



جمعية الشباب العرب - بلدنا (ج.م)

Association for Arab Youth- Baladna (R.A.)

Financial Policies and Procedures Manual

The Financial Policies and Procedures Manual for Baladna – Association for Arab Youth was approved by the Board of Directors on December 16, 2020.

Table of Contents

Part One: Manual Terms and Definitions	3
Part Two: Accounting Procedures.....	4
Part Three: Cash Management at Banks	5
Part Four: Grants Administration and Accounting	8
Part Five: Payment Procedures	10
Part Six: The Petty Cash System.....	11
Part Seven: Salaries and Wages	13
Part Eight: The Expense System for Travel Assignments	14
Part Ten: Financial Reports.....	18
Part Eleven: The Supervisory Committee.....	22
Appendices	23
Appendix 1: Payment Voucher	24
Appendix 2: Receipt Voucher	26
Appendix 3: Petty Cash Disbursement Table	27
Appendix 4: Purchase Request.....	29
Appendix 5: Purchase Order	30
Appendix 6: Supplier Approval	31
Appendix 7: Written Bid/Price Quote	32
Appendix 8: Contract to Supply Product/Service	33
Appendix 9: Request for Payment of a Financial Grant	34
Appendix 10: Declaration of Receipt of a Financial Grant.....	35
Appendix 11: Employee Work Report.....	36

Part One: Manual Terms and Definitions

1.1 Article One: Manual Definition

This manual is called: Financial Policies and Procedures Manual for Baladna – Association for Arab Youth. It will be enforced, following approval by the Association’s Board of Directors, on January 1, 2021.

1.2 Article Two: Terms and Definitions

The terms listed below are to be defined as followed whenever they appear in this manual:

- 1.2.1 The Organization: Baladna – Association for Arab Youth
- 1.2.2 The General Assembly: The members who set the organization’s general policies and orientations. They also elect the Board of Directors and the Supervisory Committee members, in accordance with the foundational by-laws. They also approve the Board of Directors’ reports and the annual audited financial statements.
- 1.2.3 Board of Directors: The group of persons elected by the Organization’s General Assembly to follow up on the implementation of the general policies approved by the General Assembly at its annual meeting.
- 1.2.4 The Supervisory Committee: The Committee elected by the General Assembly to monitor the implementation of organizational policies, assess the quarterly and annual financial reports, and submit recommendations to the General Assembly.
- 1.2.5 Director General: The director of the Organization.
- 1.2.6 Accounts Officer: The Organization’s employee assigned to follow up on ongoing financial procedures, including facilitating the procurement process, preparing monthly and annual financial reports, and preparing financial reports on grants.
- 1.2.7 Accountant: The external accounting office responsible for managing the Organization’s financial accounts.
- 1.2.8 Bank: The Board of Directors’ ratified bank.

Part Two: Accounting Procedures

- 2.1 An external accounting office manages the Organization's ongoing accounting procedures.
- 2.2 The external accounting office is approved annually at the annual General Assembly meeting.
- 2.3 The accounting office manages the following accounting procedures:
 - List of income and expenses (balance sheet).
 - A record (ledger) of detailed project expenses and ongoing administrative and operational costs.
 - General budget.
 - Cash flow statements.
 - Carrying out the necessary account adjustments and bank reconciliations.
- 2.4 The accounting program, "Manager," is used to manage the Organization's accounts. The Organization's accountant is responsible for uploading the information into the program.
- 2.5 The Israel Bank page is used for foreign currency rates using the following link: <http://www.boi.org.il/en/Markets/ForeignCurrencyMarket/Pages/PeriodicExchangeRates.aspx>
- 2.6 The Organization's accounts officer must ensure the safety of preserving the available digital information. This is done through the dual information preservation system on the device used and at a site outside the office, and every time financial data is fed into the accounting program.
- 2.7 The Michpal payroll accounting program is used, which is the official software approved by governmental institutions.

Part Three: Cash Management at Banks

3.1 Ratification of the Bank Account

- 3.1.1 The Board of Directors ratifies the accredited bank for the Organization's work.
- 3.1.2 All the Organization's accounts must be under the Organization's official name (Baladna – Association for Arab Youth).
- 3.1.3 New bank accounts are opened based on the Organization's needs while ensuring the best conditions are obtained, with the accountant's recommendation and the general director's approval. Usually, new accounts are opened to deposit grants for specific projects to ensure that they are not mixed with other projects' funds.
- 3.1.4 The Organization's bank accounts should not be disclosed, except in cases of extreme necessity, and with the prior approval of the general director.

