plus (https://cashnetplus.pnb.com.ph/fo/index?wicket-crypt=vW6ha0-EnR8&wicket-crypt=bwmmAqco5WI)
2. Enter Corporate Code, User ID and Password
3. Click Standard Services > Transfer to Other Banks – Instapay
4. Provide the following Instapay Details
   - Amount
   - Transfer From
   - Transfer To
   - Bank

- Payee name
- Payee Address
- Recipient's E-Mail Address
- Purpose

5. Click Submit

Liquidation of Cash Advances

Cash Advances (CA) are issued to employees to conduct official activities of the organization. It is very important to properly manage CAs to allow the organization to record expenses on time and to avoid CAs to be used for personal needs. As the accountability for CAs is high, only full time employees are allowed to handle this. Amount can be based on seniority, trustworthiness, length of service or employee record.

General Guidelines:

1. If Cash advance intended for a certain activity that was cancelled, money should be returned immediately and should not be used for other activity or purpose.
2. Cash advance is allowed to support official foundation business activities only for a certain period.
3. The recipient of cash advance is duty-bound to ensure that the amount received does not exceed the approved budget allotted for the project.
4. No succeeding cash advances shall be granted unless the previous cash advance has been properly liquidated in full.
5. Liquidation should be summarized in a Liquidation Form.
6. It shall be supported by official receipts for items, food, accommodations, professional services, transportation, etc.
7. No erasures should be done to the receipts. Tampered receipts shall not be honoured.
8. Official receipts shall be on the name of Stairway Foundation, Inc., as customer.
9. Receipts should be signed by authorized vendor.
10. For digital/computerized receipts should have date and name of establishment and OR number.
11. Thermal/glossy receipts must be photocopied.

12. In cases where it is impossible to secure an official receipt, the Cash Voucher Form must be used and should be signed by the seller/merchant with corresponding contact number.
13. Transportation Form must be used when riding tricycle, jeepney, motorcycle, van or any other vehicle without official receipts, details such as places of departure and of destination shall be specifically stated on the transportation form. When riding a taxi, include a brief justification why it was taken instead of public transportation. Staff who are required to travel to conduct trainings or other functions are allowed to request for a travel incentive as payment for their excess time for work and lost time with their families as approved by the Executive Director.
14. Food expenses shall not exceed the allowable amounts as follows:

Breakfast	: P150.00
Lunch	: P200.00
Dinner	: P200.00
Snacks	: P75.00 (AM and/or PM)

Liquidation of food expenses in excess of the above allocated total food allowances should be justified.

15. Photocopy of the processed CRF should be attached to the Liquidation Form to ensure that CA is spent related to the activity or for the reason it was obtained.
16. All Liquidations from Advocacy activities, due to the nature of their training tasks, are allowed to be submitted within a month. However, they should submit an initial liquidation at the middle of the month.
17. All liquidations for activities should be accompanied with a feedback report.
18. Cash advance must be liquidated in full within 5 working days after the completion of the activity indicated in the RFP for which it was obtained.
    - In case an employee fails to submit the liquidation on time, finance (bookkeeper) will call the attention of the employee concerned and his/her immediate supervisor. A demand letter for the employee to submit the

liquidation within 48 hours would be made, if deemed necessary. Demand letter will be put on file in the employee's 201 file.

- In cases wherein the employee cannot submit due to justifiable reasons, he/she needs to advise his/her immediate supervisor prior to reaching the deadline. The supervisor will communicate it to the Bookkeeper if he or she approves the employee's justification. In cases wherein the concerned employee is a program coordinator, the approval for extension should be granted by the executive director
- If the employee fails to submit the liquidation within 48 hours after the demand letter, the case will be forwarded to the higher management level and a warning letter will be issued to the employee. This process will automatically lead to a P500 penalty deduction from the payroll. Has the liquidation not been properly settled by the following payroll, the entire amount of the cash advance will be deducted. At this point it is no longer possible to make a late liquidation.
- In cases wherein the remaining amount is bigger than the 2nd payroll salary, it will be deducted in the 3rd until the cash advance is recovered.

