WFA FINANCIAL POLICY

WOMEN'S FUND ARMENIA'S FINANCIAL POLICY AND REGULATIONS

Purpose

The purpose of the financial policy is to organize the management of the financial processes of the Women's Fund Armenia (hereinafter referred to as the Fund), to ensure the accountability towards partners, beneficiaries, donors, and the community united around the Fund. The financial policy is aimed at the organization, management and implementation of the Fund's financial flow.

Fundraising processes

The WFA funds are generated from a variety of sources:

- Support from international and foreign donors
- Fundraising
- Donations
- Donations from businesses
- Support from local and nonlocal donors
- Other sources not provided by the laws of the Republic of Armenia

Amount of grants, financial transfers, and contracts

The amount of grant programs is defined before the announcement of the grant call, in some cases in AMD, and in some cases in euros, dollars or other currencies equivalent to the mentioned amount. In case of announcements in AMD, the amount is indicated in full, including taxes. The amount of the grants (if indicated in euros, dollars or other

currencies) is exchanged into AMD at the exchange rate of the day the Fund contracted the partner individual, individual entrepreneur or organization. Calculations related to the amount of the grant are performed by co-directors and the accountant.

Grants are transferred to grantees in two parts. In some cases, when the grantee partner substantiates the need for the full amount at the start of the project, the amount specified in the contract is transferred at once. Contracts with grantees are signed within 10-15 days after the approval of their grants. The contracts of the organization indicate the amount of money allocated to the grant program in AMD (in case of individuals, a note on the taxes is also included in the contract). The process of signing contracts is organized by the project assistant.

In case of cooperation with individuals, taxes are written off according to the RA Law on Income Tax.

In case of cooperation with organizations and individual entrepreneurs, the full amount is transferred to the latters (in separate parts), and taxes are paid by the latter. In this case, the Fund additionally checks the correct flows of finances when the reports by partners are received. This is implemented in order to avoid any corruption and to strengthen the capacities of the organizations on financial processes and their financial resilience.

Submission of reports by partners

The Fund's partner organizations and individuals submit financial statements twice - in the interim and final statements.

Financial statements include bank transfers, contracts with individuals, contracts with other organizations, and in some cases, purchase receipts, and other financial documents.

The authenticity of information about the purchase of goods included in the financial statements, as well as the financial statements submitted, is established during monitoring and evaluation visits.

Internal and external audit

The financial activities of the organization are subject to annual audit both internally according to the RA Law on Internal Audit and externally by the international donor organization. The auditor, the head of the organization and, if necessary, other employees take part in the audit process.

Furthermore, the Women's Fund Armenia, guided by the cornerstone principles of feminist philanthropy and promoting trust-based grantmaking relationships, sets an audit threshold of AMD 8,000,000 for partner organizations. It does not require an audit from partners in the case of funding projects with a budget of up to AMD 8,000,000.

Financial regulations of the Women's Fund Armenia

Regulation 1: General Principles

1.1 These regulations govern the financial transactions as well as the budget of the Women's Fund Armenia, based on the funds received by donors, foundations or private donations. The regulations are approved by the Advisory board and can be amended by it.

1.2 The co-directors of the organization have the responsibility to ensure that all funds are managed efficiently and supervise the expenses made by the organization based on these regulations.

1.3 The co-directors will monitor and overview the work of the financial officer and see that all expenses are in line with the project objectives and are respectful of the environment.

1.4 Co-directors are responsible for the day-to-day finances and to monitor and report for the yearly financial expenses to the board.

1.5 The financial officer is in charge of keeping appropriate financial records, including:

- an account book(online) or spreadsheet recording all the transactions in the bank account(s)
- bank statements
- a petty cash book (for cash payments)
- details of all funds received
- invoices and other receipts for all payments
- wages and salaries record for each employee

Regulations 2: Budget

2.1 The financial year is from January 1 to December 31

2.2 A budget is proposed for each year for each department by project managers based on the activities and objectives mentioned in the Strategic planning for each area of work (Capacity Building, Regranting, Institutional Development of the Fund and partners, Work with Adolescent Girls, Development of Women's Movement in Armenia).

The drafts are approved by the Co-Directors.

2.3 Co-Directors present a draft for the overall operational costs of 3 years of the organization which is approved by the advisory board. This budget can be reviewed every year.

Regulation 3: Banking and transactions

3.1 A written request is presented to the co-directors by program managers for each activity expense two weeks prior to the event, it is approved by the financial officer and signed by the co-directors.

3.2 Once approved, each request is forwarded to the accountant and transfers are written through online banking and signed by one of the co-directors to be submitted to the bank.

3.3 Salaries are calculated based on the range approved by the management team (co-directors, financial officer and board) and are done through bank transfers until the 5th of the following month. Taxes are calculated and deducted, transferred to the state budget through online banking system.

3.4 Most expenses are done through transfers following requests and approval process as noted in 3.1, 3.2 except for small cash expenses not exceeding 100 000 AMD per month for each project.

3.5 Cash request are sent through email to both directors - financial officer approves it and prepares cash withdraw form for the bank, which is done by one of the co-directors.

3.6 Cash funds are handed to project managers, which sign the transaction and have 1 month to present respective receipts for each expense.

3.7 Bank accounts: The organization has an active bank account at ACBA Bank Armenia with several sub-accounts (a separate sub-account for each project, and two foreign funds accounts in EURO and USD). At least three members of the management committee will be signatories to the accounts. Any withdrawals or transfers between accounts is signed by two of the signatories (co-directors).

Regulation 4: Asset Protection

In order to ensure that the assets of Women's Fund Armenia are adequately protected and maintained, the Co-Directors shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

Regulation 5: Procurement guidelines for goods, services and equipment

Each person who wishes to procure Goods, Services, Equipment and on behalf of Women's Fund Armenia must comply with this regulation.

5.1 The procurement of goods and services is made in accordance with provisions set by financial instructions, in order to optimize the use of resources and to maximize transparency in the selection of suppliers. For all expenses exceeding 500 000 AMD a tender should be announced through an open call or three different offers should be presented and the best offer based on value/price should be selected by the co-director and office manager.

5.2 The supplier or company should be selected based on their good reputation, transparent work and non-discriminatory approaches. No companies should be selected which are involved in destruction, exploitation of the environment or having unethical approaches.