3.2 Authorized Signatories

- 3.2.1 Any check or money order must be signed by two out of three authorized signatories as per the Organization's approved power limits, provided the Board of Directors designates the authorized signatories.
- 3.2.2 The authority to transfer from one of the Organization's bank accounts to another is delegated to the Organization's general director with the accounts officer.
- 3.2.3 The banks shall be notified of any changes made to the authorized signatories in the same week, and forms with the new signatures shall be sent.
- 3.2.4 A certified list of the authorized signatories and a sample of their signatures shall be kept with the accounts officer.

3.3 Instructions for Receivables

- 3.3.1 Any funds (cash, checks, or transfers) shall be received under original serially numbered receipt vouchers.
- 3.3.2 All cash and checks received shall be deposited into the Organization's bank account in the same week.
- 3.3.3 Unused receipt books are kept with the accounts officer. One receipt voucher book shall be given to the person authorized by the Organization's general director, if necessary.

3.4 Payments by Check and Check Signature Procedures

- 3.4.1 Any amount over 500 NIS shall be paid by check or bank transfer to the beneficiary's account, subject to the above provisions.
- 3.4.2 The check shall be prepared by the accounts officer after completing all the procedures and providing all the required documents in accordance with the applicable regulations. The check shall be designated to the account of the first beneficiary.
- 3.4.3 The checkbooks used have copies of the original checks. A copy of the beneficiary's check is kept with the accounts officer, another copy with the Organization's accountant, in addition to a photocopy of the original check kept with the accounts officer.

- 3.4.4 The general director signs the check after confirming that all of the required supporting documents have been signed and submitted and that all procurement procedures set by the Organization have been followed.
- 3.4.5 After the Organization's general director signs the check and related documents, the check and these documents are sent to the other authorized signatories in accordance with directives.
- 3.4.6 Before the check is released, the supporting documents are reviewed to ensure that they have been completed according to the Organization's directives and have been signed by the authorized signatories.

3.5 Check Cancellations

It is possible to cancel a check if there is a written request from the beneficiary asking to stop payment if the check is lost or damaged. A new check is issued after a period of one month from obtaining bank confirmation regarding the cancellation process.

3.6 Instructions for Advances

- 3.6.1 An advance may be given to any of the Organization's employees in order to cover specific expenses the employee may incur during work-related travel.
- 3.6.2 The authority's limits to approve employee advances shall follow the purchasing authority limits outlined in these instructions.
- 3.6.3 The employee receiving the advance signs a confirmation of receipt upon receiving the funds through which she/he commits to using the funds exclusively for the purchases for which they funds were transmitted.
- 3.6.4 The employee receiving the advance must submit a statement of the actual expenditures, supported by official documents.
- 3.6.5 These expenses shall be approved by the appropriate administrative parties as per the procurement authority's limits. The advance is settled with the employee after approval of those expenses.

3.7 Other Advances

- 3.7.1 No personal advances may be given to any employee from the Organization's funds.
- 3.7.2 The employee responsible for petty cash purchases may be given an amount, on account, to make purchases related to the Organization from the petty cash fund. This shall be done after the recipient signs a document for this purpose, to be settled after completing the purchase process and delivering invoices and documents supporting the purchase.
- 3.7.3 The same instructions clarified above for petty cash are followed in the advance payment process.

3.8 Bank Reconciliations Procedures

- 3.8.1 A specific form is used for preparing bank reconciliations, which includes the name and address of the bank and the account number.
- 3.8.2 Bank reconciliations shall be separately prepared for each of the Organization's bank accounts by the accounts officer.

- 3.8.3 Bank reconciliations are prepared at least once a month within a week of the end of the month.
- 3.8.4 In the case of bank accounts with more than 40 weekly transactions, weekly bank reconciliations shall be prepared for these accounts.
- 3.8.5 All bank reconciliations are reviewed and signed by the general director.
- 3.8.6 If there are pending amounts in the bank reconciliations for a period exceeding one week, these amounts shall be followed up by the accounts officer to take the necessary measures to determine the reasons. If the amounts remain outstanding for a period exceeding one month, the general director is informed to take the required actions.