PROCESS	ACTION	DOCUMENT	RESPONSIBLE PERSON
Prepare liquidation report and submit for review	-Make summary using liquidation form -Organize/Arrange receipts according to the summary -Photocopy thermal receipts -Use the official forms (transpo slip/cash voucher/etc) (see above guidelines for more info about attachments)	Liquidation Form	Staff

Receive and review the liquidation	-Check accuracy of computations, check receipts(date, amount, place, validity of or) -Cross check charging with the request -Stamp all receipts with "paid"		Bookkeeper/Cashier/Finance and Admin Staff
Verification and approval of liquidation	-Check validity of activity conducted -Check randomly the accuracy of computations & attachments -Approve indicated charging		Department Heads/Executive Director/OIC SFI NCR Office-Program Manager
Assign journal voucher and make journal entries (see appendix – Journal Voucher Form)	-Make entries based on chart accounts in Quickbooks		Bookkeeper
Verification and approval of journal voucher	-cross check entries with the approved liquidation		OIC SFI NCR Office-Program Manager/Executive Director

Petty Cash Fund

General Guidelines:

1. PCF is established to defray small and emergency expenses incurred in the course of conducting Foundation business that are impractical to pay in check. The total amount to be disbursed shall not exceed P5,000 for NCR office and P2,000 for Mindoro Office.

2. PCF should be kept in a cash box with lock, wherein access is limited only to the custodian/cashier. It will be subject to the periodic checks by the Bookkeeper and Program Manager/OIC SFI NCR Office.

3. PCF should be separated to personal fund or to any other funds for that matter.

4. As the nature and purpose of the fund requires, the PCF should be available when needed, the PCF custodian is charged to manage the timing of replenishment and availability of the fund. PCF shall be maintained under impress method.

5. All disbursement should be documented by a properly accomplished Petty Cash Voucher (PCV), which should also be supported by date, original official receipts or invoices plus purpose and justifications of disbursement.

6. If certain activity/purpose was cancelled, money should be returned immediately and should not be used for other activity or purpose.

7. Any deviation on the above procedures will need approval from the Executive Director and Program Manager/OIC SFI NCR Office.

Internal Documents or Forms

1. Transportation Form – internal form to summarized and detailed travel itineraries. (see appendix – Transportation Form)
2. Cash Voucher – internal form used when vendors, suppliers, service providers, etc. has no receipts. (see appendix – Cash Voucher Form and Acknowledgement/Payment Voucher Form)
3. Petty Cash Voucher – official/standard form used as a receipt whenever cash is withdrawn from a petty cash box. (see appendix – Petty Cash Voucher Form)

Replenishment

1. Replenishment should be summarized in a prescribed replenishment report.
2. Replenishment will consist of PCVs with complete supporting documentation
3. Cash count sheet should also be attached in the Replenishment to ensure that all PCF is properly accounted by the custodian.

Surprise Cash Count

1. To obtain reasonable assurance that PCF is intact, surprise cash count maybe conducted by the following:

    - Executive Director
    - Program Manager/OIC SFI NCR OFFICE
    - Bookkeeper
    - Internal Auditor, if any
    - External Auditor

2. Any shortages as a result of the count must be replaced by the PCF custodian. Any overages on the other hand shall be receipted to the Foundation's account; this is to discourage mixing of personal money to the Petty cash fund.

PROCESS	ACTION	DOCUMENT	RESPONSIBLE PERSON
Present proof of payment/ reimbursement request	-Usual/ordinary expenses amounting to 5,000 for NCR Office and 2,000 for Mindoro Office and below are allowed	Official Receipts from Suppliers/Service Providers/ Transportation Form/Cash Voucher	Requesting Staff
Receive and check presented receipts	-Check accuracy of computation (especially in transportation) and validity of receipts -Stamp "Paid" if already validated and accepted		Cashier Finance and Admin Staff for NCR Office
Assign and fill out petty cash voucher form and issue cash	-Make sure to check if the staff properly sign the received portion -include what budget line item and class to be charged	Petty Cash Voucher	Cashier Finance and Admin Staff for NCR Office
Receive cash and sign the petty cash form	-Check the amount indicated in the form before signing		Requesting Staff
Submit filled out petty cash vouchers to the approver (preferably within 48 hrs after the release of fund)	-For usual transactions like messenger's transpo and meals during meeting, cash can be released even without approval		Cashier Finance and Admin Staff for NCR Office
Approval of petty cash voucher	-Cross check pcv with attached receipts -Assign donor charging		Officer In Charge-ED/Admin/Program Manager

