## D. Financing Programs & Partnerships

**1. Budgeting**

- Department-level submissions.
- Approved by Head of Finance and ED.
- Quarterly reviews; >15% deviations require justification.

**2. Receivables**

- Time-based or Outcome-based invoicing.
- Automated reminders.
- Monthly reconciliation and audits.

**3. Payables**

- Covers all standard payment types.
- Procurement approvals required per tier.
- Weekly processing; monthly reconciliation via PeakFlo.

**4. Donor Financial Reporting**

- Aligns with donor formats and budgets.
- Full audit trails and documentation maintained.



## E. Accountability, Risk & Sustainability

**1. Controls & Audits**

- Clear separation of duties.
- Digital approval and audit trails.
- Weekly (Finance), monthly (ED), and bimonthly (Board) internal audits.
- Annual external audits with 60-day corrective follow-up.

**2. Risk & Fraud Prevention**

- Bank accounts require ED & Board approval.
- Strict KYC for vendors before disbursement.
- Routine risk reviews and compliance checks.

**3. Ethics & Capacity**

- Ongoing training in financial systems, compliance, anti-fraud.
- Whistleblower protections with secure reporting.
- Conflict of interest declarations required and enforced.

**4. Fund Management**

- Restricted: Used as per donor terms.
- Unrestricted: Used for core operations; approved by ED.
- Transfers between categories need written donor and internal approval.

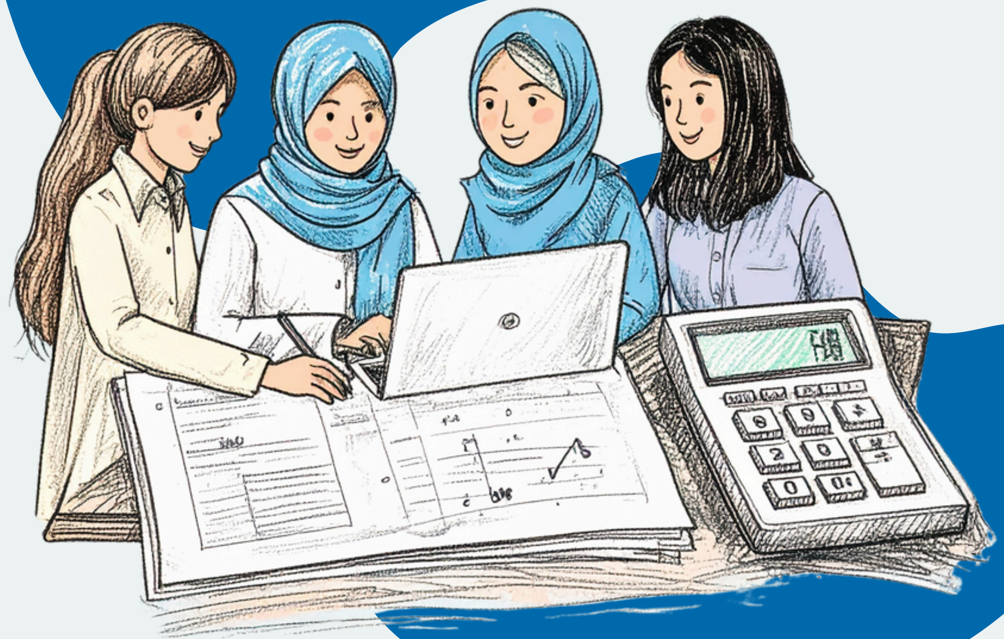
**5. Reserves & Contingency**

- Maintains up to 6 months of operating reserves.
- Drawn from surplus unrestricted income.
- Use requires ED and Board approval.



pijar FOUNDATION

# Finance Manual



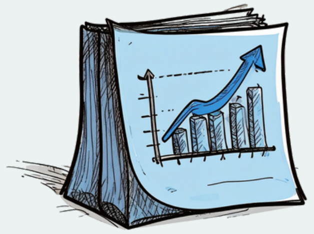
## A. Overview

Pijar Foundation upholds transparent, ethical, and accountable financial governance to support its growing mission. This manual sets the standards for financial operations, controls, and compliance—from daily transactions to donor reporting and reserves planning.

## B. Scope

Applies to all financial activities involving employees, vendors, partners, and Board members. It covers:

1. Internal Operations & Governance
2. Programs & Partnerships Financing
3. Accountability, Risk & Sustainability





## C. Internal Operations & Governance (1/2)

**1. Signatory Authority**

- Executive Director: Final authority on financial assets, budget, and reports.
- Head of Finance: Oversees reports, regulatory compliance.
- Program Directors/Heads: Authorized to approve expenses within defined limits.

**2. Segregation of Duties**

Roles are clearly defined across:

- Administration
- Payroll
- Accounting
- Treasury
- Tax
- Oversight by Head of Finance

**3. Internal Audit**

- Weekly disbursement approvals by Finance Head & ED.
- Oversight by a Board member every 2 months to ensure transparency.




## C. Internal Operations & Governance (2/2)

**4. Financial Activities**

- Annual Budgeting: process using a standard Chart of Accounts (CoA), reviewed quarterly.
- Payments:
  - Petty cash (IDR 5M limits per dept)
  - Reimbursements with full proof
  - Credit card usage with strict auditing
  - Vendor payments scheduled by contract
- Procurement: Tiered approval system based on amount.
- Payroll: Monthly, benefits-compliant.
- Records: Retained for 7+ years; reviewed regularly.
- Cash Management: Daily monitoring, quarterly forecasting.
- Currency Risk: Hedging options for foreign grants with ED approval.

**5. Accruals & Reconciliation**

- Monthly recording of unpaid obligations.
- Coordination between finance and programs for alignment.
- Bank and ledger reconciliations monthly.