Part Four: Grants Administration and Accounting

4.1. Grants and Donations

- 4.1.1. Unrestricted grants can be used by the Organization's management for any expenses related to the Organization.
- 4.1.2. Restricted grants (i.e., grants restricted by the donor) are to be spent on a specific activity in agreement between the Organization and the donor.

4.2. Local Revenue

- 4.2.1. Types of local revenue: local donations from individuals and businesses, membership fees, and payments from the Organization's activities.
- 4.2.2. The method for obtaining the expected revenue from the Organization's activities is determined by the Board of Directors upon the general director's recommendation and under the accountant's full supervision.

4.3. Grants Administration Policies and Procedures

4.3.1. Grants Management System

- 4.3.1.1. All grants are deposited into the Organization's bank account.
- 4.3.1.2. A budget is prepared for each restricted grant by the accounts officer, including a schedule of the expected dates for the grant disbursements.
- 4.3.1.3. The disbursement of each grant is made according to the grant budget approved by the donor. The grant's bank balance is limited to the grant project's expenses.

4.3.2. Grants Financial Management

- 4.3.2.1. The accounts officer prepares a summary of each grant's agreement terms to indicate any special requirements or conditions to be observed during the implementation of the project grant.
- 4.3.2.2. Before making any disbursement from the grant balance, the accounts officer ensures that the disbursement process is in line with the grant budget and the terms of agreement with the donor.
- 4.3.2.3. The actual expenditures that are disbursed from each grant are compared with the grant's budget, provided that monthly financial reports are prepared to reflect the comparison process results.
- 4.3.2.4. In the digital accounting program, a separate account is opened for each grant. If a manual system is used, a different book for each grant is used. All financial transactions related to each grant are recorded separately.
- 4.3.2.5. The financial reports of each grant are prepared according to the accounting computer program's available data. If any changes are made to these reports, they must be compatible with the accounting system and the accountant.
- 4.3.2.6. If it appears that the grant amount will be insufficient to cover the purpose for which it was given, the donor shall be informed that the

actual expenses will exceed the budget to obtain written approval to cover the required amount, if possible.

- 4.3.2.7. If the donor does not agree to finance the additional expenses as soon as possible, other sources of funding will be sought. In case this is not possible, the costs will be reconsidered so that they are within the grant amount.
- 4.3.2.8. The accounts officer must ensure that the Organization adheres to all the terms of the agreement with the donor. If any changes to the agreement are necessary, these shall be made in a written agreement or documented correspondence with the donor before the Organization implements the changes.
- 4.3.2.9. The general director shall be informed of any violations of the agreement with the donor in order to take the necessary measures.
- 4.3.2.10. If the donor has special requirements for making a purchase that differs from the Organization's procurement system, the procedures specified in the agreement with the donor shall be observed without violating the Organization's policies that are in force.
- 4.3.2.11. The name of the project and/or the donor is documented on each grant's financial documents in order to facilitate the process of classifying those documents in the computer accounting program or the manual system.

Part Five: Payment Procedures

All payments in exchange for services, purchases, or salaries for the Organization's employees, whether large or small, shall be made according to the following instructions:

- 5.1. The accounts officer shall verify the availability and accuracy of payment upon receipt, including payment invoices and a tax deduction certificates and:
 - Ensure that there is an account for it in the budget.
 - The documents are legal and original.
- 5.2. The accounts officer prepares the payment voucher¹ and records all information on it, including the account number, the disbursement amount, the currency, the project name, the name of the donor, the budget item, the invoice number, and the check number.
- 5.3. The accounts officer sends the payment voucher with the attached check to the Organization's general director to sign.
- 5.4. All the required documents are given to the general director, including the payment voucher, the check, and all the official papers and documents supporting the payment.
- 5.5. The general director signs the check and the payment voucher. If there are any objections, the check and payment voucher must be directly returned to the accounts officer for processing.
- 5.6. Upon delivery of the check, the beneficiary signs a receipt voucher² and provides a receipt for the amount paid directly upon receipt of the check.
- 5.7. No check shall be delivered without fulfilling all the procedures stipulated in the contract between the two parties, including the necessary financial documents.

¹ Appendix 1: Payment Voucher

² Appendix 2: Receipt Voucher

Part Six: The Petty Cash System

6.1. Petty Cash is used to cover the following payments:

- 6.1.1. Payments for the Organization's minor expenses, including drinks, sugar, coffee, repairs, stationery, cleaning supplies, and office supplies.
- 6.1.2. Payments of no more than 500 NIS, supported with an official invoice.