			OIC SFI NCR Office-Program Manager
Make summary of all PCVs and replenish Petty Cash Fund (once the total expenses reached 70%) and fill out check request form	Make a summary using the prescribed format		Cashier Finance and Admin Staff for NCR Office
Review petty cash replenishment	Check accuracy of computations, validity of receipts and if all pcvs are completely signed -Cross check details of pcvs with the summary -Check accuracy of computations of the summary	Replenishment Report Cash count sheet	Bookkeeper
Approve petty cash replenishment	-Final approval		Officer In Charge-ED/Admin/Program Manager Finance and Admin Staff for NCR Office

Purchases

To Prompt a Purchase:

The cash disbursement procedure applies in normal and recurring purchases. It can be paid through check, bank fund transfer or petty cash fund, whichever is appropriate. Every major purchases amounting to P50,000 and above is required to have quotations from at least 2-3 suppliers. But for purchases being made in Mindoro, this policy is not strictly applied as there are limited suppliers to choose from. Instead, an annual assessment of suppliers is done and all purchases are transacted with them whenever goods/items are available. The basis in choosing the supplier are the a) price b) quality of the product c) customer service (sale and after sale) d) promptness in delivery.

As the policy of Stairway Foundation, Inc., no items shall be procured for the organization unless;

1. It has the approval of the Executive Director.
2. It has been provided for in the approved annual budget.
3. Funds are available for it at the time of the procurement.
4. It is beneficially required to further the interests of the organization.
5. It has been made from the most favorable supplier.
6. It is done with the highest professional, ethical, moral and legal standards within the spirit of the prudent person principle.
7. It reflects fairness in the spending of the organization's resources.
8. These procedures shall be reviewed from time to time to take into consideration the changing mode of operations in the organization and the macro economy as a whole.

Diesel and Gasoline Purchases in Mindoro

1. Diesel and gasoline purchases for the generator, farm equipment and the official vehicles shall be on credit basis with authorized supplier.
2. Only official vehicles and other authorized vehicles shall be allowed for fueling. The list of which is given to the concerned supplier and an authorization slip signed by the Admin Officer, Admin Staff or the Executive Director should be presented. (see appendix – Authorization Slip Form)
3. Monthly Payment of which shall be made by check with payee name of the concerned supplier.

Cooking Gas Purchase

1. Cooking gas shall be ordered from accredited supplier(s). Record of replenishment shall be kept in the logbook.
2. Payment should be by check and made payable to the supplier upon delivery.
3. Cooking Gas replenishment shall take place when one of the two gas cylinders becomes empty.

Online Purchases

The pandemic crisis accelerated an expansion of e-commerce in the organization. It has provided the organization with access to a significant variety of products from the convenience and safety of staff's working stations, and has enabled the office to continue operation in spite of contact restrictions and other confinement measures.

Important Guidelines:

1. Staff will identify the supplies and materials needed. Staff is also in charge of canvassing the products online.
2. After the staff has completed the canvassing process, staff will notify and forward the product link to Admin Unit for placement of order.
3. Staff will make payment request prior to the delivery of order.
4. Staff has to secure an electronic record or copy of the receipt of the purchase.

Kitchen Marketing

5. Schedule for marketing for kitchen shall be every Mondays and Thursday.
6. Marketing request form is provided for proper monitoring of goods purchased and budgeting purposes.
7. A petty cash of P20, 000.00 is allocated every marketing day schedule.
8. Marketing shall be based on the food ingredients needed in the kitchen and replenishment of some regular condiments (salt, sugar, oil, etc.).

Bulk Purchase (Annual or bi-annual purchase)

1. All bulk purchase requests shall be accompanied with 3 quotations from suppliers. The Admin Officer or the Executive Director shall approve all bulk purchase requests.
2. Suppliers of bulk materials (office supplies, equipment, construction materials) shall be recorded for order and delivery purpose. All potential suppliers shall be recorded in our supplier databank with their address and contact details.
3. All office supplies, equipment, construction materials received shall be recorded to our inventory databank and record of purchases.
4. Purchase of these items by bulk, as much as possible, shall be ordered from appropriate suppliers and payment shall be by check or online transfer payable to the concerned supplier.