6.2. Petty Cash Procedures

- 6.2.1. The maximum monthly amount specified for the petty cash fund is 1,500 NIS.
- 6.2.2. The petty cash fund is only replenished when necessary.
- 6.2.3. The accounts officer manages the advances for out-of-pocket expenses under the Organization's general director's supervision.
- 6.2.4. The cash for this advance must be kept in a safe box under the accounts officer's supervision. The Organization's general director always has the right to inspect the fund, make an inventory of it at any time, and compare invoices and payments with what is available in the fund.
- 6.2.5. It is prohibited to pay the employee salaries from the petty cash fund.
- 6.2.6. Official and original documents must support the disbursements.
- 6.2.7. It is forbidden to split payment of any of the expenses in order to avoid exceeding the ceiling of the specified amount as a maximum of the costs available through the petty cash fund.
- 6.2.8. Personal monies and petty cash should not be mixed.

6.3. Allocations

- 6.3.1. No expense is approved without the provision of an invoice or a receipt indicating that the payment was made, the amount paid, and the purpose of the payment.
- 6.3.2. The disbursement is documented through the petty cash fund using a table clarifying: date of disbursement, purpose of disbursement, amount, the supplier, invoice/receipt number, the employee's name, and the employee's signature.

6.4. Accounting Procedures

- 6.4.1. The accounts officer reviews the petty cash disbursement table³ at the end of each month to ensure that the records and documents are correct, including the invoices supporting disbursement.
- 6.4.2. When the amount available in the fund is about to run out, the accounts officer submits the disbursement report (records) along with the original and official documents supporting the disbursements. The Organization's general director reviews the report and approves it.
- 6.4.3. To replenish the fund, the accounts officer prepares a check for an additional amount according to the specified limitations. The check is transferred to the

³ Appendix 3: Petty Cash Disbursement Table

Organization's general director for her/his signature and the authorized signatories.

- 6.4.4. The accountant records the petty cash fund disbursements in the accounting program under the items specified in the general budget.

Part Seven: Salaries and Wages

- 7.1. The monthly salaries are paid in local currency by the tenth of each month.
- 7.2. At the beginning of each year, the Organization ensures that the employee's information and data are updated via the Personal Status Form (Form No. 101), attached with a personal photo.
- 7.3. If new employees are hired, it is necessary to ensure that there is a valid employment contract with an appointment letter specifying the salary and position assigned to the employee before any salary is paid.
- 7.4. Any changes to the monthly salary must be supported with the approval of the Organization's general director. If the change is to the Organization's general director's salary, then it must be based on a letter signed by the head of the General Assembly.
- 7.5. The accounts officer prepares the monthly employee timesheets for the Organization's director to approve. Then they are transferred to the accountant to conduct the monthly calculation of salaries according to the applicable law through the approved payroll program. The Organization's general director must approve any additional work or deductions.
- 7.6. The Organization's general director must approve any salary suspension or deductions. The employee is entitled to obtain a copy of such decisions.
- 7.7. The accountant must keep the salaries confidential. Only the Organization's general director and the Board of Directors are permitted to view them. No information can be given about them or the accounting department except after obtaining the Organization's general director's approval.
- 7.8. Every month, the accountant prepares the necessary accounting entries for salaries and tax deductions, including:
 - 7.8.1. The total cost of salaries, categorized by the employee names.
 - 7.8.2. Tax Form 102 to prepare to fill out the monthly tax report.
 - 7.8.3. Detailed salary statement (salary slip) for each employee.
 - 7.8.4. Monthly employee compensation and savings report.
- 7.9. The accountant prepares payment orders for the employees' salaries, government institutions, and the insurance company approved for employee insurance.
- 7.10. The Organization's general director manager checks all the payment orders and transfers them to the authorized signatories.
- 7.11. The accounts officer sends the bank transfer papers by fax and clearly records the sending date and the word "faxed" on them to ensure non-repetition. Their transmission is also documented in the outgoing messages log.
- 7.12. The accounts officer delivers the salary slips to the employees by hand or via email.

Part Eight: The Expense System for Travel Assignments

- 8.1. Travel expenses are approved for assignments aimed at the following: fundraising, networking with coalitions and supporting institutions, developing the Organization's work, or participation in courses, seminars, workshops, and conferences.
- 8.2. The travel assignment is based on an official letter from the general director to the employee, after clarifying the names involved if more than one person is participating.
- 8.3. The assignment duration, travel date, and return are specified.
- 8.4. If another body does not cover the travel costs, the Organization shall provide the employee with the expenses according to the following:
 - 8.4.1. The Organization shall directly pay for the travel tickets.
 - 8.4.2. Per diems are only paid for the duration of the work assignments.
 - 8.4.3. The amount allocated for the per diem shall not exceed 500 NIS, whether inside the country or abroad.
 - 8.4.4. Expenses are paid for travel to and from airports.

Part Nine: Procurement Management

9.1. Description of General Policies

9.2. Purchase Powers

9.2.1. Any purchase shall be approved in advance within the authority limits set by the Organization.

9.3 Policy for Obtaining Price Quotes

9.3.1. Price quotes are obtained according to the expected value of the purchases as follows:

9.3.1.1. From 1 – 15,000 NIS: The purchase shall be made without inviting quotations from the approved suppliers, with the approval of the accounts officer and the Organization's general director.

9.3.1.2. From 15,001 – 40,000 NIS: 3 quotations are invited by fax, mail, or email by the accounts officer and the specified project manager with the approval of the Organization's general director.

9.3.1.3. Over 40,001 NIS: made through an official bid advertised in the media. The Procurement Committee reviews the bid documents and supplier selection.

9.4. Suppliers Register

9.4.1. A suppliers' register approved by the Organization's management is kept with the accounts officer, and they are contacted in case of making purchases.

9.4.2. This register is approved by the general director and accounts officer. The register is continuously updated to add or delete supplier names.

9.5. Procurement Committee

9.5.1. A procurement committee is formed by a decision of the Organization's general director.

9.5.2. This committee shall consist of three members: The Organization's general director and two board members.

9.5.3. The members of this committee are changed every year at the annual general assembly meeting.

9.6. Procurement Procedure

9.6.1. Purchases

9.6.1.1. Purchases whose value do not exceed 15,000 NIS are to be purchased without the need to request price quotes by preparing an internal purchase order⁴ only.

9.6.1.2. The purchase request is prepared by the person who needs the purchases.

⁴ Appendix 4: Purchase Request

- 9.6.1.3. The purchase request is sent to the accounts officer to ensure that the required purchases have an allocated budget and is then approved by the Organization's general director.
- 9.6.1.4. Once the purchase request is approved, a purchase order⁵ is prepared and approved by the Organization's general director. The purchase order is then sent to the approved supplier.
- 9.6.1.5. The purchase order must contain the following information:
- 9.6.1.5.1 The date of the purchase order.
 - 9.6.1.5.2 The project for which the purchases are for.
 - 9.6.1.5.3. The type of products/services.
 - 9.6.1.5.4. The price and payment schedule.
 - 9.6.1.5.5. The required quantity.
 - 9.6.1.5.6. The request date and the required date for the arrival of the purchases.
 - 9.6.1.5.7. The Organization's general director's signature.
- 9.6.1.6. The purchase order is transferred in three copies to the supplier, the body/person responsible for receiving the purchases, and the accounts officer.
- 9.6.1.7. Purchases with a value of more than 15,001 NIS are made according to the purchase requisition procedures defined in clauses 9.6.1.2 and 9.6.1.3
- 9.6.1.8. After completing the necessary procedures for the purchase request for purchases with a value of over 15,001 NIS, a request for price quotes is prepared.
- 9.6.1.9. The process of requesting, receiving, opening, and studying a price quote; selecting the supplier; and documenting the process takes place according to the policy of obtaining quotes as stipulated in clauses 9.3.1.2 and 9.3.1.3.
- 9.6.1.10 Once a supplier⁶ is approved, a purchase order is prepared according to the purchase order preparation procedures described in clauses 9.6.1.4 – 9.6.1.6
- 9.6.1.11. For all purchases over 15,000 NIS, an agreement is made with the supplier. This agreement includes all specifications and conditions that guarantee the Organization's right to obtain the best quality materials or services according to a specific timetable.

9.7. Receipt of Purchases

- 9.7.1. Purchases are received by the person who needs them.