Proper Documentation for all Purchases, including Credit Card Purchases:

Every instance of credit card or other form of purchase must be documented with travel authorizations, receipts, individuals paid, nature of business, etc. before the expense will be considered authorized and will be approved for reimbursement. See details below.

A. Lodging - Provide an itemized receipt from the hotel detailing every charge and the name of the person(s) for whom lodging was provided.

B. Meals/Entertainment - Provide a receipt showing separately the cost for food/beverage and gratuities, and including the names of every person for whom food or beverage was provided and the specific business purpose, which was furthered by the expenditure.

C. Other Expenditures - A receipt from the vendor detailing every individual item or service purchased (including class of service for commercial transportation) accompanied by an explanation of the specific business purpose, which was furthered by each expenditure.

Consultants:

Contracts with consultants will include rate and schedule of pay, deliverables, time frame, and other information such as work plan, etc. Justification for payment should be submitted for file. For example, a writer hired to create a publication, a copy of the final version should be included in the file.

Contracts:

Contracts for purchasing products or services, similar to a purchase order, should be created and maintained for the file whenever appropriate.

Fixed Asset Management

1. Fixed Assets shall include movable and immovable assets.

2. A permanent property log or database is to be maintained by the Bookkeeper and Property Custodian for all fixed assets purchased by SFI.

3. The log should contain the following information:
   a. date of purchase
   b. description of item purchased
   c. received by donation or purchased
   d. cost or fair market value on the date receipt
   e. donor or funding source, if applicable
   f. funding source restrictions on use or disposition
   g. identification/serial number (if appropriate)
   h. depreciation period
   i. vendor name and address

j. warranty period

k. inventory tag number (all fixed assets should be tagged with a unique identifying number)

L. the person/staff to which the assignment has been handed

4. At least annually, a physical inspection and inventory should be taken of all SFI fixed assets and reconciled to the general ledger balances. Adjustments for dispositions should be made.

5. The Admin & Bookkeeper should be informed, in writing, via an interoffice memorandum of any material changes in the status of property and equipment. This should include changes in location, sale of, scrapping of and/or obsolescence of items and any purchase or sale of real estate.

6. All capital items which have a cost greater than PhP 5,000.00 will be capitalized and depreciated.

7. The cost of damage or loss of material/equipment due to negligence shall be charged to the accountable employee. The yearly depreciation shall be deducted from the total cost of material/equipment, which shall be approved by the ED.

Custody and Safekeeping

It is the policy of Stairway Foundation, Inc. to:

a) Maintain and keep all of its assets in good physical condition at all times.

b) Keep all of its assets at secure physical location.

c) Distinctively identify all of its assets.

d) Use its Assets only for the benefit of the organization.

e) As much as possible make the assets available at all times for inspection by all authorized persons.

f) Conduct physical asset counts on an annual basis.

Depreciation of Fixed Assets

a) It is the policy of SFI that depreciation of all of its fixed assets is calculated on a straight line basis at rates estimated to write off the cost of each asset over the estimated term of its useful life.

b) Fully depreciated fixed assets will remain on the organization's statement of financial position until they are disposed of or otherwise deemed worthless.

c) Assets shall be capitalized in accordance with the organization's capitalization policy.

d) It is the policy of the organization to apply the following rates of depreciation on the estimated useful lives of the assets, as follows :

Building and improvements	10 to 25 years
Transportation Equipment	10
Office Equipment	3 to 5
IT Equipment	3 to 5
Other Equipment	3 to 5
Kitchen Equipment	1 to 5
Sports Equipment	1 to 5
Furniture and fixtures	1 to 10

Disposal

It is the policy of SFI not to dispose of any fixed assets of the organization unless they have:

a) To be disposed of as scrap.

b) Become too costly to maintain.

c) Become obsolete.

d) Fully depreciated.

e) Been approved by the Executive Director in conformity with this policy.

Payroll

Personnel:

1. The Admin Officer is in charged with the responsibility of maintaining personnel files (201 file)
2. Each personnel file should contain the following information, at a minimum.
   a. Employment Contract
   b. Job Description
   c. Position, pay rates and changes therein
   d. Authorization of payroll deductions
   e. Termination data, when applicable
3. All personnel records are to be kept locked in a filing cabinet. Access to these files other than by the Admin Officer, Executive Director, or the auditor should be requested in writing to the President / Executive Director.