⁵ Appendix 5: Purchase Order

⁶ Appendix 6: Supplier Approval

- 9.7.2. When the purchases are received, they are compared with the signed agreement, including the terms and specifications set forth therein.
- 9.7.4. When the purchases are received, the tax receipt corresponding to the invoice submitted must be attached.
- 9.7.5. If the purchases consist of service provisions for more than one month, the services provided are evaluated periodically and at the end of the contract period. They are assessed in terms of quality according to the signed agreement by the person who requested the service. The service provider prepares a report to give a summary and details of the services provided to the Organization.
- 9.7.6. At the end of the contract term for these services, the person who requested these services examines the situation and the provision of the services and compares them to the contract's terms and specifications. Then, approves/rejects the services report provided.
- 9.7.7. When receiving regular service bills, such as phone bills, the accounts officer compares those bills with the previous month's bills, and any profound differences are documented.

9.8. Purchases Return

If the received purchases or part of them do not comply with the terms of the agreement with the supplier (contract, price quote, purchase order, or referral decision), then they are rejected and returned to the supplier with a statement of the reasons for rejection.

Part Ten: Financial Reports

10.1. Objectives

- 10.1.1. All financial reports are prepared following international accounting standards and accounting principles for non-profit organizations.
- 10.1.2. The periodic reports are prepared in documentary form and according to the administration's needs, the Organization's bodies, the registrar of associations, the tax institution, and the donors' requirements.
- 10.1.3. All financial data and documents are retained to support the reporting process securely.

10.2. The Organizational General Estimated Budget

- 10.2.1. The accounts officer prepares an annual estimated budget during October of each year. The budget includes all expected costs and expenses within the year, distributed according to the nature of the Organization's activities and projects. The budget also contains the expected revenues to cover those costs and expenses, with a breakdown of those revenues.
- 10.2.2. The budget is studied and discussed in a special meeting between the accounts officer and the Organization's general director. It is also presented for discussion with the Organization's projects' coordinators and initially approved by the management staff and employees.
- 10.2.3. The annual budget is then presented to the Board of Directors for discussion and final approval no later than the end of January of each year.

10.3. Periodic Reports

10.3.1. Monthly Financial Report

- 10.3.1.1. A monthly financial report is prepared, within a week of the end of each month, by the accounts officer with the Organization's general director's authorization.
- 10.3.1.2. The monthly financial report includes:
 - 10.3.1.2.1. A list of ongoing administrative and operational expenses, and a comparison with the budgets set by the donors.
 - 10.3.1.2.2. A list of project expenditures, and a comparison with budgets set by donors.
 - 10.3.1.2.3. Financial documents during the month, including; invoices, receipts, payment and receipt vouchers, tax deduction certificates, and price quotes, with clarifications of the name of the project, the donor, and the disbursement item on each of these documents as per the details mentioned in the lists of expenditures explained above.
 - 10.3.1.2.4. Detailed list of monthly checks and money transfers.
 - 10.3.1.2.5. Monthly bank statements.

- 10.3.1.2.6. Drafts of checks and copies of checks disbursed during the month.
 - 10.3.1.2.7. A list of all receivables during the specified month with an explanation: the donor, the currency, the amount, the date the amount was sent, the date the amount was received, and the currency conversion value.
 - 10.3.1.2.8. Monthly receipt vouchers.
 - 10.3.1.2.9. A copy of all bank correspondence.
 - 10.3.1.2.10. The petty cash disbursement list, supported by attached financial documents.
- 10.3.1.3. The accounts officer prepares the tables and financial documents and sends them every month by the tenth of the following month to the accountant. The accountant checks all lists and attached financial documents and records them in the accounting system.
- 10.3.1.4. The accountant prepares the following reports on every month:
- 10.3.1.4.1. Statement of the financial position of the projects, activities, and administrative and operational expenses.
 - 10.3.1.4.2. A detailed record of expenses (ledger) of projects and ongoing administrative and operational costs.
 - 10.3.1.4.3. A statement of bank balances and reconciliations.
 - 10.3.1.4.4. Monthly salary report.

10.3.2. Periodic and Annual Grants Reports

- 10.3.2.1. Periodic and annual reports are separately prepared for each grant's revenues and expenses according to the donor's requirements and the contract between the two parties.
- 10.3.2.2. In cases where they exist, financial reports approved by donors are adopted or replaced by parallel internal forms.
- 10.3.2.3. These reports are prepared and approved by the accounts officer and the project coordinator. Then the report is presented to the Organization's general director and accountant for amendments and approval. These reports contain the following:
 - 10.3.2.3.1. Comparative reports for each grant. These present the grant budget approved by the funder and the actual expenditures for each budget item. They also show the differences between the budget and the actual expenditures for each item for the current month and cumulatively from the date the grant started until the end of the month.
 - 10.3.2.3.2. If there is a separate bank account for the grant, a bank reconciliation is prepared and is matched with the statement of the grant's receivables and payments.

- 10.3.2.3.3. A copy of the financial documents corresponding to the disbursement items specified in the donor-approved budget.
- 10.3.2.3.4. A statement of the grant's financial position.
- 10.3.2.3.5. A detailed ledger record of the grant.

10.4. Year-end Reports

- 10.4.1. Year-end reports are the responsibility of the Organization's accountant.
- 10.4.2. Reports and financial statements are issued within a month of the end of the fiscal year.
- 10.4.3. Year-end reports include:
 - 10.4.3.1. Monthly reports that were prepared during the year.
 - 10.4.3.2. An annual comparison report for the actual expenditures during the year and the budget, in addition to a comparison for each project separately.
 - 10.4.3.3. Statement of the financial position of projects, activities, and administrative and operational expenses.
 - 10.4.3.4. A detailed record of expenses (ledger) of projects and ongoing administrative and operational costs.
 - 10.4.3.5. Statement of bank balance and bank reconciliation.
 - 10.4.3.6. Cumulative analysis of monthly salaries for the year.
- 10.4.4. The year-end reports are reviewed and approved by the Organization's general director and presented to the Board of Directors for review and discussion purposes.

10.5. Annual Financial Statements

- 10.5.1. The Organization's annual statements are prepared following international accounting standards and accounting principles for non-profit organizations within three months of the end of the financial year.
- 10.5.2. The annual financial statements include:
 - 10.5.2.1. Balance Sheet Statement.
 - 10.5.2.2. Statement of activities, revenues, and expenses.
 - 10.5.2.3. Cash Flow Statement.
 - 10.5.2.4. Notes.

10.6. Retaining Data, Financial Reports, and Documents

- 10.6.1. After the audited annual financial statements are issued, a complete set of the financial reports and accounting documents are saved in a special file that includes the following:
 - 10.6.1.1. Data on the financial position of projects, activities, and administrative and operational expenses.

- 10.6.1.2. A detailed record of expenses (ledger) for projects and ongoing administrative and operational costs.
- 10.6.1.3. Statement of bank balance and bank reconciliation.
- 10.6.1.4. Trial balance.
- 10.6.1.5. Grant reports.
- 10.6.1.6. Documents on all accounts.
- 10.6.2. All the Organization's accounting documents and financial reports are retained for at least seven years.
- 10.6.3. The Organization's general director shall invite the Board of Directors to study the internal financial reports (the mid-term and the annual report).

10.7. Audited Financial Report

- 10.7.1. The Board of Directors reviews the mid-term and annual financial reports. They then transfer them to the Supervisory Committee for final audit and approval.
- 10.7.2. The Supervisory Committee approves the mid-term and annual financial report. Then transfers the latter upon its final approval to an external auditor to complete the external financial audit process for the Organization's yearly work.
- 10.7.3. At the end of February of each year, the external auditor is invited to start the annual financial audit process for the Organization's work.
- 10.7.4. To ensure that the external auditor's work runs smoothly and timely, all employees must cooperate.
- 10.7.5. The external auditor shall issue a draft copy of the financial report with a copy of the administrative letter by the last week of March and then must ensure that the final version is completed by the end of April at the latest.
- 10.7.6. The General Assembly shall be invited during May to discuss the financial report and the external auditor's report, and approve them.

Part Eleven: The Supervisory Committee

- 11.1. The Supervisory Committee is elected at the General Assembly's annual meeting.
- 11.2. The Committee meets twice a year, at a minimum, to study the internal quarterly financial reports submitted by the Organization's general director and the Board of Directors. The Committee analyzes these reports and approves them, and submits their recommendations to the General Assembly.
- 11.3. The Supervisory Committee approves the mid-term and annual financial report, then transfers the latter, upon its final approval, to an external auditor to complete the external financial audit process for the Organization's yearly work.
- 11.4. The Committee studies the Organization's external auditor's annual report and submits their recommendations in the General Assembly's annual meeting.
- 11.5. The Committee prepares the Board of Directors' responses to the external auditor's annual letter, which are the notes and directives for the Board of Directors regarding the Organization's financial work procedures.
- 11.6. The Committee must maintain a high level of internal regulation. It is entrusted with the responsibility of ensuring that what is mentioned in the Financial Procedures Manual is applied. Therefore, it must make the necessary recommendations in this regard.