Payroll Preparation and Timekeeping:

1. Payroll is prepared by the Bookkeeper and Cashier, reviewed by Admin Officer in Mindoro and approved by the Executive Director. Payroll are credited to the employees through their ATMs every 15th and 30th of the month.
2. Cashier manages staff's DTRs, loans and other deductions and verifies payroll prepared by the bookkeeper.
3. Where staff members do not have bank accounts, open cheques written in the names of the employees concerned shall make payments.
4. Bookkeeper sends out pay-slip via email.
5. Currently, the staff is not required to prepare timesheets. They are salaried on a monthly basis. Salary rates are determined based on qualifications and prevailing standard salary rates based on position, nature and location of work.

Financial Reporting

Monthly and Quarterly Reports:

The Bookkeeper produces monthly fund balance monitoring for review of the Internal Auditor, Finance Officer and Executive Director. Variances are highlighted and thus require explanation and necessary action in the following month. The Monthly Report shall include:

a) Balance Sheet
b) Income Statement
c) Fund balances per donor
d) Bank Reconciliation
e) Schedule of Real Accounts (Cash Advances, Receivables, Account Payables)

Quarterly Reports for Management Committee, Donors and BIR are also prepared and reviewed.

Year-End Report/Audit:

At year-end, the Internal Auditor prepares the Trial Balance and the schedules for audit of the External Auditor appointed by the Board of Trustees.

Upon completion of the audit, the Consolidated Financial Statements will be initially submitted for the review of the Finance Officer & Executive Director, and then by the Treasurer, prior to its release and issuance. The Audited Financial Statement will be distributed for approval of the Board of Trustees and the Executive Director.

The minimum requirement of an Independent Auditor should be licensed by the Bureau of Accountancy and accredited by the Bureau of Internal Revenue and Securities & Exchange Commission. Change of Auditor requires a Board Resolution.

The auditors shall be required to submit to the Secretariat certified true copies of the following audited reports.

- Consolidated audited report for all grants.
- Audited report of the financial statement as a whole.
- Management letter.

Reconciliations

Cash Flow:

Bank reconciliation involves agreeing the balance of cash as shown by the bank statement(s), with that as shown by the cash book(s). It is to be prepared at the beginning of each month, on the bank balance and cash book(s) balance as at the end of the previous month. It is important that all transactions contributing to any difference between the two balances are identified, and where necessary remedial action is taken.

SFI is to maintain a minimum of ten percent (10%) of the operating budget between its operating and savings bank accounts at all times. In the event that balances fall below that amount, the Executive Director should be notified immediately.

Bank Reconciliations:

1. Bank statements are to be received unopened by the Admin Officer (Mindoro Office). The bank statement should then be forwarded to the Bookkeeper (an individual without check signing rights) to reconcile the bank accounts using the approved reconciliation form.
2. The person charged with this responsibility should reconcile each account promptly upon receipt of the bank statements. All accounts will be reconciled no later than 10 days after receipt of the monthly bank statements. In the event it is not possible to reconcile the bank statements in this period, the Admin & Finance Officer/Internal Auditor should be notified stating the reasons for such.
3. When reconciling the bank accounts, the following items should be included in the procedures:
    a. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.
    b. A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the books.
    c. An investigation of items rejected by the bank, i.e., returned checks or deposits.
    d. A comparison of wire transfers dates received with dates sent.

e. A comparison of cancelled checks with the disbursement journal as to check number, payee and amount.

f. An accounting for the sequence of checks both from month to month and within a month.

g. An examination of cancelled checks for authorized signatures, irregular endorsements, and alterations.

h. A review and proper mutilation of void checks.

i. Investigate and write off checks, which have been outstanding for more than six months.

4. Completed bank reconciliations should be verified by Admin Officer and/or Executive Director and be reviewed by the Internal Auditor.

Reconciliations of Other General Ledger Accounts:

1. Each month the Internal Auditor should review the ending balance shown on balance sheet accounts such as the cash accounts, accounts receivable, accounts payable and deferred revenue. He/She will review the bank reconciliations, schedules of accounts receivable and deferred revenue and the aging of accounts payable to support the balances shown on the balance sheet.

2. Assets - These accounts will include cash, petty cash, prepaids, property, equipment and fixtures.

   a. Cash - The balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.

   b. Petty Cash - The balance in this account should always equal the maximum amount of all petty cash funds. The current amount is Php 10,000.00 for Mindoro and Php 80,000.00 for Manila Office.

   c. Prepayments - The amounts in these accounts should equal advance payments paid to vendors at the end of the accounting period. All expired portions of the pre-paid shall be expensed by passing a Journal Voucher to the appropriate accounts. The unexpired portion shall be carried to the Statement of Financial Position and classified under receivables.

   d. Property, Equipment & Fixtures - The amounts in this account should equal the totals generated from the audited depreciation schedules. When additional purchases are made during the year, the balances in the accounts may be updated accordingly.

3. Liabilities - These accounts are described as accounts payable, payroll tax liabilities, loans and mortgages payable, and amounts due to others.

   a. Accounts Payable - The balance in this account should equal amounts owed to vendors at the end of the accounting period and the aging report.

   b. Payroll Tax Liabilities - The amounts in these accounts should equal amounts withheld from employee paychecks as well as the employer's portion of the expense for the period that has not been remitted to the government authorities.

   c. Due to Others - If there are any amounts owed to others at the end of the period they should be recorded and the correct balance maintained in the general ledger accounts.

4. Income/Expenses - These accounts are described as income from membership, contributions, publications, and other expense line items such as salaries, consulting fees, etc.

   a. Income - The amounts charged to the various cash accounts should be reconciled with funding requests, funders reports, draw down schedules, etc.

Computerized Accounting System

a) The organization is implementing a computerized accounting package, which is best suited for the organization's financial recording and reporting requirements.

b) The accounting package:

i. Is able to accommodate the coding system set out in the chart of accounts.

ii. Incorporates approved budget appropriations to produce activity based financial reports with variances.

iii. Is capable of processing periodic management accounts in the format prescribed by management.

iv. Produces annual financial statements in the format consistent with the relevant Philippine Financial Reporting Standards.

v. Is user friendly and have an effective on-line after sales support including post installation training.

vi. Operates on the network to facilitate information sharing.

vii. Has adequate data security and back up routines and a highly reliable audit trail and password access at different levels.

viii. Has flexible reporting formats to enable SFI to generate various reports on an ad hoc basis and revise reporting formats to accommodate any changes including the following;

- Multi currency reporting.
- Multi user capability.
- Efficient data entry system.
- Automatic period end processing procedures where necessary.
- Ability to import or export data (subject to password security) to popular spreadsheet and database programs.
- Designed and supported by a reputable software company.

c) The computerized accounting software shall at the very minimum consist of the following modules and subsidiary ledgers:

- General ledger
- Inventory
- Accounts payable
- Cash book
- Fixed asset module
- Accounts receivable
- Payroll module which can be integrated with the general ledger

d) The computerized accounting package currently in use by SFI is the QuickBooks Premier Nonprofit 2018 Edition.

e) Management would review on an annual basis the use of the accounting software to ensure it meets the reporting requirements of the organization. Any Changes to the accounting software would be documented and the reasons approved by the Executive Director and the Board.

Back-up Procedures and Disaster Recovery Plan

The Organization implements a full back-up on QuickBooks, which can be updated regularly. Stairway uses External Hard Disk, password protected flash drive and internet storage called Cloud as Back-up media storage. Back-up execution is accomplished automatically. Daily Back-ups are retained for 2 weeks, weekly for 2 months, and monthly for a year. Quarterly back-ups are kept for 2 years, while one or two full backups are kept indefinitely. Verification of successful file back-up can be confirmed manually or through automated email. The primary person responsible for performing back-ups and recovery of files is the system administrator/I.T. personnel. Physical location of back-up files is office, safe and clouds.

The system also has archiving system, which is safely stored in hard disk. No one can predict of when disasters or calamities may hit, but the organization is making sure that the important files like QuickBooks will not be totally affected and will be kept safe through proper back-ups and recovery of files. Bookkeepers need to ensure that files and documents are regularly backed-up.

Documentation and File Retention

The purpose of this policy is to outline the principles for filing, retaining and destroying SFI's file records. SFI retains records, documents and files in an orderly fashion for periods that comply with legal and governmental requirements in the Philippines and as needed for general business requirements.

Current filing system, record retention and storage

(1) Institutional files, such as corporate documentation (Incorporation documents, Bylaws, Annual Reports, Audits, Certificates of Registration, etc), are kept in Mindoro Office.

(2) Files relating to governance, such as documentation relating to the Board of Trustees, Institutional policies, Annual Budgets and Workplans, etc. are electronically stored. Original copies are retained in the office where the ED is located.

(3) Original financial records and original project contracts are generally retained in the Mindoro Office under supervision of the Bookkeeper/Finance Officer and copies will be provided to Manila Office. However, they may be kept temporarily in Manila Office, if such is more appropriate to a specific project.

(4) Contracts with consultants and contractors are retained in the relevant office in original form, but scans will be provided to the main office.

(5) Human resources records (employment contracts, personnel files, CVs, performance evaluations, any other info put on file) are to be retained in the Main Office under supervision of the ED.

Description	**Retention Period**
Accounts payable ledgers and schedules	10 years
Accounts receivable ledgers and schedules	10 years
Audit reports of accountants	Permanently
Bank reconciliations	5 years
Bank Statements	5 years
Cancelled Checks	5 years
Cash books	10 years
Charts of accounts	Permanently
Contracts (expired)	10 years
Contracts still in effect	Permanently
Correspondence (legal and important matters only)	Permanently
Employee personnel records (separated)	10 years
Expense analyses and expense distribution schedules	10 years
Financial statements (end-of-year, other months optional)	Permanently

General and private ledgers (and end-of-year trial balances)	Permanently
Insurance policies (expired)	5 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	10 years
Inventories of assets	10 years
Invoices to members and customers	10 years
Invoices from vendors	10 years
Liquidations and receipts	10 years
Minutes of board of trustees and committees, including bylaws and charter	Permanently
Payroll records and summaries	10 years
Property records including costs, depreciation schedules	Permanently
Tax returns and worksheets; revenue agents' reports and other documents relating to determination of income tax liability	Permanently
Trade mark registrations	Permanently
Vouchers for payments to vendors, employees, etc. (Includes: allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses.)	10 years

Annual Meeting Checklist

During each annual meeting, the following procedures will be performed.

1. The board of trustees shall approve new signatories to each bank account.
2. The board of trustees shall approve any new and necessary bank accounts, as well as the closing of any bank accounts.
3. As required, new signatories shall complete the appropriate signature card and corporate resolutions.
4. Name, address and telephone directory of new board of trustees should be obtained.
5. A review of the current operating procedures should be made by the President and Treasurer and shall either be reaffirmed or revised.
6. All financial institutions should be notified of any changes to the authorized signers of the accounts within three (3) business days following the annual meeting.
7. Any decision to change the External Auditor should be supported by a Board Resolution.

Sources of Funding/Major Donors

DANIDA, Denmark
Firetree Trust/Tondo Foundation, Philippines
Kindernothilfe, Germany
Mission Inclusion, Canada
Marshall Foundation, Hongkong
Roedkilde Gymnasium, Denmark
Roedovre Gymnasium, Denmark
Stairway Denmark
Phoenix Foundation, Switzerland
Sonion Philippines
Global Giving Foundation, Inc., U.S.A

Programs and Services Budget for C.Y.2021

Family Home Program (FHP): P 5,789,386.00
Community Assistance Program (CAP): P 12,175,298.00
Advocacy and Capacity Building Program (ACP) P 25,302,897.00
Environmental Awareness for the Children and Youth (EACY) Program : P 3,199,191.00
Management and administration: P 4,155,100.00

Appendices

Appendix 1: Cash Requisition Form

Appendix 2: Check Voucher Form

Appendix 3: Journal Voucher Form

Appendix 4: Petty Cash Voucher Form

Appendix 5: Cash Voucher Form

Appendix 6: Acknowledgement/Payment Voucher Form

Appendix 7: Transportation Form

Appendix 8: Supplies & Materials Requisitions and Release Form – refer to moo admin section's Supply Distribution Clause

Appendix 9: Authorization Slip Form

Appendix 10: Basic Conflict of Interest Disclosure Form

Appendix 1: Cash Requisition Form

Stairway Foundation Inc.

Brgy. Aninuan, Puerto Galera Oriental Mindoro

☐ *CASH ADVANCE* ☐ *REQUEST FOR PAYMENT*

☐ *FUND TANSFER* ☐ *OTHERS*

Date Requested: ____

Activity/Purpose: ____

Date of Activity: ____

Payee: ____

Charge to: ____

Items	***Particulars/Description***	***Total Amount***
TOTAL AMOUNT REQUESTED		

Requested by: *Reviewed by:* *Approved by:*

Appendix 2: Check Voucher Form

Brgy. Aninuan, Puerto Galera Oriental Mindoro
NON-VAT REG TIN: 004-970-192-000

CHECK VOUCHER

Payee:		Date:	
Amount:		Php:	
Purpose:		Bank:	Check No:

Account Name	Account Number	Amount	Memo	Class

Prepared by:	Date:	Approved by:	Date:
Verified by:	Date:	Posted by:	Date:
Within Budget? Y / N		Registered Funds? Y / N	

Appendix 3: Journal Voucher Form

Brgy. Aninuan, Puerto Galera Oriental Mindoro
NON-VAT REG TIN: 004-970-192-000

JOURNAL VOUCHER

Date	Account Name / Particulars	Class	Debit	Credit

Prepared by: Verified by: Approved by:

Appendix 4: Petty Cash Voucher Form

Brgy. Aninuan, Puerto Galera Oriental Mindoro
NON-VAT REG TIN: 004-970-192-000

PETTY CASH VOUCHER

Date:____________

Payee: ____

Description of Items Purchased/Service	Account Name	Class	Amount
Amount in Words		TOTAL	

Approved by: Paid by: Received by:

Appendix 5: Cash Voucher Form

STAIRWAY FOUNDATION, INC.
Brgy. Aninuan, Puerto Galera Oriental Mindoro

CASH VOUCHER

Date: ___________

Quantity	Particulars/Items	Unit Price	Amount
		Grand Total	

Received by:

____
Signature over Printed Name/Date
Contact No. ____________________

Approved by:

____
Signature/Date

Appendix 6: Acknowledgement/Payment Voucher Form

Acknowledgement/Payment Voucher

This agreement is entered into by Stairway Foundation Inc., represented

by ______________________________ and ______________________________ of
(name) (name)

____ with business address at
(company/affiliation)

____ to provide the following services:
(address)

____
(purpose of payment)

________________ to ________________. Stairway Foundation agrees to pay the above
(date) (date)

company/person(s) the amount of ______________________________________
(amount in words)

or Php________________.
(amount in figures)

Received by:

____
Signature over printed name

____
TIN Number/Phone Number

Date:

Approved by:

____
Signature over printed name

Date:

Appendix 7: Transportation Form

STAIRWAY FOUNDATION, INC.
Brgy. Aninuan, Puerto Galera Oriental Mindoro

TRANSPORTATION FORM

Date	Activity	No. of Pax	From	To	Vehicle	Amount
Remarks				Total		

Prepared by: Verified by: Approved by:

Appendix 8: Supplies & Materials Requisitions and Release Form

STAIRWAY FOUNDATION, INC.
Brgy. Aninuan, Puerto Galera Oriental Mindoro

SUPPLIES & MATERIALS REQUISITIONS and RELEASE FORM

Purpose/Training Activity ____

Date Needed: ____

Item Description	Quantity

Requested by:

____

Date: ____________________

Approved by:

____

Date: ____________________

Released by:

____

Date: ____________________

Received by:

____

Date: ____________________

Appendix 9: Authorization Slip

STAIRWAY FOUNDATION, INC.
Brgy. Aninuan, Puerto Galera Oriental Mindoro

AUTHORIZATION SLIP

Name: ________________________________ Date: ______________________

___ Vehicle Plate No.: ________________
___ Generator

Item Description	Quantity

______________________________ Date: ___________________
Authorized Signature

For Supplier: Driver:

______________________________ ______________________________
Signature & Date Signature & Date

Appendix 10: Basic Conflict of Interest Disclosure Form

Name: ____ Date: ____________

Position (trustee/employee/volunteer)/trustee): ___________________________

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between Stairway Foundation, Inc. and your personal interests, financial or otherwise:

_____ I have no conflict of interest to report.

_____ I have the following conflicts of interest to report (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member is are an officer, or director, trustee or a majority shareholder, and the name of your employer, and any businesses you or a family member own):

1.____

2.____

3.____

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest Policy of

Stairway Foundation, Inc.

Signature: ____________________

Date: _______________________

____
Executive Director

Attested:

____
Corporate Secretary