Appendices

Appendix 1: Payment Voucher	245
Appendix 2: Receipt Voucher	266
Appendix 3: Petty Cash Disbursement Table	277
Appendix 4: Purchase Request.....	298
Appendix 5: Purchase Order	309
Appendix 6: Supplier Approval	30
Appendix 7: Written Bid/Price Quote	31
Appendix 8: Contract to Supply Product/Service	332
Appendix 9: Request for Payment of a Financial Grant	343
Appendix 10: Declaration of Receipt of a Financial Grant.....	354
Appendix 11: Employee Work Report.....	365

Appendix 1: Payment Voucher

Date	
Project	
Donor	
Expense Item	
Amount (Currency)	
Provider	
Product/Service	
Account Number	
Invoice Number	
Check Number	
Check /Transfer Date	
General Notes	
Organization's General Director's Signature	

Appendix 2: Receipt Voucher

I, the undersigned, _____, ID Number _____, hereby declare that I, on (date) _____, received Check Number _____ for the amount of _____ NIS, for _____ in the _____ project.

Signature: _____

Appendix 5: Purchase Order

Date	
Project	
Product/Service	
Provider (Tax Registration Number)	
Quantity	
Specifications	
Delivery Date	
General Notes	
Organization's General Director's Signature	

Appendix 6: Supplier Approval

Committee Meeting Date	
Committee Name	
Certified Committee Members	
Attendees	
Project	
Item Number in the Project Budget	
Specified Budget in the Project Budget	
Number of Submitted Bids	
Approved Supplier	
Justification	
Special Conditions	
Notes	
Delivery Date	

Appendix 7: Written Bid/Price Quote

Submitted by (Business Name)	
Registered Business Number	
Proposed Price (includes Value Added Tax)	
For	
Details	
Delivery Date	
Additional Information	
Special Conditions	
Date of Proposal Submission	
Signature	

Appendix 8: Contract to Supply Product/Service

This contract is between:

First party: Baladna – Association for Arab Youth

Second Party:

Contract Date:

Contract Duration:

Project:

Services Provided:

Delivery Date:

Special Limitations and Conditions:

Cost:

Payment Dates:

First Party: Baladna – Association for Arab Youth

Second Party: _____

Appendix 9: Request for Payment of a Financial Grant

Contract reference:	
Payment number:	
Date of request:	
Name of beneficiary	
Amount requested:	
Bank account details:	Name of bank: HaPoalim Bank Address of bank: Haifa Name of account: Baladna – Association for Arab Youth Account number: 12-700-63242 SWIFT: poalilit IBAN: IL46-0127-0000-0000-0063-242
Requested by (Position):	
Date:	
Signature:	

Appendix 10: Declaration of Receipt of a Financial Grant

Organization:	
Paid by:	
Contract reference:	
Payment number:	
Amount received (Currency) :	
Date of installment:	
Currency change rate/ Date:	
Bank account details:	Name of bank: HaPoalim Bank Address of bank: Haifa Name of account: Baladna – Association for Arab Youth Account number: 12-700-63242 SWIFT: poalilit IBAN: IL46-0127-0000-0000-0063-242
Amount requested:	
Paid through:	Bank Transfer / Cheque/ Cash
Name and position of legal project holder:	
Date:	
Signature:	

Appendix 11: Employee Work Report

Month/Year							
Employee Name							
Job Description				Job Percentage			
Work Hours Report				Total Monthly Hours			
Week One				Week Two			
Date	Day	From – To	Total Hours	Date	Day	From – To	Total Hours
Week Three				Week Four			
Date	Day	From – To	Total Hours	Date	Day	From – To	Total Hours
Week Five							
Date	Day	From – To	Total Hours				
Goals for Month							
Achievements During Month							
Unrealized Goals/Justifications /How to Follow-Up							
Things to Follow-Up/Learn							
Employee Name:				General Director:			
Signature:				Signature:			

Date:

Date: