

**FINANCE
POLICIES AND
PROCEDURES 2025
-2030**



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POLICY OWNER		DIRECTOR, GL REGIONAL HUB	

The signatures below certify that this document has been reviewed and accepted and demonstrate that the signatories are aware of all the requirements contained herein and are committed to ensure their provision.

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Company Documents once printed are considered uncontrolled documents. Only documents in the Gender Links Policy Centre online Library are the most current version. All GL Staff are bound by GL Policies and Procedures, including the Anti-Corruption Policy that forms part of Finance and Administration Policies and Procedures, through their staff contracts.

These Policies and Regulations take account of the laws prevailing in all the GL countries of operation. Should there be a contradiction between the Policies and Regulations and the national laws, the latter will take precedence except where, in the interest of fairness policies have been standardised across countries.

ABBREVIATIONS

AFS	Annual Financial Statements
AGM	Annual General Meeting
ARC	Audit and Risk Committee
BIC	Business Intelligence Centre
CBM	Country Board Member
CIPC	Companies and Intellectual Property Commission
CD	Country Director
CFO	Chief Financial Officer
CO	Country Offices
CPO	Country Programme Officer
DOA	Delegation of Authority
DRH	Director Regional Hub
DSA	Daily Subsistence Allowance
EC	Executive Committee
DRH	Director Regional Hub
EFT	Electronic Fund Transfer
FAS	Fund Accountability Statement
FCM	Finance and Compliance Manager
FIFO	First in first out
FM	Finance Manager
FO	Finance Officer
GAAP	Generally Acceptable Accounting Practices
GBP	Great British Pound
GL	Gender Links
GL	General Ledger
GLC	GL Cottages
GLFPP	Gender Links Financial Policies and Procedures
GLS	GL Services
GCM	Grants Compliance and Manager
GMC	General Manager Cottages
GMU	Grant Making Unit
GO	Grants Officer
GP	General Payroll
HQ	Headquarters
IAP	Internal Audit Process
IAS	International Accounting Standards
IATI	International Aid Transparency Initiative
IFRS	International Financial Reporting Standards
IT	Information technology
JEV	Journal Entry Voucher
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MOV	Means of Verification

NBV	Net Book Value
NGO	Non-Governmental Organisation
NPC	Not for Profit Company
NPO	Non-Profit Organisation
PAYE	Pay As You Earn
PBO	Public Benefit Organisation
PC	Procurement Committee
PCV	Petty Cash Voucher
PM	Programme Manager
PPE	Property, Plant and Equipment
SARS	South African Revenue Services
SCI	Statement of Comprehensive Income
SFO	Senior Finance Officer
SMEs	Small and Medium Enterprises
SMT	Senior Management Team
TOR	Terms of Reference
UIF	Unemployment Insurance Fund
USD	United States Dollar
VAT	Value Added Tax
VFM	Value for Money
ZAR	South African Rand

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INTRODUCTION

Gender Links' success is dependent on its ability to manage and safeguard the resources entrusted by donors. Central to this are sound financial and administrative controls. The acceptance and application of these Policies and Procedures by all staff is key in making Gender Links transparent, effective, and efficient.



Application and interpretation

The contents of the document shall apply to all persons employed by Gender Links and are compiled for the guidance and instructions to staff. Any difficulties encountered in the interpretation of the policies/procedures shall be referred to the Head of Finance and Administration (HoFA). The Gender Links Board, through the Executive Committee, reserves its right to modify and amend the contents of the policy as and when necessary. Such amendments shall be communicated to the employees.

1. STRUCTURE AND RESPONSIBILITIES

- 1.1. Gender Links (GL) is "a tree with many branches". GL's head office in Johannesburg, South Africa houses a regional hub that services all branches including South Africa, this office also manages work in four affiliated offices – Eswatini, Madagascar, Zambia and Namibia. The Director, Regional Hub (DRH), supported by a Chief Finance Officer (CFO), HR and IT support, heads the Regional Hub. The DRH is a public officer of GL and ex officio member of the Board. Three GL country offices have registered local boards (Zimbabwe, Mauritius, and Lesotho). Country Directors (CD) head these offices. GL is in the process of registering boards in Botswana and Madagascar.
- 1.2. GL Services, based at the headquarters in Johannesburg, is GL's income generating unit. This comprises the Grant Making Unit (each fund has its own manager); Gender Links Advisory Services (comprising consultants and associates); the Women of the South Speak Out (WOSSO) programme; GL Cottages and Conferencing. The GL Special Advisor (SPA), an executive director, leads GL Services.

GL NETWORK CHART 2025/2026

GL ASSOCIATION

Company Secretary

GENDER LINKS REGIONAL BOARD

AUDIT COMMITTEE

Internal Audit

Zimbabwe Board

Lesotho Board

Botswana Board

Mauritius Board

Madagascar Board

Director REGIONAL HUB

Special Advisor, GL SERVICES

Zimbabwe Director

Lesotho Director

Botswana Director (PT)

Mauritius Director

Coordinator, Marang

CFO - Chief Finance Officer

GL Cottages
Manager & Staff

GL Advisory Services
Associates

Prog Coordinator

Prog Officer-Local gvt

Project Assistant, Marang

Sr Prog and Finance

Finance Assistant Marang

Finance Officer Regional

Finance Officer Grants

M and E Team

Prog Officer

Prog Coordinator Marang - PT

Project Officer Marang

South Africa
Manager

HR Support

IT Support

Communications Team

Sr Finance officer

Finance Assistant Marang

Finance assistant, Marang

MARANG FUND

WVL

WOSSO

Finance & Admin officer

Community facilitator

Manager

Compliance Manager

Manager

Manager

Sr Enterprise Dev Officer

Home Officer SHHH

Namibia head (PT)

Senior Finance Officer, Marang Fund

Grants and Networking Coordinator

Programme Officer

Home Assistant SHHH

Namibia Finance assistant

M & E Officer

1.1 Board and staff responsibilities

Designation	Key responsibilities
<p>Audit and Risk Committee (ARC)</p>	<p>The Company shall elect an audit committee at each AGM comprising at least three members, who satisfy requirements of Section 94 of the Companies Act 71 of 2008.</p> <p>The requirements are:</p> <ul style="list-style-type: none"> • Three members must be directors of the company. • Not be involved in the day-to-day management of the company for the past financial year. • Not be a full-time employee for the company for the past three financial years. • Not be a material supplier or customer of the company, such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality, or objectivity of that director is compromised by that relationship. • Not be related to anybody who falls within the above criteria. <p>The ARC shall:</p> <ul style="list-style-type: none"> • Review and approve the Annual Financial Statements before submission to external auditors. • Review and approve audited annual financial statements for ratification by the Board. • Assist in conducting Risk Assessment and developing a Strategic Risks Register. • Monitor the integrity of the organisation's financial reporting systems and internal controls. • Review the audit management report and ensure that matters are timely resolved. • Meet at least once a year with the organization's auditors or when need arises. • Recommend to the Board the appointment, removal, and remuneration of Internal auditors and statutory auditors. • Be responsible for overseeing the internal audit function and the organisations risk assessment framework. • Review, approve and recommend the annual consolidated budget of the organization to the board for ratification. <p>The ARC shall meet quarterly.</p> <p>The Audit Committee shall be chaired by an independent person with finance, audit and/or accounting qualifications.</p>
<p>Country Board Members</p>	<p>The Country Board Members are responsible for:</p> <ol style="list-style-type: none"> 1. Strategic support and oversight of work at country level. 2. Enhancing the organisation's public standing by articulating the organisation's

Designation	Key responsibilities
	<p>vision, mission and values in all the Programme work for Gender Links.</p> <ol style="list-style-type: none"> 3. Providing leadership and guidance in high level matters. 4. Financial oversight of the Gender Links country office. 5. Representation of Gender Links in high level functions. 6. Accompany the Country Director to some donor meetings. 7. Assist in strengthening partner relations. 8. Assist in fund raising efforts and meeting with Donors. 9. Appointment of Directors at country and regional level.
Internal Audit	<p>The role of internal auditor is to:</p> <ol style="list-style-type: none"> 1. Provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. 2. Draft annual internal audit terms of reference and charter. 3. The Internal Audit process provides monthly oversight of all financial-related transactions; checks monthly reconciliations, checks quarterly reports for presentation to the ARC. 4. The process ensures: <ul style="list-style-type: none"> • There is effective fraud risk assessment, prevention, detection, and investigation. • Adherence to all approved systems and processes. • Strengthen internal controls and governance processes. • Compliance with established policies, procedures, laws, and regulations. • Compliance with donor budget, regulations and reporting timeliness in accordance with donor contracts and log frame. <p>Train and capacitate GL staff to ensure continuous improvement in areas of weaknesses noted.</p>
Special Advisor (SpA)	<p>The Special Advisor is responsible for:</p> <ol style="list-style-type: none"> 1. Financial and programme oversight of GL Services units and all their contracts. 2. Act as a designated official on all bank accounts of the organisation.
Director Regional Hub (DRH)	<p>The Director Regional Hub is responsible for:</p> <ol style="list-style-type: none"> 1. Financial and programme oversight of the regional hub and country offices and all their contracts. 2. Managing calls for suppliers and maintain the service provider database. 3. Acting as a designated official on all bank accounts of the organization.
Chief Financial Officer (CFO)	<p>The CFO is responsible for:</p> <ol style="list-style-type: none"> 1. Reparing budgets, approving payments, preparation of annual financial statements and day-to-day financial management. 2. Act as the Compliance officer for Gender Links responsible for overseeing compliance within an Organisation. 3. Ensures compliance with laws, regulatory requirements, policies, and procedure, including Value Added Tax (VAT), Pay As You Earn (PAYE), Unemployment Insurance Fund (UIF) and submission of the organisation's Annual Returns to Companies and Intellectual Property Commission (CIPC). 4. Exercise the financial oversight of the entire organization. 5. Manage key Governance, Compliance & statutory engagements with both the

Designation	Key responsibilities
	Audit Committee, the Internal Auditor & external Auditors.
Grants Compliance Manager and finance officers	<p>They are responsible for:</p> <ol style="list-style-type: none"> 1. Ensuring that all procedures for each threshold level have been followed for review and processing of payments. 2. Prepare internal and donor reports and ensure that deadlines are met. 3. Preparing Programme budgets and report on variances noted. 4. Ensuring that tender procedures are always adhered to. 5. Ensuring that all GL creditors are paid timeously on receipt of an invoice and verification by the relevant responsibility manager that product or service has been delivered.
Programme and Country Directors	<p>Programme Managers (PM) and Country Directors (CDs) are responsible for:</p> <ol style="list-style-type: none"> 1. The Director provides overall leadership to the project and is responsible for the entire project implementation, ensuring that all activities are implemented according to the work plan and budget; budget oversight and budget tracking; preparing narrative and financial reports; ensuring donor compliance; lead and coordinate project reviews and evaluations; liaison and cooperation with partners; maintain relations at district, local council level, national levels. <p>Approving service level agreements or signing of a motivation for the selection of specific suppliers or service providers after quote comparisons by Finance and procurement.</p>
Programme Officers (PO)	<p>The Programme Officer is the actual implementer of the project with direct link to the councils/implementing partners. S/he be responsible for:</p> <ol style="list-style-type: none"> 1. Getting political buy-in from the council management 2. carrying out needs assessments 3. Organise training. 4. Prepare field reports. 5. Undertake monitoring and evaluation. 6. Make follow-up with the councils and provide support. <p>Represents Field Coordinator in meetings, etc.</p>
Finance Officers (FO)	<p>These are responsible for:</p> <ol style="list-style-type: none"> 1. Procurement, requisitions, cashbooks capturing. 2. Preparing bank reconciliations statements and running the matching bank statements, 3. Preparing financial reports, budget tracking, and donor compliance. 4. The FOs are responsible for the day-to-day processing of payments, preparing electronic funds transfers/cheque requisitions and cashing of cheques. 5. Management of petty cash; reconciling all cash payments. 6. Ensuring that all creditors include the GL VAT numbers, issuing and reconciling of order numbers.

2. ACCOUNTING POLICIES

General

- 2.1 The annual financial statements of the company shall be prepared in accordance with all Gender Links Financial Policies aligning with International Financial Reporting Standards for SMMEs and in accordance with section 29 sub section 5 of the Companies Act 71 of 2008 that allows for NGOs to adopt alternative standards to meet their own requirements and that of their funding institutions and donors. The clause states:
- (5) Any regulations contemplated in subsection (4)—
- (a) must promote sound and consistent accounting practices.
 - (b) in the case of financial reporting standards, must be consistent with the International Financial Reporting Standards of the International Accounting Standards Board or its successor body; and
 - (c) may establish different standards applicable to—
 - (d) profit and non-profit companies; and
 - (e) different categories of profit companies.
- 2.2 GL shall observe accrual procedures as they relate to different aspects of reporting referred to in this manual to present a true and fair view of its operations. These are described below.
- 2.3 Gender Links shall further implement Branch Accounting during its implementation period and shall set out and agree the audit TOR's of auditing the AFS by branch. This will help ensure that donor audits shall be conducted first by branch before the final consolidated audit gets finalized.
- 2.4 The annual financial statements shall be prepared on the historic cost basis, except for the measurement of investment properties and land and buildings at fair value and incorporate the principal accounting policies set out below. They shall be presented in South African Rands at consolidated level. Financial Statements prepared at country level shall be presented in the currency of the respective country.
- 2.5 GL's financial year closes on the 31 March each year.

Provisions

- 2.6 Estimates shall be raised, and management shall determine an estimate based on relevant available information. All provision estimates must be approved by HoFA.

Trade and other receivables

- 2.7 Trade and other receivables are initially recognised at fair value and are subsequently measured at the lower of net realisable value or fair value. Appropriate allowances/provisions for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income.
- 2.8 When a trade receivable is uncollectable, it is written off against the allowance/provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

- 2.9 The responsibility for extending credit to customers of Gender Links in exceptional circumstances rests with the Director Regional Hub in consultation with the SpA. Special credit terms must be in writing, with specific credit terms shown on the face of the invoice.
- 2.10 To improve Gender Links legal position for revenue and receivables collection, a formal contract or written agreement must be signed whenever goods or services are provided.
- 2.11 Invoices outstanding beyond the regular thirty (30) day payment term will not be charged interest on the principal amount outstanding.
- 2.12 No new credit shall be issued when a supplier has outstanding balances.

Collection of Accounts Receivable

- 2.13 Collection of general accounts receivable is the ultimate responsibility of the Director Regional Hub in conjunction with the unit/department providing the goods or services, with active support from the Finance team using normal collection procedures.
- 2.14 If a funder/customer Disputes a charge or an amount, the appropriate GLs staff member will be responsible for resolving the contested item.
- 2.15 The Finance team must periodically review the Age analysis to track Past Due Accounts.
- 2.16 The Finance team must ensure that all correspondence with customers that are past due dates are appropriately filed and documented sufficiently.

Uncollectible accounts

- 2.17 The DRH and delegated staff are responsible for issuing Warning letters and letters of Demands to all funders/customers that are Delinquent.
- 2.18 The Director Regional Hub, in consultation with SpA, where appropriate must engage the services of Legal personnel and Debt collectors.
- 2.19 In the absence of legitimate disputes, credit privileges will be withdrawn where customers have not responded to collection notices to discharge outstanding debts.
- 2.20 Uncollectible accounts will be forwarded to an external collection agency for further collection, including legal action if necessary. Cost benefit of recovering the outstanding amounts shall be accessed before forwarding to external collection agencies.

General ledger journals

- 2.21 Journals should only be processed after they have been reviewed and approved by Senior Finance Personnel.
- 2.22 The Finance Manager is responsible for closure of the general ledger, and they must have a list of routine journals that must be checked prior to processing.
- 2.23 The FM/SFO shall review and approve posting of journals in the system.
- 2.24 All journals generally have a processing deadline which must be adhered to according to the finance reporting timetable.
- 2.25 All routine journals must be hard posted and not provisionally posted.

Reversing Journals

- 2.26 A reversing journal is required where an accrual has been raised for an expense incurred or a service rendered but where the invoice has not been received. This journal should be reversed in the following period.

Correction of Error Journals

- 2.27 These occur where errors have occurred for example the journal has been incorrectly processed in terms of debits and credits. This is achieved by reversing the original journal which has been processed and then processing the correct journal.
- 2.28 When there has been an amount which has been processed to the suspense account in the GL this error will also have to be corrected.
- 2.29 The FM is responsible for reviewing the details of the suspense account from the GL before closing of the GL period for the month.
- 2.30 All correction of error journals must be authorized by the FM/SFO or any of their chosen delegates complying with the delegation of authority payments thresholds.
- 2.31 All error journals must have the word "error" in the journal description / transaction narration.

Re-allocation or Reclassification Journals

- 2.32 The Accounting team is responsible for checking the GL for each project after the month end closure. This assists them in performing a variance analysis which may highlight that a journal has been incorrectly processed.
- 2.33 All re-allocation or reclassification journals must be approved by the FM or any of their chosen delegates complying with the delegation of authority policy.

Trade and other payables

- 2.34 Trade and other payables are initially measured at fair value and are subsequently measured at amortized cost.

Accounts payable

- 2.35 This Policy provides a governing framework to guide all staff members involved in the expenditure processes which lead to accounts payable.
- 2.36 In the event of a need to deviate from the Procurement Policy, a written document on a letterhead must be prepared stating the nature and purpose of the deviation and submitted to the DRH and SpA for approval.
- 2.37 Operating expenditure is to be budgeted for on an annual basis and approved accordingly by the Board. Thereafter all expenditure that is budgeted must be approved in line with the normal approval process. Any expenditure that is to be incurred and not initially budgeted for, must be approved in terms of the applicable operational policies and procedures.
- 2.38 All expenditure must be authorised, prior to the procurement of the relevant goods or service/s.

2.39 Exceptions should be authorized by Senior Management in writing.

Accounts Payable Process Overview

2.40 Onboarding of Suppliers is done as per the Procurement Management Policy.

2.41 Supplier invoices are to be verified to be valid TAX invoices in terms of the VAT Act Guidelines. Payment will only occur to authorised vendors on original TAX invoices.

2.42 Internal verification of services rendered by a supplier must be performed and recorded by means of a signature in evidence of receipt of services.

2.43 Matching between the invoice, delivery note (where applicable), GRN (where applicable), a purchase order and purchase requisition (where applicable) is to be performed for a payment to be made, whether it is done manually and/ or by the accounting system.

2.44 Unless otherwise stated in the duly authorized agreement with the vendor (supplier), all payments due to the creditor should be settled within the agreed upon credit terms. Payments to vendors (suppliers) are to be authorised by SpA, DRH and HoFA. Reconciliations and all supporting documentation should be available before payments are processed. The actual EFT payment of the creditors run must be authorised by any two (2) approved bank signatories based on finance approval sign off.

2.45 Accounts payable reconciliations must be performed by the Finance Manager and Finance Team for each individual (supplier/creditor), which reconciles the amount owing as per the supplier statement or batch of invoices to the amount payable as per the accounting system. These accounts payable reconciliations must be reviewed by SpA, DRH and CFO and signed off as evidence of preparation and review. All reconciling items must be cleared on a month-to-month basis unless a valid exception prevails.

2.46 Purchase of goods and services shall follow the Pastel Evolution Purchase order system.

2.47 Managers must fill in the donor budget line for the service being procured and MUST SIGN THAT THEY HAVE MADE THIS ORDER. Should the order not be a legitimate GL requirement or not have a budget line from which it can be paid the managers who have signed for these services will be personally liable for the payment.

2.48 Individual invoices for such services shall be filed by the FO and reconciled at the end of the month.

2.49 Monthly reconciliations shall be checked by the Country Director at the country office and FM at HQ and approved by the CFO and authorised by the Director GL Regional Hub for all regular suppliers prior to payment.

2.50 All creditors are required by law to quote GL's VAT registration number.

Cash and cash equivalents.

2.51 Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Inventory

2.52 Inventory is carried at the lower of cost or net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Share Capital and Equity

2.53 GL is incorporated as a Non-Profit Company (NPC) in terms of the Companies Act in South Africa and similar legislations in the other countries and is therefore incorporated as a company without capital.

Employee Benefits

2.54 The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, shall be recognized in the period in which the service is rendered.

Interest received.

2.55 All monies are managed in such a way that maximize interest and the interest is treated as GL funds in cases where the donor does not have restrictions.

2.56 In cases of restrictions (interest earned required to be refunded to the donor or utilised for donor project activities), interest will be treated as part of funds received from the donor.

2.57 This may require a journal to move interest received during the year to deferred income.

Value added tax (VAT)

2.58 Where possible, value-added tax shall be claimed back from the tax authorities and allocated to a provision account for investment back into GL Programmes.

2.59 Expenses shall be reported exclusive of VAT in cases where the same was claimed from tax authorities. VAT claim rejected by the tax authorities due to negligence on the part of GL management shall not be reported as part of donor expenses.

2.60 When GL charges for any of its services, a VAT charge is levied, and this is paid over to the Receiver of Revenue accordingly. This shall include GL NPC and the GLSH.

Value Added Tax (VAT) Reconciliation

2.61 Wherever possible, GL claims back VAT from the tax authorities and invests back into the programme.

2.62 When GL charges for any of its services, a VAT charge is levied, and this is paid over to the Receiver of Revenue accordingly.

2.63 Identify what the actual VAT position for the accounting period is as per Pastel balance on the VAT account, which will be equivalent to VAT on sales less the VAT on purchases less payments made to Revenue Authority equals closing balance.

2.64 The reconciliation is the task of proving or identifying otherwise that the amount declared to Revenue Authorities, e.g. SARS on VAT returns for the period equals the closing balance figure above. If there is a variance, identify where the variances arose and arrange for the amending the next VAT return accordingly or correct the accounting records if necessary.

Pay As You Earn (PAYE) Reconciliation

- 2.65 Sum up all the PAYE deducted per employee and compare with the PAYE total submitted to Revenue Authorities per month for the EMP201 reconciliation and per year for the EMP501 reconciliation. All differences to be investigated and rectified before submission.
- 2.66 PAYE shall be managed as guided by relevant Country Statutory Laws.

Supplementary Declaration (IT14SD)

- 2.67 When the "Reconciling difference" field on any of the following schedules exceeds R100, then it is mandatory for Gender Links to provide the detail(s) of the reconciliation differences in the Reconciling Items section of the IT14SD:
- PAYE Reconciliation Schedule
 - Income Tax Reconciliation Schedule
 - VAT Reconciliation Schedule
 - Output VAT declared for tax periods falling within the year of assessment.
 - Input VAT claimed for tax periods falling within the year of assessment.
- 2.68 The Supplementary Declaration (IT14SD) form is a structured Adobe form that is intended to reconcile Value-Added Tax (VAT), Pay-As You-Earn (PAYE) and Customs declarations. SARS will issue the IT14SD to a Company or Close Corporation if the Return of Income: Companies and Close Corporations (IT14) return, that has been submitted by the Company/Close Corporation, has been identified for verification.
- 2.69 The following documentation will be required for the completion of the IT14SD form:
- Return of Income: Companies and Close Corporations (IT14)
 - Value-Added Tax Vendor Declarations (VAT201s) to ensure that the following totals are added up from the VAT201s submitted for the relevant tax periods relating to the particular year of assessment.
 - Employer Reconciliation Declaration (EMP201s and/or EMP501) submitted for the year of assessment.
 - All statutory remittances shall adhere to the Laws of the Country that GL operates in.

Sale of publications - cash receipts

- 2.70 All cash receipts are controlled by invoices and/or pre-numbered receipts forms.
- 2.71 The GLRH shall verify all cash against receipt forms. The DRH shall ensure that cash receipts are banked within 48 hours upon receipt.

Grant Income Receiving foreign funds

- 2.72 Donor agreements, including the Joint Funding Arrangement, are the framework for the management of all donations.
- 2.73 GL maintains three foreign bank accounts for the three major currencies being the USD, EURO and GBP.

- 2.74 A funder whose local currency is one of those mentioned above will be furnished with the bank details of that specific foreign currency bank account.
- 2.75 Once funds are disbursed by the donor, the receiving bank will notify GL of the incoming funds where GL will submit the necessary forms to clear the funds.

Recording of funds received from donors.

- 2.76 Once the funds are received in the GL current account, an invoice will be issued using the income rate, i.e. exchange rate on the date of conversion at which the funds were received.
- 2.77 The same rate (mentioned above) is then used to process the funds received in the foreign currency cashbook with the receipt/deposit allocated to the customer account.
- 2.78 The transfer of funds from the foreign bank account to the current account will be processed using an inter account transfer.
- 2.79 The income will be recorded in Pastel evolution using the actual amount received in the bank verified through the bank statement.
- 2.80 Donor grants shall be recognized when the funds have been received / transferred to the organisation. If a timing difference occurs over year-end, donor grants will be recognized in the period that they were transferred by the donor.
- 2.81 GL subscribes to and complies with the requirements of the International Aid Transparency Initiative (IATI). GL commits to publishing its data in line with the IATI standards to enable access to the development community.

Accounting for Grant Income

- 2.82 Grant Revenue is accounted for by posting the following entries in the accounting records:
Receipt of Cash (whether through the bank or directly as hard cash)
- Debit: Cash / Bank Account; Credit: Grant Income Account [SCI]
- 2.83 The debit entry is to show the receipt of cash into GL's cashbox or bank account. This entry is only processed when the cash has been released from the funder and received at GL's bank.
- 2.84 The credit entry recognises that GL has received income from either a Funding Partner or other source.

Coding of Income in the computerised accounting system

- 2.85 Income from different donors / funders shall be allocated to separate accounts.
- 2.86 A separate bank account shall be opened only on specific donor instructions where such a requirement is part of the funding agreement.
- 2.87 Accounting entries shall be as follows:
- Debit: Bank Account; Credit: Specific Donor Grant Income Account [SCI]

Receipt of Assets (Donations in Kind)

- 2.88 Donations in kind may include inventory / supplies, motor vehicles or other tangible assets. In instances where such donations need to be dispatched to their final recipients a secondary entry would be required where the Asset Account is credited to then remove the asset balance from

GL's books of account.

- 2.89 The credit entry is made in the appropriate Income Account (that is Donor Funds or Other Income) to ensure the fair value of the asset reflects as a donation by the organisation who donated it in the first place.
- 2.90 Debit: Asset Account; Credit: Grant Income Account [SCI]. The debit entry records the receipt of the asset into GL's books.

Other Income

- 2.91 Interest or other income shall be accrued and recognised in the Statement of Comprehensive Income, using the effective interest rate method.

3. FOREIGN EXCHANGE POLICY

Foreign exchange rates

- 3.1 The purpose of this policy section is to guide the organisation on the adoption of the most appropriate recording of transactions to eliminate exchange rate differences and in line with donor reporting requirements.
- 3.2 Donor Funds are transferred through Telegraphic Transfers to GL operated accounts denominated either in South African Rands (ZAR), European Union (EURO), Great British Pound (GBP), United States Dollar (USD) and Country local currencies where donors transfers funds direct to the country offices.
- 3.3 Funds are then converted through bank exchange rate deals into the relevant operating currency from which transactions are carried out. Some transactions are conducted in other currencies from the respective accounts where appropriate.
- 3.4 GL will use the exchange rate the bank applied when donor grant funds are received into the GL ZAR account and when transferred to countries the conversion rate converted to local currencies. This is referred to as the 'lump sum transfer' rate.
- 3.5 This rate is easily calculated and clearly evidenced by a copy of the GL bank statements.
- 3.6 If GL receives multiple grant payments and has more than one 'lump sum transfer' rate, and might have funds leftover at the end of one reporting period which needs to be spent in the next period GL will continue using the first rate until all the funds received at that rate are spent, then use the bank's applied exchange rate for the second transfer for the rest of the funds.
- 3.7 All expenditure shall be reported using the rate at which the donor funds were received.
- 3.8 Foreign exchange gains and losses shall be accounted for as per the agreed terms and conditions of funders. GL will inform donors of and exchange gains or losses and engage with them about changes in the activity plan to accommodate budget realignments in the local currency.
- 3.9 GL will convert grant funds as few times as possible, holding funds in foreign currency accounts and converting them into local currency as required.
- 3.10 As at year end, for consolidation purposes and revaluation of foreign bank balances, OANDA closing exchange rate shall be applied.

4. FINANCIAL PLANNING, BUDGETING AND REPORTING

Internal Control Procedures

Bank Accounts

- 4.1 Separate bank accounts shall be opened for projects that require a separate bank account in terms of a donor grant agreement.
- 4.2 The local currency account is a current account from which most local payments are made either by cheque or bank transfers and into which all local currency deposits will be made.
- 4.3 All funds going into or leaving the local accounts are specifically coded according to the GL Chart of accounts.
- 4.4 Bank accounts must be held in GL's name and each account should have at least two signatories registered. All transactions with the bank require the authority of two of these signatories.
- 4.5 At the GL Regional Hub, the designated signatories are the DRH and the SpA. The DRH and SpA are designated as primary signatories, at least one of them must sign all instructions to the bank. Bank correspondents shall have the Finance signature before the DRH and SpA release the payments.
- 4.6 At country level, the signatories shall be appointed by the Board and will in most instances be a Board member and Country Director except where there is no board member, or the board member is not easily accessible.
- 4.7 Electronic Funds Transfer (EFT) authorisation shall follow the signing arrangements as referred to above. Payments shall be loaded into the banking system by the finance officers, reviewed and checked by the Finance Manager at GL regional hub and then approved & released by the relevant managers and signatories. At the country level, the Country Director shall be responsible for the release of the payments.

Issuing of Receipts

- 4.8 GL is usually informed about disbursements by way of a Disbursement Letter or email. As soon as safe arrival of the funds has been confirmed by the bank GL shall send a signed acknowledgment of receipt to the donor.
- 4.9 For any cash received by GL for any purpose, a receipt shall be issued immediately. This affords protection to the person receiving the money and assures the person handing it over that it will be properly accounted for. All receipts shall be written in pen, not pencil.
- 4.10 A receipt must always be obtained for any money paid out. In circumstances where this is not possible the cost of each transaction shall be noted/recorded and then transferred to a 'short cash receipt' slip and authorised by a line manager.

Cash Control and Safekeeping

- 4.11 All GL offices shall have a safe to keep cash legal documents.
- 4.12 Cash received shall be kept separate from ordinary petty cash.
- 4.13 All the cash that is received shall be banked and used for the intended purpose. No cash

received from external sources shall be used before it is banked. Cash shall be banked within 48 hours of receipt.

- 4.14 Cash shall be verified and reconciled against the receipts before banking is done. These reconciliations must be reviewed by finance manager.
- 4.15 Every cash deposit into either the local currency bank account or foreign currency bank accounts must yield a deposit slip or other supporting documentation from the bank which will be filed.
- 4.16 Deposits in the local account may include repayment of travel advance funds owing to GL, or a reimbursement from Partners of workshop advances. Such deposits shall be coded to, and processed against, the same account category from which the funds were originally advanced.
- 4.17 All transfers made to Country Offices from GL Regional Hub shall be treated as income and reported as such in their financial statements, in addition to any other income received locally.

Bank Reconciliations

- 4.18 Bank reconciliations of all accounts shall be done monthly. Evidence of preparation and review by the appropriate officials must be shown on the bank reconciliation report by signing and dating.
- 4.19 At GL Regional Hub the Finance Officer and Grants Officer shall prepare the bank reconciliation statements which will be reviewed by the FM. At country level the bank reconciliations shall be done by the finance officers and reviewed by the Country Director.
- 4.20 Any anomalies shall be investigated and settled within a week. Where necessary, a letter of enquiry shall be written to the bank on any unusual transactions.
- 4.21 The bank reconciliation shall be done on the computerised accounting system (the current system in use is Pastel Evolution). In the event of the system being inaccessible or temporarily not usable, the reconciliations shall be done manually following the prescribed format.

Recording and input into the Accounting System

- 4.22 Financial data must be recorded in accordance with GL's chart of accounts.
- 4.23 The coding structure of the chart of accounts provides for the uniform categorisation of transactions flowing through the financial management system. This is essential for budgetary control and accurate financial reporting.
- 4.24 Monetary values shall be recorded accurately and in a timely manner. The accounts team shall ensure that receipts of funds are recorded as soon as they occur.
- 4.25 All financial transactions shall be captured into the system within 48 hours. Any deviations shall be explained, authorised, and recorded by the Country Director at country level and at the GL Headquarters by the HoFA.
- 4.26 The source document for making input of expenditure transactions into the system shall be the approved payment requisition. The payment requisition prior to approval shall show as a minimum the following:
 - Payee
 - Amount

- Purpose
- Budget Code
- Date
- EFT reference or Credit cards payments
- Purchase Order Number
- Requested by (Unit)
- prepared by (Unit)
- Checked by (Finance)
- Finance Approval (CFOor FM)
- Authorised by (Unit Head)
- Approved by two authorised signatories.

Journal Entries

- 4.27 All journal entries shall be approved by the CFOor FM at the Regional Hub and the CD at Country Offices before they are captured into the system. Each journal batch shall be printed out, including any system-generated reference number, and filed with any supporting paperwork, in date sequence.
- 4.28 User permissions on the Pastel accounting system have been changed such that all cashbooks, payables, receivables and general ledger journal batches may only be processed by either the FM, Finance and Compliance Manager or CFOat the regional hub.
- 4.29 At country level the process is done by the Senior Finance Officer.

Access to the Computerized Accounting System

- 4.30 There shall be a segregation of duties with regards to different roles in the computerized accounting system. Segregation of duties in GL shall ensure the integrity of the financial management system by increasing system controls.
- 4.31 The system administrator shall be the FM who will be responsible for allocating access levels and user rights in consultation with the HoFA. Every user in the computerized accounting system shall have a unique access code and defined access level. Internal Auditor shall periodically review and verify compliance of access and usage of the system through use of audit trails of logins and changes.
- 4.32 Access limitations shall be guided by the nature of transactions as follows:
- Income Capturing and Posting
 - Expenditure Capturing and Posting
 - Budget
 - Reports
 - Journals
- 4.33 As soon as any user leaves the employ of GL they must be deleted from the system.
- 4.34 The audit trail shall be reviewed regularly by the CFOto ensure there has been no attempt to violate the access controls.

Budgeting

General principles

- 4.35 GL will ensure that the budget supports the objectives of its Strategic Plan.
- 4.36 Expenses may only be incurred in terms of the approved annual budget or amended budget where applicable.
- 4.37 GL will not budget for a deficit.

Budget process

- 4.38 The FM will prepare a budget timetable for each financial year.
- 4.39 Personnel involved must:
- Coordinate and assemble accurate financial data for use in preparing annual budget submissions.
 - Ensure that their budget data accurately reflects programme objectives and goals.
 - Ensure that their budget submissions are in accordance with guidelines issued by the Finance Department, and
 - Ensure that they meet the deadlines as set out in the budget timetable.

Budget approval

- 4.40 The annual budget must be approved before the start of the budget year to which it relates.

Activity	Personnel involved	Responsible	By when	Output
Annual programme consultative Meetings	Regional Hub and country offices	DRH; SpA;Ⓞ	Last quarter of the year before	Annual plan
Country/Units Planning and Budgeting	Country office staff and Units	DRH; SpA;CFO CD	Last quarter of the year before	Annual budget linked to the Annual plan
Consolidating plans and budgets	Country Offices and Regional	DRH; SpA; HoFA	April of the relevant year	Consolidated Annual plan and budget
Approved consolidated Annual Plans and Budget	Board	ED; SpA, HoFA	Mid-March of everyyear	Approved Annual plan and budget

Budget lines and coding

- 4.41 Budget lines and coding shall be centrally established at HQ for each donor and for each project so that at any time reports can be generated for individual donors using the Pastel Evolution Business Intelligence Centre (BIC) function.
- 4.42 Budget codes shall be shared with all staff to facilitate correct coding which in turn facilitates correct budgeting.
- 4.43 FM or the CFOand/or his/her designer to clarify the codes.
- 4.44 For management purposes, any funds designated for capital costs, human resource costs or for

office operations are assigned to the capital, staff salary/consultant fees and to the operational budget lines respectively.

Budget monitoring and control

- 4.45 A budget monitoring process must be in place to ensure adequate control of expenditure plans.
- 4.46 Country Directors and Programme Managers are responsible for the management and control of their budgets in conjunction with the CFO and will present reports in this regard whenever requested to do so.
- 4.47 Country Directors and Programme Managers must take reasonable steps to ensure that:
- Funds are spent in accordance with the approved budget and for authorised purposes.
 - Significant budget variances are analysed.
 - Corrective measures are taken to resolve significant budget variances.
- 4.48 The FM must ensure that:
- Revenues and expenses are properly monitored.
 - The finance department reports on the current budgetary position.
- 4.49 The CFO must report in writing to Audit Committee:
- Any impending shortfalls in the budgeted revenue,
 - Any significant overspending or underspending of more than 10% of budgeted amount per budget category or as per fund source rules and regulations, and
 - The steps taken to prevent or rectify these problems.

4.50 **Partner Financial Reporting**

Report	Submitting Agent and Deadline	Receiving Agent
Partner Monthly Financial Reports	Downstream Partner by the deadlines stipulated in contracts	Relevant country or programme manager; FM, Finance and Compliance Manager and HoFA
Summary Analysis of Partner Monthly Financial Reports	FM/Finance and Compliance Manager and CFO at monthly meetings	SMT
Partner Annual Financial Reports if required	Within six months of the end of the Partner's financial year.	FM, Finance and Compliance Manager and HoFA

4.51 **GL Financial Reporting**

Report	Submitting Agent and Deadline	Receiving Agent
Country Financial Reports	Country offices Monthly	FM, Finance and Compliance Manager and HoFA
GL Consolidated Financial Reports	FM, CFO Monthly	SMT

Country Financial Reports	FM and HoFA Quarterly	SMT; Audit Committee
GL Consolidated Financial Reports	FM and HoFA Quarterly	SMT; Audit and Risk Committee
Country Annual Financial Reports	FM and HoFA Annually	SMT
GL Consolidated Annual Financial Reports	FM and CFO Annually	SMT

- 4.52 Management meetings should be conducted monthly. Financial and operational matters should be discussed at these meetings. Minutes should be taken of issues and required action and the minutes should be approved at the next meeting.
- 4.53 Monthly financial reports shall include:
- Management Report in the donor reporting format.
 - This shall be supported by Pastel reports that include:
 - Summarized Statement of Comprehensive Income
 - Statement of Financial Position
 - Bank Statements
 - Bank Reconciliation
- 4.54 The Directors must, from time to time in accordance with the Companies Act 71 of 2008, cause to be prepared and laid before the non-profit company AGM annual financial statements.
- 4.55 GL Annual Financial Reports shall include narrative variance analysis reports.
- 4.56 A copy of the annual financial statements that is to be laid before the non-profit company in the AGM, must be sent to the Board of Directors twenty-one (21) days before the date of the meeting.
- 4.57 Auditors shall be appointed, and their duties regulated. Auditors or partners must be rotated every five years. The same Audit partner should not audit the GL accounts for more than five years.

Relevant forms	Utilisation
E01: Activity budget cash advance Reconciliation	To be used by staff when attending workshops and to be reconciled within 48 hours after return.
E02: Staff expense reimbursement form.	To be used by staff to claim amounts they have expended during the implementation of work.

5. DISBURSEMENTS TO COUNTRY OFFICES

Basis of calculation of country transfers

- 5.1 Disbursements to country offices are informed by the budget, the frequency depends on the Donor disbursements received e.g. where donors disburse funds to HQ annually the same treatment will be cascaded to the country offices.
- 5.2 A Country transfer schedule is prepared where available funds are determined by comparing the budget amount to funds already disbursed.
- 5.3 The schedule is then reviewed by the DRH or SpA and once approved, payment is made to country offices.

Accounting for disbursements

- 5.4 GL HQ shall raise a purchase order against an invoice for the country office transfer AP account and the Inter account general ledger account shall be debited. The payment will then be allocated to the AP account.
- 5.5 The regional office shall debit the bank account and credit the Inter account general ledger account.
- 5.6 The country office will use the exchange rate at which the funds were transferred as communicated by HQ.
- 5.7 All transactions recorded in the foreign currency shall be converted into the reporting currency which is the South African Rand at the exchange rate obtained from the receipt of the earliest income from Head Office or from the donor in the case of the local donors and in the case of Regional Office, the funds received from the regional donors until such amount converted is exhausted. The applied method will be that of First in First Out (FIFO). Once exhausted, the rate used will be of the new transfer.
- 5.8 All officers shall set the exchange rate in the system to the rate of the transfer when funds are received, or the funds received when the previously transferred funds have been exhausted.

6. PAYROLL

Payroll and HR systems

- 6.1 This section must be cross-referenced with GL's HR Policies and Procedures.
- 6.2 GL payroll is administered on VIP payroll system. Timesheets and leave days are administered on Gender Links Systems.
- 6.3 The Finance Officer is responsible for loading new employees in payroll upon receipt of a signed contract of employment.
- 6.4 The finance officer will change the employee's status to terminated on the last day of employment as reflected on the letter of resignation.
- 6.5 Salary rates shall be updated annually.
- 6.6 Staff salaries paid in country utilising funds transferred from GL HQ will apply to the foreign exchange policy outlined in Section two.
- 6.7 Salaries are paid by the end of the month upon verification of time sheets and allocation of costs to the relevant donors consistent with the agreed LOE.

Leave administration and accounting for leave provision.

- 6.8 Leave days' liability is accrued on the payroll system monthly. A provision for leave days remaining is raised at the end of the year for financial statement purposes. GL staff may not accrue any more than five days' leave at the end of the year.
- 6.9 The leave provision is not reported to funders unless an employee is paid their leave days upon termination of the employment contract.
- 6.10 The leave provision double entry is Debit: Leave Days (SCI) and Credit: Provision for Leave Days (SFP).
- 6.11 The opposite entry needs to be captured when accounting for a reduction of the Leave liability.
- 6.12 Leave record keeping should be reflected on salary slip and this should correspond with leave balances as per the Sage System.

Updating the Accounting System with the Payroll data

- 6.13 The CFO shall update HR budgets with the total Cost to the Company (CTC) as per the payroll system and apportion the monthly CTC between the different funders based on the LOE.
- 6.14 The payroll schedules, HR budget and timesheet reports are presented to the signatories as part of the request for payment of salaries.
- 6.15 A reconciliation of statutory deductions is prepared by the FM and authorised by the CFO prior to payment made to SARS.
- 6.16 The debit side of this journal will be posted to various salary expense accounts (based on chart 18) whilst the credit side consists of accruals of the amounts due to staff (net salaries) and third parties for tax and skills development levy (SDL). These liabilities are cleared when the corresponding cash book payments for net salaries and other remittances are posted in the accounting system.

7. REVENUE MANAGEMENT AND BANK ACCOUNTS

Revenue

- 7.1 All income is recognised and allocated to revenue on receipt within the bank account. No provisions and no accounts receivable are raised for future revenue except in the close-out process where donors provide for in the agreement. Income is allocated per donor per project within the accounting system.

Donor income

- 7.2 All programme funds received shall be accompanied by signed donor/grant agreements showing the nature of donation and reporting requirements and/or invoice/receipt from GL stating the nature of service agreed and provided. Exchange rates are calculated against the actual income received.
- 7.3 The difference between income received and expenses incurred for a specific donor shall be recognised as Deferred Income at the end of the financial year by reducing income received in the general ledger account. This is disclosed as Donations in Advance in the Annual Financial Statements (AFS).
- 7.4 GL is authorised to utilise its funds to pay for projects in advance where there's a written agreement with the donor that such funds will be reimbursed by the donor at a later stage. When GL spends its own funds, the donor is raised as a receivable until such time the contract close-out process is finalised and funds remitted by the donor.

Bank accounts.

- 7.5 All organisational funds whether locally generated or donated shall be kept in reputable banks.
- 7.6 Bank accounts shall be maintained by each office in local and foreign currency. GL shall have Bank accounts denominated either in South African Rands (ZAR), European Union (EURO), Great Britain Pound (GBP), United States Dollar (USD) and Country local currencies for country offices.

GL signatories

Panel of signatories

- 7.7 Gender Links panel of signatories shall comprise of senior managers at each Gender Links office, which include Senior Managers at Head Office, Country Board members and Country Directors.
- 7.8 All payments at each Gender Links Office are authorised by at least two (2) people.
- 7.9 In the Country Office, the panel of signatories shall be made up of the Country Director and the second signatory shall be another senior Manager.
- 7.10 Head Office Senior managers may also be appointed in the Country panel of signatories to be signing in the event of one signatory being unavailable to sign. This decision shall be exercised by the senior management team and ratified by the country board where such a board exists.

Roles and responsibilities of signatories:

- 7.11 GL signatories shall be aware of their fiduciary duty of due care, skill, and diligence as they exercise their role as signatories to Gender Links bank accounts and legal documents.
- 7.12 The signatories shall act to safeguard GL resources and ensuring that the policies and procedures are applied and being followed by scrutinising the payments supporting documents and satisfying themselves before signing.
- 7.13 Signatories shall ensure that GL procurement processes achieve value for money and that officers pursue the lowest cost, and where the lowest cost is not pursued, that the procurement process is clearly defining the relevant benefits as per the GL procurement procedures.
- 7.14 Release of payments by the signatories is done within approved authority limits.
- 7.15 In the event of a signatory resigning, being temporarily unavailable or temporarily incapacitated for a significant period, their signature shall be removed immediately from the bank's list of authorised signatories. A letter to the bank, signed by relevant officers shall be written to the bank instructing the bank to remove the signatory and replacing it with another one.
- 7.16 Bank signatories have a responsibility to check the payment requested for correctness, accuracy and validity prior to committing their signatures to the cheque or releasing payments. This includes but is not limited to:
 - a. Correct procurement process followed.
 - b. Correct budget line/cost code quoted.
 - c. Correct amounts as per invoices
 - d. Authorisation of activity by project manager or budget holder
 - e. Proper supporting documents
 - f. Local payments must be made in local currency from a local currency account.
 - g. Cash payments shall follow the normal payment request procedure.
- 7.17 Business Online/Internet Banking System Procedures:
 - a. The FO/GO loads creditors/beneficiaries in Internet Banking System
 - b. The /FM verifies and release creditors/beneficiaries.
 - c. The FO/RFO loads payments.
 - d. The FM verifies payments.
 - e. The DRH/SpA/ release payments
- 7.18 A separate cash book shall be maintained and updated on an on-going basis for each bank account.
- 7.19 All payments shall be entered in the cash book at date chronological order by the responsible Finance Assistant on an on-going basis with a correct cost/budget code.
- 7.20 The Finance Officers shall reconcile the cash book to the bank account at the end of each month. The CFO at regional hub and CD at country offices shall check the cash book and supporting documentation and sign off the bank reconciliation each month before submission.

Petty cash

Purpose and Use of Petty Cash

- 7.21 Petty cash may only be used for business Expenditure.
- 7.22 No loans to staff may be made from the petty cash.
- 7.23 Any ineligible expenses paid from the petty cash will be debited to the responsible staff member's staff loan account, for which they will be held personally responsible and liable.
- 7.24 No Transaction will be recognised without the provision of adequate supporting documentation.
- 7.25 Petty cash is generally intended for small, day-to-day purchases and office prerequisites (tea, coffee, milk etc.) where other potential means of payment would be inefficient, expensive or over-complicated.
- 7.26 Petty cash can sometimes also be used to reimburse individuals for out-of-pocket expenditures or to pay per diems or allowances to individuals attending workshops and conferences.
- 7.27 Careful thought should always be given to the circumstances in which petty cash is used and if there is not a more appropriate means of procurement/payment in any given situation (particularly given the high-security risks of carrying and/or keeping cash).

Petty cash float authorisation

- 7.28 The CFO shall authorize the use, conditions and maximum amount of all petty cash floats held in any GL offices.
- 7.29 Petty cash floats shall be managed on an imprest system. Under the imprest system, always, the value of vouchers for valid expenditure plus the remaining cash on hand must be equal to the value of the original float. Reimbursement shall ONLY have made in respect of expenditure actually incurred and supported by valid third-party evidence (slips/receipts etc.)

Petty Cash Controller Appointment

- 7.30 The petty cash float should be always secured in a locked box and placed in the office safe overnight. Each GL Office shall appoint a controller, who is a member of staff, to monitor its use and replenishment. Appointment and approval should be made by the CD at country level and the CFO at regional level.
- 7.31 The CFO must be notified if there is a change in the petty cash controller for any of the country offices.
- 7.32 At country office level, the controller is the Senior Finance Officer and Programme Officer.

Responsibilities

- 7.33 It is the responsibility of the controller to ensure that petty cash is used only in the manner described in the documentation that initially established the fund.
- 7.34 The controller is responsible to perform a reconciliation of the float at least weekly which he/she will provide to the CFO or CD. The controller also handles fund replenishment (see the section on Reimbursement Process).

- 7.35 Periodic petty cash reviews shall be conducted by the HoFA/CD at random and without warning to the petty cash controller. The findings of such reviews shall be documented.
- 7.36 Petty cash shall be always locked in a metal box which should be kept in the safe overnight. Only the controller shall have the key and access to the metal box.

Documentation

- 7.37 Petty cash shall be documented as follows:
- A petty cash voucher should be filled in for every petty cash transaction. Where a member of staff requests a cash advance to pay for future expenses, this needs to be signed for as an advance.
 - Failure by the staff member to return slips and any change will result in the amount advanced being deducted from the staff member's salary.
 - The controller shall keep a detailed log of all transactions, identifying all pertinent information (payee, purpose, transaction detail and date of expenditure).
 - Original receipts shall be attached by the controller, referencing each receipt to the corresponding transaction on the detailed log.
 - Internal audit will regularly conduct checks of petty cash reconciliations and other controls over petty cash.

Templates for recording petty cash expenditure.

- 7.38 Petty cash vouchers shall be completed before issuing cash and these vouchers shall be attached to the respective receipts/invoices.

Reimbursement Process

- 7.39 When the petty cash is reduced to approximately 20% of the maximum amount, the petty cash controller shall perform a reconciliation, attach the original slips and vouchers and send this, together with a request for replenishment, to the FM for approval.
- 7.40 Where possible the petty cash should also be replenished just prior to the closing of the current month's books, in preparation for the monthly expenditure report. This will ensure the expenses are captured in the current month's expenditure report.
- 7.41 At year end a full reconciliation needs to be completed on the last day and all remaining monies deposited in the bank. A new float is then issued on the first day of the new financial year. The process of obtaining cash from the bank usually requires that an uncrossed cheque payable to the person collecting the money be presented to the bank. This is acceptable, the signing of blank cheques, with details to be filled in later, is not acceptable under any circumstances.

Adjustment of the Petty Cash Limit Amount

- 7.42 Approval needs to be obtained from both the CD and the CFO for any temporary or permanent increase in the level of the petty cash float. With reasons stated for such increase. Any increase exceeding 10% of the set amount shall require a Senior management collective decision.

Accounting Entries for Petty Cash

- 7.43 Accounting entries on petty cash establishment/replenishment; Debit: Local petty cash control account and Credit Bank Account

- 7.44 The debit indicates the creation of an asset; being cash on hand and indebtedness to GL, pending reconciliation of expenditure at the time of replenishment. The credit indicates the deduction of cash from GL bank account.
- 7.45 Accounting entries for petty cash expenditure:
Debit: Expense Account (e.g. Office suppliers: office keys)
Credit: Local petty cash control account
- 7.46 The debit shows the line items on which petty cash has been spent and the credit clears the float.
- 7.47 The balance at each month end, after all journal entries on the respective petty cash control account have been posted, should always equal the amount of the float.

Drawing and disbursing cash for workshops and for the purposes of paying per diems and other allowances to staff and/or workshop participants.

- 7.48 There are occasions when GL organizes workshops or other events where large amounts of cash are required to pay per diems or other agreed allowances to participants.
- 7.49 Depending in the length of the workshop and the number of participants the sums involved can be substantial and this poses both a financial risk, in terms of monies being mislaid or miss-appropriated, and a safety risk both to staff assigned to collect and disburse the money and to the recipients themselves.
- 7.50 The following risk mitigation measures need to be considered and adopted by GL management (as practicable) in such circumstances:
- Is it possible to pay participants by means other than direct cash payment? (for example, by use of bank debit cards, cell phone banking or direct transfer to individual's bank accounts).
 - Can the amount of cash being handled at any one time be reduced? (for example, by paying participants in batches and/or at different times?)
- 7.51 In all situations where the amount of physical cash exceeds ZAR15 000:
- At least two GL staff must go together to the bank to draw the cash.
 - The amount of cash to be withdrawn shall be based on separate per diem calculations for each participant, which must be pre-checked and pre-approved by management.
 - Every participant shall be provided with his/her approved per diem calculation and shall immediately sign and return this as an acknowledgement of receipt on receiving the cash.
- 7.52 All signed per diem calculations, slips and any other evidence relating to expenditure incurred at a workshop shall be tallied, reconciled back to the original amount withdrawn from the bank and any surplus funds/change deposited back to the bank within three working days of the workshop end.
- 7.53 The signed reconciliations shall be reviewed by the Country Director or FM and retained in the finance office for subsequent inspection/audit. Any shortfall of funds, or inadequate evidence to support the expenditure of funds, shall be for the personal account of the staff members responsible for handling the cash at that workshop.
- 7.54 Failure to adhere to the above procedures will be viewed in a very serious light and may lead to disciplinary action being taken against staff members responsible.

Relevant forms	Utilisation
F01: Petty cash voucher	To be used by staff when requesting petty cash.

8. INVESTMENTS

Policy statement

- 8.1 This Investment Policy is intended to assist the Company's fiduciaries by establishing guidelines for making investment-related decisions in a prudent manner. It outlines the underlying principles of investment decisions.
- 8.2 Financial assets subject to a specific donor restriction as to the investment, management, use or expenditure of such assets shall be invested, managed, used and spent in accordance with the donor's restriction.

Principles

- 8.3 This investment policy defines and assigns the responsibilities of all involved parties.
- 8.4 Establishes a clear understanding for all involved parties of the investment goals and objectives including: the various asset classes, asset allocations, acceptable risk and total long term investment return.
- 8.5 Provides guidance and limitations to senior managers so that all assets are managed in accordance with the long-term objectives.
- 8.6 Establishes a basis for evaluating investment results.
- 8.7 Ensures compliance with all fiduciary, prudence and due diligence requirements that experienced professionals would utilise and with all applicable laws.
- 8.8 Outlines procedures and criteria to monitor, evaluate and compare the performance results achieved on a regular basis and report the performance to the Board of Directors.
- 8.9 Investments will be done through a reputable investment advisor who is adequately experienced and qualified in the investment space, the roles of this person will be to provide investment advice to the organisation and to guide and facilitate GL in the process of investing excess funds.

Responsibilities

- 8.10 The responsibility for the investment and assets lies with the Board of Directors.
- 8.11 The Board of Directors may delegate this responsibility to the SpA/DRH.

Asset allocation

- 8.12 To accomplish the company's investment objectives, based on its time horizon, risk tolerances, performance expectations, and asset class preferences, an optimal portfolio must be identified by the delegated authority.

- 8.13 Prohibited investments include, but are not limited to commodities trading, forex trading, private placements, non-registered securities, options, and equity instruments.
- 8.14 Fixed Income Securities: the quality rating of bonds and notes must be of a good quality. The portfolio may consist of only traditional principal and interest obligations with maturities of five years or less.
- 8.15 Cash and Equivalents: The assets of any money market mutual funds must comply with this standard and/or the quality provisions for fixed-income securities.
- 8.16 Rebalancing of Strategic Allocation should be adopted as a risk-management strategy. Once an asset allocation is implemented that matches the risk tolerance, rebalancing approximately semi-annually should allow the maintenance of risk exposure at an appropriate level. The CFO must consult with the Board before rebalancing.

Gender Links Future Fund (GLFF)

- 8.17 This fund comprises surpluses generated by the Organisation through consulting work; interest earned; office and conference facilities rented out and publications sold, as well as VAT returns.
- 8.18 The Fund shall be managed by a reputable financial advisor approved by the Board and the funds must be invested with a reputable financial institution. A report on the performance of this fund must be presented at the AGM (refer to guidelines for the GLFF)

Specific guidance for country offices and affiliates

- 8.19 This policy applies to all country offices and affiliates of Gender Links
- 8.20 Where the policy refers to the South African legislation, countries can substitute with local tax legislation requirements.

Compliance

- 8.21 All investments shall be made in compliance with applicable laws in relevant jurisdictions and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

Donations Procedure

- 8.22 The donations will be managed through an online platform through the Gender Links website. Once an online form is completed by staff or service provider, an email is triggered to the Director Regional Hub. Upon receipt of the email, the DRH will send an acknowledgment and thank you note to the donor of the pledge. The DRH will then update the website information and the Finance Department with such pledge. The Finance department will include in the payment system the notes for the deduction on the supplier account. In the case of payroll linked payments the deduction will be loaded as a recurring deduction.
- 8.23 All deductions will be treated as below in the Gender Links books of accounts:
- This is an example of a consultant who has committed a 5% donation for all amounts billed to Gender links so that this is paid into Gender Links Future Fund.
 - In Gender Links books this will be entered as below:

Total Invoice Amount Billed to the ledger account: R10 000
Amount paid to Supplier through bank: : R9 500
Amount paid to GL Future Fund Reserve Account : R500

- 8.24 The same will apply for payroll deductions.
- 8.25 Once the deductions have been affected, the DRH will be informed and will then update the actual donations data in the website. The actual donations and the pledges information will be presented parallel in the website graphic presentation.
- 8.26 All donations shall be transferred into the dedicated Gender Links Future Fund bank account. The account is a separate account from Gender Links NPC daily transactional and market link account.

Prohibitions on the use of the Future Fund

- 8.27 The GL Future Fund may not be used to fund
- Exchange-rate losses that have been resolved through GLB 21.05.21.16: Change of Accounting Policy on Exchange rates.
 - Errors in donor reporting.
 - Failure to apply GL Policies and Procedures.

9. PROCUREMENT

9.1 GL is committed to sound procurement policies. The principles and practices set out in this policy apply to all GL staff tasked with the procurement of goods, services and assets on behalf of the organisation.

9.2 Core principles of procurement

- a. **Value for money:** ensures the optimal use of resources to achieve the intended outcomes. VFM is defined as the relationship between economy, efficiency and effectiveness, sometimes known as the "value chain". It takes into account the economic, efficient and effective ways of implementing programme delivery to ensure maximum value is derived from every amount spent.
- b. **Open and effective competition:**
 - Goods and services are normally procured through a competitive process, unless pre-approved otherwise by the responsible executive.
 - GL will ensure that adequate and timely information is provided to all registered suppliers to enable them to bid / quote.
 - Content of information on the specifications/ task directive should be uniform to all the potential suppliers.
 - A fair and open process of evaluating bids or quotations should be communicated in the bid specification / task directive or request for quote (RFQ) documents when they are issued.
 - The lowest qualifying price/quote/bid will normally be awarded the contract. Should the recommendation be to award to other than the lowest bid (best value for money), GL will record in the purchase documentation full justification for this action.
- c. **Ethics and fair dealing**
 - Acquisition shall be conducted in accordance with high ethical and moral standards, fair dealing, impartiality, and personal integrity.
 - No illegal or unethical act shall be condoned.
 - All information shall be confidential.
 - Staff involved in the acquisition process shall always disclose any possible conflict of interest and / or fraud.
- d. **Accountability and reporting**

Staff are required to report irregular transactions/expenditure that may be incurred because of non-compliance to organisational policies when transactions are concluded, for example:

 - Acquisitions of goods or services before an official order is generated.
 - Goods or services are procured by means of price quotations where the value of the purchase exceeds the threshold values determined by budgets.
 - Goods or services are procured without following the competitive route and reasons for deviation are not recorded and approved by authority.
 - Procurement of goods and services is authorized by an individual who is not delegated to approve the expense.

Procurement Committee

- 9.3 The Procurement Committee (PC) shall comprise at least three members in each branch: the most senior member of that team (e.g. DRH; Country Director or SPA); the most senior finance officer (e.g. HOFA; senior finance officer) and the relevant programme manager/ senior officer.
- 9.4 The PC shall be chaired by the most senior representative on the committee.
- 9.5 The PC may draw on the expertise of independent experts to assess bids from country offices and or bids involving expertise on which they have specialist knowledge.

Purchasing and Procurement Thresholds

Categories	Thresholds		
	<i>Level 1- sole sourcing</i>	<i>Level 2- three quotes</i>	<i>Level 3- open tender</i>
Conferencing (Venue; accommodation; catering; equipment)	R0 – R50 000 (Price comparison)	R50 001 – R500 000 (3 quotes reviewed by the PRC)	R500 001 and above (Open tender)
Goods	R0 – R50 000 (Price comparison)	R50 001 – R500 000 (3 quotes reviewed by the PRC)	R500 001 and above (Open tender)
Consultancy Services	R0 – R200 000 – single quote	R200 001 – R500 000 (Three quotes reviewed by the PC)	R500 001 and above (Open tender)
Air Travel	Price comparison		
Road travel	AA or comparable standard rates		

- 9.6 No competition (sole sourcing) – This is contracting without competition. The Project Manager will source and negotiate an agreement with one supplier, and it is not necessary to obtain three quotes. Sole sourcing is allowed in the following circumstances:
- Procurement value is R200,000 for services; R50,000 or less for venues and goods. Requirements should be aggregated into larger purchases rather than frequent sourcing of quotations. Multiple purchases within a procuring team of similar goods and services will be grouped when applying the threshold.
 - When there is a valid and ongoing Framework Agreement between GL and the supplier.
 - For goods that have no equivalent items available in the market and item cannot be replaced due to compatibility issues with the current set-up of the project. It should be determined that the supplier is the exclusive manufacturer or distributor or if a change of supplier will affect the warranty or after-sales services of existing equipment. The procuring Team should secure from the supplier the certificate of manufacturer or certificate of exclusive distributorship from the principal company that manufactured the product.
 - For services where the supplier is a recognised expert or has specific skills or contextual knowledge that is required for the project that is not easily obtainable elsewhere.
 - For reason of urgency brought by events unforeseeable. The urgency of the requirement should be clearly defined, and the actions taken by the procuring Team. The circumstances invoked to justify the urgency should not be attributable to poor planning and or processing delays on the part of the Staff Members.
 - There is a compelling reason to protect the confidentiality of the project.

- If it is donor or boundary partner requirement or recommendation to appoint a named service provider.
- If the procurement is directly related to a previous assignment.

9.7 Restricted Competition- The threshold for restricted competition is between R200 001 and R500 000 for services; R50 001 and R 500 000 for venues and goods. This is a competitive process where quotes are sought from several identified suppliers. A minimum of three quotes must be sought. The quotes are evaluated, and a supplier is chosen based on the selection criteria that were indicated in the specifications document. If there is only one supplier or service provider that submitted a proposal, the proposal then will be evaluated and if found to be compliant will be selected.

9.8 Open Competition- Procurement of goods or services with an expected value over € 50,000 must be carried out by public tender, unless an exception for sole sourcing as indicated in above, is applicable.

9.9 Although not a requirement, an open competitive process can also be carried out when the value is expected to be less than R500,000 if a Project Manager considers it advantageous to explore the market on a wider scale to source a supplier. An open competition is a tender that is publicly advertised in which qualified suppliers are asked to submit a bid or proposal to provide specific goods or services.

The tender is advertised on GL's website and in other media outlets as appropriate. The purpose of open competition is to provide all eligible potential bidders with adequate notification and to provide them equal access and fair opportunity to compete. Public tenders require careful planning and enough time to complete the process, which may be up to six months. They also require careful monitoring and oversight during the process as any weakness or failure in the procedure could call the integrity of the process into question, and leave it open to challenge.

Suppliers Database

9.10 A supplier database is a catalogue of services, products or materials providers who can fulfil orders quickly and in different countries of operation. The database allows Gender Links (GL) to search for suppliers across multiple tiers. For the database to be effective, it must be comprehensive, consistent, and constantly updated.

9.11 A supplier database enables GL to continuously assess rates charged against the market by comparing prices of like services in each country to ensure best prices and effective delivery.

9.12 A supplier data is also important in evaluating the performance of suppliers. This enables the organisation to rate the services received, provide feedback, and discontinue services if warranted.

9.13 To this end GL shall establish a database of service providers. This shall include companies and individuals in the following categories:

Strategy and planning	Writing and Content Development	Financial Services
Research	Editing Services	Sage Pastel Evolution
Training	Design and layout	Human Resources Services
Monitoring and Evaluation	Audio Visual productions	Legal services
	Photography	Information and Communication Technology support
	Website and social media	Security Services
	Translation and interpretation services	
Conferencing and shuttle facilities	Property Management and Maintenance	
GOODS		
Stationary	Printing	Personal Protective Equipment
Groceries	Hotel linen and décor	

- 9.14 With effect from 1 April 2022 any service provider paid by Gender Links shall register on the supplier data base. This information will be imported into suppliers on Sage Pastel and used for payments.
- 9.15 With effect from January 2023 a call for service providers shall go out annually to update details, prices, and continually open the data base to new entrants.
- 9.16 Any new service provider who does work for GL in between the annual call for suppliers shall register on the data base prior to their services being used or to them being paid by GL.
- 9.17 Service providers registered on the database shall be assessed by at least three evaluators comprising two from the Procurement Committee and one other. Evaluators must recuse themselves from assessing a service provider if they are related to the service provider or lack expertise to assess the service provider.
- 9.18 Price shall be determined on the following basis:
- Competitiveness relevant to the market
 - If the service provider has worked for GL before, a price increase of 5% per annum (or consistent with inflation and or staff increments, whichever is the lower) is acceptable.
 - If the service provider has worked for GL before and is asking for an increase of more than 5% special motivation shall be required (for example if the price has remained constant for more than one year or is out of sync with market trends).
- 9.19 GL may exclude a service provider from the data base if:
- Their price is not competitive.
 - Their supporting evidence is not sufficiently strong.
 - They scored less than 80% in the assessment.
 - GL finds any evidence that the service provider has failed to uphold its integrity policies.
- 9.20 All service providers on the data base shall be continuously assessed through:
- The annual call and updating of the data base
 - After any assignment undertaken for GL.
 - All feedback will be shared with the service provider.

Ad hoc assignments

- 9.21 For once off short- term assignments undertaken for the organisation below the procurement threshold, GL may draw from any supplier on the database and employ their services.
- 9.22 GL shall issue a specific contract for the assignment, against a specific budget line/s, paid on satisfactory delivery of the product.
- 9.23 For once off short-term assignments above the procurement threshold, GL shall put out a call or tender (depending on the amount). Relevant suppliers on the database shall be invited to bid.

Approved Suppliers Service Level Agreements

- 9.24 Service Level Agreements (SLA) are issued to suppliers on whom GL depends for continuous services.
- 9.25 An SLA defines the level of service GL expects from a vendor, laying out the metrics by which service is measured, as well as remedies or penalties should agree-on should service levels are not achieved.
- 9.26 An SLA is essential in ensuring both parties are on the same page in terms of standards and service. By making a service level agreement, a vendor and client have a clearly documented method of working through their mutual expectations.
- 9.27 To this end, all Service Providers holding SLAs with GL shall register on the supplier's database.
- 9.28 Holders of SLAs shall be assessed together with all suppliers on the database.
- 9.29 Where warranted, SLAs shall be renewed to December 2022, and annually thereafter.
- 9.30 GL recognises the value of institutional knowledge, years of service to the organisation, and goodwill of its service providers. GL reserves the right to change service providers if:
 - Their price is not competitive.
 - Their delivery as determined through the continuous assessment is not satisfactory and falls below the 80% mark.
 - They fail in any way to adhere to GL's integrity policies.
 - Where service providers are expected to provide routine services, these routines and the standards to be met shall be set out and agreed in the SLA.
 - Where service providers provide variable services, these services shall be spelt out in job cards stating the service to be delivered, the agreed timeframe, and price.
- 9.31 All payments shall be based on deliverables that can be objectively verified through a website or online link, or a signed delivery note in the case of goods.
- 9.32 All service providers on SLA in RSA that are companies shall provide their VAT registration number.
- 9.33 SAll service providers in RSA that are individuals who spend more than 80% of their time working for GL shall be subject to PAYE and be issued tax certificates at the end of the year.
- 9.34 GL bears no responsibility for the taxes of service providers on SLAs outside RSA.
- 9.35 Service providers on SLA shall invoice monthly on the first of the month

following the month worked using the guidelines provided.

Invitation to tender

- 9.36 Programme staff are responsible for drawing up detailed terms of reference for tender adverts as detailed in the Call For Expression of Interest Form and Tender Application Template. Criteria for different types of works is available under procurement forms on SharePoint
- 9.37 The following information must be included in the tender advert:
- Tender number
 - Description of the goods/ services applicable to the tender
 - The starting date for the tender
 - The closing date and closing time for the tender
 - The date until which the tender should be binding regarding acceptance
 - The acceptance date for the tender
 - Proposed delivery date
 - The URL for the detailed tender, ToR and evaluation criteria.
- 9.38 GL advertises all tenders through different media print and online media including a regional newspaper, GL's website, the internet and through GL's own contacts list serve.
- 9.39 Suppliers shall be given a minimum of two weeks to respond to tenders. Rules relating to tender opening procedures shall apply to maintain fair and equitable treatment amongst suppliers.
- 9.40 Tenderers are given an opportunity to make queries or inquiries that shall be made available on the GL website for interested parties as a way of sharing information.
- 9.41 All tenders shall be submitted electronically. All tenders that are submitted late or fail to meet the criteria shall be disqualified.

Selection

- 9.42 The criteria used to evaluate tenders shall be relevant to the deliverables of the requirement and should be assessed in a clear and quantifiable way. Qualification is based on the capacity and capability of suppliers to fulfil the requirement at the least possible cost.
- 9.43 The evaluation criteria shall be clearly outlined in the terms of reference.
- 9.44 All tenders must be opened and a summary of all tenders against the stipulated criteria shall be prepared for transparency using the Tender applications summary form. The DRH or SpA together with the programme manager are responsible for shortlisting at least three candidates.
- 9.45 The Finance Officer is informed and tasked with setting up presentations from the prospective candidates. The procurement officer shall act as a point of reference for the tenderers and shall attend to all questions and queries.
- 9.46 The programme manager shall prepare a score sheet on the Tender scoring sheet form which is in line with the main requirements of the tender as set out in the ToR. The scoresheet shall be shared with to bidders at the tendering stage.
- 9.47 The DRH or SpA shall approve the score sheet before the presentations start.
- 9.48 A tender committee comprising the DRH, SpA, and CFO shall be set and afforded a chance to go through all the shortlisted tenders beforehand.

- 9.49 The tender committee can, at its own discretion and depending on the nature of a tender, invite other knowledgeable personnel or consultants to advise the tender committee.
- 9.50 Presentations shall be conducted, and the tender committee shall meet at the end to consolidate scores and make a decision.
- 9.51 The activities and recommendations of the tender committee are confidential and may not be made public by member of the tender committee, except when the information is officially made public by the Procurement Committee.

Awarding tenders

- 9.52 Tenders shall be awarded to the supplier offering the best value for money based on economy, efficiency and effectiveness.
- 9.53 After receipt of written confirmation of acceptance from the successful candidates, regret letters are prepared and issued to unsuccessful candidates.
- 9.54 The FM/FO shall prepare a letter for the successful candidates and set a date for a meeting between the candidates, the DRH or SpA to discuss the work plan and contracting arrangements.
- 9.55 The FM/FO shall prepare an end of award report detailing the tendering process from start to finish and detailing the steps followed and reasons for selecting the winning tenderer for transparency purposes.
- 9.56 All tender documents, summaries, shortlists, scoresheets, final decisions and outcome letters shall be archived by the Procurement officer for future reference in the event of any queries.

Relevant forms	Utilisation
P01: Terms of Reference	To be developed to detail tender requirements.
P02: Calls for Expression of Interest	To develop and send out after TORs and process is approved.
P03: Tender application form	Application must be developed in conjunction with EOI and have synergy.
P04: Tender scoring sheet	Score sheets based on EOI and application must be available for assessment.
P05: Quote comparison for Comparative Bid Analysis	After the assessment the results must be computed in a quote comparison that provides a recommendation as to the best option.
P06: Tender regret letter	All unsuccessful applicants must receive a letter after the decision is made.

10. DOWNSTREAM PARTNERS

- 10.1 GL is responsible for all funding received from donors regardless of whether funds are spent by GL or through a downstream partner¹.
- 10.2 A downstream partner agreement is defined as: an agreement entered by GL and a third-party organisation, in order for that third-party organisation to carry out and deliver part of the work of an overall project using funds awarded to GL by a donor.
- 10.3 GL defines a downstream partner as:
 - An organisation that receives, manages, and spends funds on the aims of the same project as GL.
 - Usually identified during the project proposal stage.
 - Named in your approved budget, workplan and Grant Agreement (if possible).
- 10.4 In the event of fraudulent activities GL will be responsible for fully investigate any allegations of fraud or incidences of lost funds and underwrite the cost of all funds lost to fraud.
- 10.5 To mitigate any risk arising from working with downstream partners GL must conduct due diligence with all institutional partners. The due diligence form is available online on this link.
- 10.6 Using downstream partners enables GL to “outsource” part of its funded project activities to an implementing partner.
- 10.7 This partner could be a consortium or network member; an organisation you select through a tendering process; or an organisation with which you regularly collaborate. GL can have multiple downstream partners on your project.
- 10.8 Downstream partners are given project funds in advance to manage and spend on the project and directly contribute to the project Milestones and Indicators. Downstream partners do not include organisations who work with you on your project for free, or supplier organisations who just invoice you for services or goods they provided (for example a consultant).

¹ Adapted from Amplify Change, <https://amplifychange.org/wp-content/uploads/2021/12/5-On-granting-vs- downstream-partner.pdf>

11: SUB-GRANTING

Sub awards

- 11.1 The sub granting process and procedures are detailed in the GL grants manual. This section highlights the accounting and financial management conditions applicable to grant making.
- 11.2 Sub granting is the responsibility of the Grant Making Unit (GMU) which falls under GL Services.
- 11.3 The Feminist Funding and Networking Manager, who reports to the Special Advisor, is responsible for the day-to-day management of the grants management unit.

Financial Management

- 11.4 GL-GMU Team will disburse Grants to the Grantees in instalments as per Grant Agreement and based on satisfactory physical and financial progress reports submitted by the grant recipient monthly.
- 11.5 All processes will be executed using online Grants Management Systems namely Sage Pastel Evolution and Good Grants.
- 11.6 Sage Pastel Evolution is a Grants Management System that will be used to record and track project expenses for all Grantees. Supporting documents in line with respective financial policies shall be attached for all transactions loaded on the Sage Pastel Evolution System. Financial Reports across the three grants will be due by the 5th of every month for review and approval by Gender Links HQ staff.
- 11.7 After the signing of the Grant Agreement, the grant recipient shall officially submit bank account details in the name of the grant recipient. All payments shall be made to a dedicated GL sub-account for ease of tracking financial transactions. All the payments shall be made in favour of this Bank Account.
- 11.8 During the first year, payments shall be made in advance on a quarterly basis upon receipt and approval of the work plan and planned expenditure for the coming quarter, and (after the first quarter) a reconciliation of the previous funds received.
- 11.9 In the second and third year, this could become bi-annual, provided that the Grantee has satisfied all grant conditions and demonstrated good performance.
- 11.10 The next instalment shall be released upon receipt of the previous report and approval of these plus other documents needed regularly for quarterly fund release as follows:
 - Reports reviewed and approved.
 - Financial Report (FR) for the last quarter.
 - Planned Expenditures (PE) for the next quarter.
 - Outstanding Obligations – OB if any (outstanding amount of expenditures that have been made in the reporting month but not yet paid).
 - Soft copy of Bank Statement showing the transactions made in the reporting month.
 - Bank Reconciliation Statement (BRS).
 - Technical Progress Report of the reporting month with a cumulative picture.
 - Work Plan for the next month in supporting the planned expenditure.
 - Comments on Financial Report and Checklist.

Financial reporting

- 11.11 Gender Links HQ will set a deadline for monthly/quarterly/close out financial Reports.
- 11.12 GL GL-GMU Team will conduct routine (periodic) monitoring of project implementation and review progress against work plans, budgets and various terms and conditions of the Grant Agreement by undertaking field visits and interacting with project staff and beneficiaries.
- 11.13 Summary budgets in line with the approved detailed budget will be loaded on the Grants

Management System, Sage Pastel Evolution, to enable the Grantees to keep track of the budget line items and amounts. Gender Links HQ will also use the system to determine the burn rates for each Grantee.

- 11.14 For the Multi Year Grants and the Networking & Movement Building Grants, Grantees are required to submit quarterly and annual Progress Reports to GL on the Grants Information Management System. The Quarterly Report highlight progress against targets while the Annual Report gives more emphasis on the outcomes and lessons learned.
- 11.15 In the second and third year, Reports could become bi-annual, based on demonstrated performance. All reporting will be done online cumulatively, with records of each version stored on the online platform. Advantages of the online platform include:
 - Document storage and management,
 - Focus more on results, thus avoiding repetition of administrative details already captured in the online platform.
- 11.16 For the Rapid Response Grants, contracts will vary from six months to one year depending on the nature of the Proposal. The number of reports will depend on the length of the contract. At the end of a Project, the Grantees must submit a Project Completion Report (PCR) to GL, highlighting the achievements of the projects against the baseline conditions and targets, lessons learned and recommendations for up scaling and sustaining positive results of the project.
- 11.17 The Project Completion Report should be submitted within six weeks of completion of the Project. The GL Team will review the draft Project Completion Report and send back comments to the respective Grantee.

Consolidation of reports

- 11.18 Each grantee will submit financial reports online every month and the following information will be consolidated:
 - Budget per grantee
 - Total spent per grantee.
 - Balance Remaining
- 11.19 Consolidated grantee information will be categorised according to the 4 grant activities biannually:
 - Multi Year Funding
 - Capacity Building
 - Rapid Response
- 11.20 Networking and Movement Building. This information will feed into the DONORS reports namely Report on Standard Output Indicators.

Accounting and cost principles

- 11.21 A set of Forms and Templates are provided by Gender Links for use and adoption by Grantees to support accounting and financial reporting processes. These are all contained in the Compendium of Form that accompanies the Grants Manual.
- 11.22 Accounting cost principles
 - Dual checking processes are expected in all accounting and financial management processes.
 - GL transactions shall meet five (5) basic cost principal tests applicable to all transactions. These are accuracy, completeness, maintenance, validity and allowable as explained in the table below.

COST PRINCIPLE	EXPLANATION
Accuracy	<p>All details relating to the transaction must be correct and charges clearly recorded</p> <ul style="list-style-type: none"> • Is the amount recorded as received or disbursed, correct? • Are all relevant charges recorded? • Is the transaction coded to the correct code and funding source?
Completeness	<p>Full details of transactions and any supporting computations and documents must be supplied with each element of the transaction documented and recorded. For example;</p> <p>If petty cash shows that ten (10) transactions have been made, then</p> <ul style="list-style-type: none"> • 10 Petty Cash Receipts must be posted to the Petty Cash Register. • 10 Petty Cash Vouchers, supported by relevant receipts and approval by an authorised individual must be available. <p>An advance paid to an employee requires the employee's signature as evidence of receipt.</p> <p>Whenever cash is received a Cash Receipt must be issued and the receiver signs.</p>
Maintenance	<p>After a payment has been approved and recorded, there should be no room to alter the documents by adding another zero to the amount or changing the payee's name on a cheque.</p>
Validity	<p>All payments shall be made to a verifiable person or company. The payment requisition supplied as supporting documentation should provide details like physical location, name of vendor, contact number and an invoice/receipt number as per minimum requirements.</p> <ul style="list-style-type: none"> • Is the disbursement made to a verifiable supplier, partner or employee? • Was it for the benefit of the organisation? <p>Is there proof such as supplier invoice, receipt or report for the purchase written in English to confirm that the item was received, or the service performed?</p>
Allowable	<p>Only expenses allowable by DONORS GL Policies and other funding donors shall be paid.</p> <p>Staff shall make every effort to know these requirements before they procure goods or services.</p>

Expenses Guidelines

- 11.23 Grant reimbursement payments will be based on actual expenditures incurred by the Grantee that are necessary and reasonable in line with approved Budget. Grantees will be required to provide documentation of project-related costs in line with their approved Budget and Procurement Policy where applicable.
- 11.24 Invoices and supporting documents (orders, quotations, and approvals) are required for each expense claimed under the GL project.
- 11.25 Personnel services: Includes full-time and Level of effort employee salaries for GL project staff employed by the Grantee organisation.
- 11.26 Fringe Benefits: The Fringe Benefits such as Medical Aid, UIF and Provident Fund provided to permanent employees of the Grantee.

- 11.27 Indirect/Overhead: The costs of maintaining the offices for GL project personnel such as utilities, support services, rent, etc. This is normally calculated as a percentage of the invoice totals for the organisation.
- 11.28 Road Travel and Vehicle mileage at SARS rates: Fuel costs, toll gate, parking will be based on actual expenditure for the GL project.
- 11.29 Air travel: Grantee staff travel economy class at the most economical possible fares, except in extenuating circumstances such as an emergency trip for which only certain seats are available.
- 11.30 Accommodation on GL business: Is provided for at a safe, clean, and reasonable venues that is generally a three-star hotel or bed and breakfast establishment.
- 11.31 Daily Subsistence Allowance (DSA): GL-GMU Project provides a breakfast, lunch, and dinner allowance per day as per prescribed DSA rates where these are not provided for under the Conference package.
- 11.32 Consultancy Services: Grantee must be able to provide proof that those costs are necessary and reasonable for the accomplishment of the work. Signed Contracts should be in place for such services.
- 11.33 Training: Any training-related costs, that is venue hire, travel related to the training, training material and facilitation.
- 11.34 Grantees shall, in accordance with the South African laws, follow standard accounting and bookkeeping systems for recording transactions and financial reporting. Grantees are required to keep original vouchers, receipts and other supporting documents (e.g., quotations, approvals) at their office premises as would be required by the Auditors.

12. CONTRACTING

Risk management and suppliers.

- 12.1 Before entering into contracts, GL staff responsible shall perform a background check for new suppliers. This includes checking that the suppliers are a registered company, their audited statements and their track record through contacting their referees. An assessment of whether they are considered as a going concern should be done. This is meant to pick up any issues that could threaten the supplier's existence to try and mitigate GL's risk.
- 12.2 Before drawing up the contracts, GL shall have a meeting with the chosen supplier for a risk assessment of the project and allocation of such risks between GL and the supplier. The agreement of who carries what risk shall be included in the contract between GL and the supplier.

Outsourcing and contracting

- 12.3 All GL contracts must be accompanied by the GL Contracts checklist.
- 12.4 Any work outsourced by GL to partners or consultants shall be set out in a legally binding contract that spells out the task to be completed and the timeframes within which this is to be completed, as well as the disbursements against deliverables.
- 12.5 Contracts not completed within the agreed period due to no fault of Gender Links and where no further negotiations are entered into by the contractor, such contracts shall be considered to have lapsed on the date due.
- 12.6 All contracts shall include penalty clauses for late delivery of outputs and these shall be strictly enforced.
- 12.7 Under no circumstances shall GL pay the full amount without evidence of all the work being complete.
- 12.8 The programme director responsible shall initiate contracts to be checked for compliance by the CFO and signed by the DRH or SpA using the designated contract form. For Country offices, the Country Director shall sign the contracts and ensure compliance with relevant rules and regulations.
- 12.9 All contracts must bear the DRH or SpA's original signature or that of the person assigned the authority to sign. Only in exceptional circumstances may the DRH or SpA or responsible signatory's electronic signature be used. All E signatures shall be pass worded and only the owner of the signature shall be able to use it. No one is authorised to use anyone's e-signature without their knowledge or approval. In the event of any amendments to the document carrying an e-signature, the signatory shall be informed first, and their approval shall be sought before such amendments can be affected. Staff shall be liable for any use of another person's e-signature or amendments effected without the signatory's approval.
- 12.10 Programme/Country Directors shall be responsible for monitoring delivery of outputs and impact by the supplier. They shall act as the point of reference for the supplier and are responsible for managing the relationship between GL and the supplier. Any deviations from the work plan are negotiated and agreed with the GL programme manager for approval by the DRH or SpA and immediate action is taken. Where a consultant does not deliver the expected quality, the programme manager shall discuss the possibility of reducing the consultant's fees. Consultants shall be made aware of this clause upon signing the contract.

- 12.11 The responsible persons shall be responsible for monitoring value for money delivery by the supplier and documenting these where applicable. Suppliers who meet their targets on time and deliver value for money shall be entered into the GL database for potential future engagements.
- 12.12 Evidence of the completion of the task by the supplier shall be presented in motivating payment.
- 12.13 A SWOT analysis/evaluation shall be conducted at the end of major procurement to determine whether the supplier delivered all the outputs as expected within the expected timelines and at the expected standard. This will also be used to analyse whether the supplier delivered value for money. A report shall be prepared documenting the outcome and comments shall be included in the supplier's database to inform future decisions regarding the supplier. Other reports that may be generated include the travel savings reports and in-kind donations reports.
- 12.14 GL reserves the right to withhold any taxes as may be required by country statutes.

Contracts issued by suppliers

- 12.15 All contracts issued by Service providers to GL shall be checked against the GL contracts checklist before signing by the DHR, SpA and HoFA.
- 12.16 These contracts shall clearly stipulate the tasks, deliverables, outputs, impact to be achieved, timeframes and total number of hours/days to be spent, hourly rates and disbursement schedule.

Addendums and extensions

- 12.17 Contracts may have to be modified if the circumstances affecting project implementation change after the contract is signed. Contract modifications must be formalized in an addendum to the contract signed by both parties.
- 12.18 In the case of high value or complex contracts it is likely that changing circumstances will require modifications to the scope, work plan or deliverables under the contract. These should be anticipated in the planning stage and included in the specifications for the service. In addition, exchange control procedure should be included in the initial contract that outlines the types of modifications allowed and the procedure to be followed.
- 12.19 The following changes may be made without invoking a new procurement procedure, namely:
- a) Changes to supplier details, such as a change of name or bank details. These should be formalized through an addendum to the contract except in the case of changes to contact details which may be notified by the service provider in writing.
 - b) If the time for performance is extended. A 'grace period' of ten working days will apply to all contracts that experience delays, during which the need for an addendum will be waived. Any further delays to the performance period will require a formal written addendum.
- 12.20 The following changes require a new procurement process which would normally be a Request for Direct Award, namely:
- a) Major changes, such as a fundamental alteration to the TOR or Description of Action, may not be made by means of an addendum;
 - b) Unit prices, particularly fee rates, may not be changed by means of an addendum;

- c) Complementary services that have become necessary to perform due to unforeseen circumstances. These complementary services must be technically and economically inseparable from the main contract;
- d) Supplementary services that consist of the repetition of similar services entrusted to the contractor under the initial contract;

Filing and storage of contracts

12.17 All contracts shall be recorded on contracts register that is kept on GL SharePoint for access by staff.

Relevant forms	Utilisation
C01: GL Contracts checklist	To accompany all draft contracts for sign off.

13. WORKSHOP AND CONFERENCING

Planning and authorisation

- 13.1 Programme/Country Director must prepare a concept note for the event/ workshop that they are planning, consistent with the overall GL work plan.
- 13.2 A budget for the total workshop expenses together with the list of participants must be drawn and must be approved by Head of unit before invitations are sent out. Budget must include all hotel costs, the DSAs, airport transfers, realistic airport taxes as well as estimated flight costs.
- 13.3 The Head of the unit must compare the budget with funds available for the workshop, this should indicate whether the budget is sufficient or not. Once this is done, participants can be invited and normal procurement procedures for travel bookings and the venue must be followed.
- 13.4 Programme/Country Directors shall make use of the conference and workshop checklist for ensuring effective planning of workshop and distribution of relevant GL publications.
- 13.5 Workshop/Conferences must be approved in line with the procurement policy.

Financial accounting

- 13.6 Officers who receive cash floats for this purpose must sign a form taking responsibility within reason for disbursements and pledging to provide reconciliation within four working days of the travel/workshop/conference completion.
- 13.7 Cost for phone and photocopying must be accompanied by receipts however this may be allocated to staff as an incidental based on the DSA schedule. If printouts for phone are available, there should be a detailed statement of expenses incurred.
- 13.8 A detailed attendance registers of all participants for each day, their addresses, duration of stay, meals eaten, and phone details has to be completed during the workshop/ conference.

Relevant forms	Utilisation
W01: GL DSA rates for 2024	To be used to determine DSA rates for advances
W02: Workshop expense reimbursement workshop form	To be used in workshops to do group reimbursements for travel, DSA, visas, etc. See Travel Policy

14. VEHICLE POLICY

- 14.1 GL is committed to promoting safety and responsible driving for all its employees. To ensure that this commitment is followed through, the Company has adopted a vehicle policy that requires all employees who operate company owned, leased/rented, or car allowance vehicles during the performance of their jobs, to do so in a lawful and safe manner.
- 14.2 Use of the vehicles will be strictly for the business of the Company and will by no means be considered available for personal use in any way.

GL Vehicles

- 14.3 GL cars shall be registered in the name of the organisation and shall be branded with the GL logo. Where appropriate branding shall include logos of the funding partners.
- 14.4 GL vehicles should be installed with a tracker, wheel lock nuts, and car alarms as minimum security. The vehicles shall be covered under fully comprehensive insurance cover.
- 14.5 A First Aid kit; fire extinguisher; spare tyre, red triangle, reflector jacket, tools for changing the wheel; and appropriate documentation as required by local law must always be carried in the vehicle.
- 14.6 All original documents of the vehicle including the registration documents and license disks shall be kept by the FAO and copies shall be forwarded to the Head office.
- 14.7 GL vehicles shall generally be used between 0600 hours and 1900 hours. Prior approval should be obtained from the relevant supervisor before the vehicle can be used outside the mentioned hours.
- 14.8 All GL cars shall always be parked at the office premises when not in use for official work and not taken to a staff member's home except when one works later than 19.00 hrs. or is travelling early in the morning as authorised by the Country Director.

Authorised usage of GL owned/hired vehicles.

- 14.9 Only GL staff and a designated driver are allowed to drive vehicles owned by GL. The right to drive is further limited to those staff who:
- Have a valid local driving license appropriate to the size and type of vehicle if local legislation/mechanisms exist for such licensing. The license must be at least 2 years old with the driver having continuously driven during this period.
 - In the case of international staff, have a valid driver's license from their home country, and (if required by local law) either a valid international or local driving license, both licenses being appropriate to the size and type of vehicle.
- 14.10 Employees must submit evidence of driver's license through the Human Resources Office before being authorised to drive a GL vehicle and confirm that:
- They have read and agree to adhere to this policy and the GL Code of Conduct.
 - They are eligible to drive the type(s) of GL vehicle that they intend to use under the terms of these rules.
 - They will obey all local laws applicable to them as users and drivers of vehicles.
 - It is the responsibility of anyone driving the company vehicle to report:
 - All accidents, however small, involving a GL vehicle; and
 - Any change to staff's eligibility to continue to drive any GL vehicle; and
 - Any traffic offenses occurring whilst using the company vehicle.

Safety

- 14.11 Employees are expected to take all steps necessary in avoiding endangering themselves and others while operating company or company-sponsored vehicles on company business. To ensure this, employees authorised to operate company/company-sponsored vehicles are expected to:
- Ensure that all occupants, including him/her, wear safety belts when the vehicle is in operation.
 - Ensure that the vehicle to which the employee is assigned is maintained in safe driving condition.
 - Refrain from using cellular telephones (unless they are equipped with hands-free operations), personal listening devices, and from conducting any other activities which may impede the driver's ability to focus on safely operating the vehicle while it is in motion.
 - Comply with respective laws governing motor vehicle operations.
 - Pay any fines that may be incurred because of not observing traffic laws.
 - Staff shall not drink alcohol and drive.
 - Any individual who is in violation with the safety expectations listed above may be subject to potential disciplinary action by the Company up to and including termination.

Handling Accidents

- 14.12 If a vehicle is involved in an accident the driver shall be required to:
- Stop where it is safe.
 - Assist any injured persons.
 - Inform the police and GL immediately.
 - Assist where possible with details of other parties.
 - Assist the police where possible but refrain from making any statement which may be incriminating.
- 14.13 Insurance claims must be submitted as soon after the accidents as will be possible and within 3 months of the accident where the individual has been unwell to provide necessary details, and must be accompanied by:
- Police report – forms available from the insurance company
 - Photocopy of the driver's license
 - 3 quotations for repairs from 3 different companies and/or some Insurance companies do have contracts with specific garages.
 - Any other documents requested by the Insurance company.

Vehicle repairs and maintenance

- 14.14 All vehicles shall have a service plan and the drivers will ensure that the vehicles are booked for service at the required intervals.
- 14.15 Cost of repairing Vehicles which are out of maintenance plan and manufacturer's warranty will be monitored to ensure that cost of maintenance does not outweigh the cost of selling and procuring a new one.
- 14.16 A register of repairs and replacements of tyres shall be maintained to assess the reasonability of future repairs and replacements.
- 14.17 Vehicles will be disposed of when they reach 200 000 KM mileage unless assessment of the same proves that it is still in a good condition.

Payment for repairs

- 14.18 GL will pay all costs for where the accident was not due to the negligence of the driver e.g. drunkenness, use of mobile phone whilst driving where the use of the vehicle was approved.
- 14.19 Where the accidents are due to negligence by the driver, the driver shall pay

- 50% of the vehicle insurance excess with the 1st and 2nd accidents and full excess for the third accident.
 - With a fourth accident the driver shall be suspended from driving GL vehicles.
- 14.20 An employee who, at GL's request and through GL's authorisation, is asked to operate a rented vehicle, leased vehicle, or vehicle for which the Company provides car allowance while on Company business will do so only from licensed agencies that rent/lease vehicles meeting all state/provincial registration and inspection requirements as well as the safety requirements of this policy.
- 14.21 The office car is strictly for use on GL business only. This includes providing such logistic support to the SpA and Board as is necessary for the efficient execution of their functions.
- 14.22 A monthly logbook shall be kept in which a record of all trips made, including the fueling of the vehicle shall be logged and form part of the monthly M & E reports.
- 14.23 The Procurement officer/FAO/CO/Driver shall ensure that the car is kept clean; that it is filled with petrol as needed; and that all maintenance checks and services are adhered to.

Use of personal transport on GL business

- 14.24 Should a Board or staff member use their personal car on GL business, they shall be entitled to compensation at the AA per km rate relevant to the country, provided that such travel has been authorised. South Africa AA rates shall apply in countries where there are no stipulated AA rates. Use of personal transport shall be authorised in instances in which:
- There are conflicting demands on the office car.
 - It is cheaper to use personal transport than to use another means of transport for example a taxi.

15. OPERATIONAL EXPENSES

Rent, Rates and Equipment Leases

- 15.1 These are overhead costs incurred to hire equipment and to rent office and storage space.
- 15.2 Most of GL offices are rented buildings with operating leases. All payments in respect of rentals shall be treated as operational expenses.
- 15.3 Accounting treatment shall be as per the provisions of the IFRS for SMEs section on Leases.

Communication

- 15.4 Staff members are entitled to use the office telephones to make phone calls relating to their work and reasonable personal calls within the city. Each staff member has a code which they must use for making phone calls. Calls made on each code are recorded and reviewed by the RO and COM at the end of each month. Should excessive non-work use of phones be detected this shall be reported immediately to the CD and DRH, who may deduct excessive phone costs that are not work-related from any monies owing by GL to the staff member concerned after such costs have been discussed with the individual concerned.
- 15.5 Phone calls from the office to cell phones must be kept at a minimum to reduce costs.
- 15.6 All staff shall be issued with E-Mail addresses and shall be required to undergo email training and become regular users of E-Mail. E Mail shall be used in preference to the phone wherever possible, and for regional and international communication.
- 15.7 Staff will utilise Zoom or MS Teams for calls and meetings to minimise costs.

Private cell phones and phones machines

- 15.8 Staff members shall be reimbursed for the actual cost of the use of their personal telephones for GL business.
- 15.9 Anyone wishing to claim these expenses must provide an ORIGINAL INVOICE with itemized list of calls and faxes made on behalf of GL.
- 15.10 When there is no access to itemised billing, a record of all calls (dates, purpose, and duration) made on behalf of GL must be kept and presented.

Private Calls

- 15.11 GL is not obliged to make any allowances for private calls by employees. Staff need to be aware that the making of, or receiving of private telephone calls, is by local arrangement only and is therefore, a privilege and not a right.
- 15.12 GL does recognise however that there may be occasions where it is necessary for members of staff to make private calls but requires that when making or receiving private telephone calls staff shall observe the following protocols:
 - The making/receiving of private telephone calls should be kept to a minimum and be of short duration.
 - Private telephone calls should be made in such a way as to ensure minimum disruption both to the work of the individual and to the workload of colleagues.
 - It is not acceptable for staff to use GL's telephone network to conduct regular private business or administration.

Office Security

- 15.13 All staff members shall be issued with keys by the housekeeper/Country Director to give them access to the office. The Receptionist/SFPO shall keep a register of who has which keys.
- 15.14 Any staff member who leaves GL shall ensure that the office keys issued to them are returned to the receptionist/FAO/CO who will sign and update the register.
- 15.15 Only the DRH/Country Director and the Finance staff shall have access to the financial cupboard.
- 15.16 Only the FO/FAO/CO shall have access to the petty cash box.
- 15.17 Staff members using laptops shall be supplied with a laptop lock on their desks and shall be responsible for keeping their laptops locked while they are out of the office.
- 15.18 All staff members shall be responsible for closing their windows and curtains before they close for the day.
- 15.19 The receptionist/CO or in his/ her absence a person delegated to perform this task shall be responsible for closing and locking all doors and gates each day.
- 15.20 The last person to leave the office at any given time regardless of whether one is coming back or not shall be responsible for alarming the office.
- 15.21 It is a disciplinary offence for any staff member to reveal the security code to any person who is not a GL staff or board member.
- 15.22 No strangers shall be allowed into the offices without prior verification of their identity and business on the GL premises.

Stationery

- 15.23 GL stationery shall be kept in a locked cupboard and the receptionist/FAO/CO shall ensure that staff sign for all stationery issued to them.

16. PROPERTY, PLANT AND EQUIPMENT (PPE)

Definition of Property, Plant and Equipment

- 16.1 The cost of an item of property, plant and equipment is recognised as an asset when:
- It is probable that future economic benefits associated with the item will flow to GL.
 - The cost of the item can be measured reliably.
 - It has an expected useful life exceeding 12 months.

Capitalisation Policy

- 16.2 PPE, as defined above, is capitalised if the cost or fair value is equal to or greater than ZAR10 000 at the date of acquisition, and it has an expected useful life of more than one year.
- 16.3 Assets costing below ZAR10 000 but expected to be in use by GL for a period greater than 12 months shall be expenses in the period of acquisition, after approval by HoFA.
- 16.4 Capitalised assets are acquired for use in normal operations and are not for resale.
- 16.5 Costs incurred initially to acquire or construct or bring the asset to its useful state should be capitalised in the cost of the asset (e.g. Delivery cost).
- 16.6 Costs incurred to keep an item of PPE in its normal operating condition, but which do not extend the original useful life of the item or increase the item's future economic benefit, are expensed as repairs and maintenance.
- 16.7 Where an asset is donated to GL, it will be capitalised at its fair market value at the date of the donation, if determinable. Otherwise, an appraised value is used. If an asset is on loan to GL (usually for the period of a specific grant or contract), the value assigned to the asset by the donor/sponsor will be used.

Classification of Property, Plant and Equipment

- 16.8 GL recognises the following categories and average useful lives with respect to Property, Plant and Equipment.
- a) IT Equipment (average useful life of three years)**
- Examples: servers, laptops, docking stations, desktops, routers, modems, hard drives, memory, tape drives, monitors, screens, printers, scanners, and photocopiers.
 - Note: Assembled components making up a logical system may be considered as a single asset and recorded in the Fixed Asset Register as such. For example, a computer, screen, keyboard, and mouse may be recorded as one desktop computer.
- b) Computer Software (average useful life of three years)**
- Most software in use by GL comprises standard 'off the shelf' operating systems and other specific applications e.g. accounting and payroll software. The costs of purchasing and installing such software from the developer(s) is capitalised, and annual license fees and regular 'version' upgrades from the developer are expensed.
 - In the very rare event that GL might pay for customisation of existing software or development of 'bespoke software' specifically for its own use, capitalization would depend primarily on the enhanced functionality obtained. GL would refer to IAS 38 on Intangible assets specifically with regards to recognition of intangible assets and capitalisation of costs related to internally generated software and impairment of intangible assets.
- c) Office Equipment (average useful life four years)**
- Examples: telephone equipment, switchboard, cell phones, sound equipment, voice recorder, cameras, video equipment, shredder, binding machine, air conditioner, heaters, fans, kitchen appliances, fridge, microwave, urn, vacuum cleaner, office safe.

d) Furniture and Fittings (average useful life five years)

- Examples: tables, desks, chairs, couch, sofa, lounge suite, bookcases, filing cabinet, credenza, cupboards, blinds, curtains, security system (alarms, panic buttons etc.).
- Note: Fittings are defined as items which are affixed to a building but separate from the building itself. Examples are light fixtures, wall to wall carpeting, built-in display cabinets and safes. Such items can only be capitalised under furniture and fittings if they belong to GL and can lawfully be removed by GL, if GL relocates to new premises (see leasehold improvements below).

e) Leasehold Improvements (useful life = remaining term of the lease)

- These are improvements, paid for by GL, to buildings leased by GL. The costs of improvement are capitalised if future economic benefits shall accrue to GL, can be measured reliably, and meets capitalization thresholds.
- Note: The deciding factor in allocating any asset to 'Leasehold Improvements' will be to determine whether the asset in question can be lawfully disconnected and removed from the premises by GL, if GL relocates to new premises. ONLY if an asset cannot by law be removed, and must be left behind, should it be classified as a leasehold improvement.
- Examples: painting, tiling, flooring, shelving, electrical points, plumbing, dry walls, partitions, signage, built in air conditioners.

f) Motor vehicles (average useful life five years)

- Vehicles owned and registered in the name of GL will be capitalised, as will vehicles donated, or on loan to GL for the period of a specific project.

g) Donations in kind

- Donations of capital equipment that meet the ZAR10 000 threshold and have a useful life greater than one year should be added to the fixed asset register.
- If a department receives a gift in kind, they should inform the DRH and SpA immediately, who will provide detailed instructions on accounting treatment.

Procurement of Capital Equipment

16.9 Procurement of fixed assets should be made in accordance with the purchasing procedures.

Depreciation Policy

16.10 Depreciation of an asset commences when the asset is available for use as intended by management.

16.11 Depreciation is charged to write off the assets carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

16.12 Assets are depreciated over their average useful lives, using the straight-line method up to their residual values.

16.13 The fair value ('value to the business') and useful life of each asset are reviewed at each financial period end.

16.14 Depreciation will be calculated on a pro-rata basis to account for assets that are acquired or disposed of during the year.

16.15 Depreciation will commence from the month that the amount of the replaced part is de-recognized.

- 16.16 The gain or loss arising from the de-recognition of an asset, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item is included in the SCI when the item is derecognized. Depreciation shall cease to be charged in the month the asset is de-recognised.
- 16.17 Gender Links shall therefore depreciate its assets to its estimated residual value in accordance with the requirements of International Financial Reporting Standards for SMEs.
- 16.18 Assets that have been fully depreciated and have nil values and are still in use shall be revalued annually to reflect current market prices.

Fixed Assets Register

- 16.19 The Fixed Asset Module of the Pastel Evolution Accounting system serves as the Fixed Asset Register for each GL office.
- 16.20 Additions, transfers, disposals, and corrections to the Fixed Asset Register should be entered into the system every month, to ensure up to date and accurate monthly financial reporting.
- 16.21 The FM is responsible for updating and maintaining the Fixed Asset Register.
- 16.22 The purpose of fixed asset registers and its maintenance is to ensure:
- GL's assets are safeguarded by recording their details and monitoring their location and condition.
 - All movements of fixed assets are accounted for in the general ledger.
- 16.23 The fixed asset register should provide the following details in respect of every asset:
- Asset Category – to which category does this asset belong?
 - Description – an accurate description of the asset that would enable a third party to easily identify it.
 - Cost – original purchase price, or fair value if donated.
 - Purchase reference – a reference to enable the procurement/ payment documents to be traced. (e.g. Purchase Order or Payment Requisition number).
 - Date of purchase – date the asset was delivered to and accepted by GL.
 - Supplier – the organisation/individual who originally supplied or donated the asset.
 - Location – the present physical location of the asset
 - Asset number – the GL asset number (tag number).
 - Serial number – most items of computer and electronic equipment have a unique manufacturer's serial number (this is important for insurance and to distinguish items like computers, that otherwise would be very alike).
 - Depreciation rate, Net Book Value (NBV) and Asset condition.

Asset tagging

- 16.24 The purpose of tagging is to enable assets to be quickly and easily identified and traced back to the fixed asset register. Tagging is important to:
- Provide an accurate method of identifying individual assets.
 - Aid in the annual physical inventory verification.
 - Control the location of all physical assets.
 - Aid in the maintenance of fixed assets.
 - Provide common ground of communication for both the Finance Office and the assets' users.
- 16.25 All assets capitalised should be tagged by the finance department when received. The respective department should notify the Accountant/FM within five working days of receipt of any new asset so that the tagging process can be completed.
- 16.26 Assets not needing a tag are:
- Buildings
 - Land
 - Land Improvements
 - Software
 - Individual components in a larger system, where the 'system' itself is recorded as one individual asset e.g. in a desk top computer system, the keyboard, mouse, screen, network cards, hard drive etc. are NOT all tagged separately.
 - Motor Vehicles
- 16.27 To assist with physical inventory verifications and counts, wherever possible asset tags should be consistently placed in the same location on similar assets.
- 16.28 Tags should also be placed where the number can be seen easily and identified but without interfering with the operation of the item.
- 16.29 Note: Do not tag artwork, sensitive technical equipment, or other items where tagging will affect its function, value, or the ability to return it under warranty. A list of all untagged capital assets should be maintained by the Finance Department.

Physical inventory of equipment

- 16.30 A physical inventory verification and count will be conducted at least annually in every GL office. Advance notice will be given to individual departments regarding specific dates. The Finance Officer will provide the FM with a listing of all fixed assets by department. Using this as a basis, a joint inventory verification and count will be conducted by the Finance Department, under the supervision of the HoFA.
- 16.31 The purpose of a physical inventory verification and count is to verify the existence and condition of GL's equipment and ensure the accuracy of the accounting records.
- 16.32 Discrepancies will be noted and investigated by FM. The results of the inventory, including unresolved discrepancies, will be reported to the DRH.
- 16.33 Lost or stolen property must be reported internally to finance and externally to the insurance company as soon as the loss or theft is known. In the case of known or suspected theft, the CFO must send a written report to the DRH. All cases of theft must be immediately reported to the Police and a case number obtained.
- 16.34 Assets no longer in use, damaged, or stolen should be removed from the fixed asset register.

Disposals of property, plant and equipment

- 16.35 Before selling, donating, or otherwise disposing of PPE, the department responsible for the item(s) needs to notify and get authorisation from the DRH and the CFO(all offices) who will ensure donor approval is obtained. This authorisation will be given in writing.
- 16.36 The preferred method of disposal is open competitive tender. In exceptional circumstances donor permission will be obtained to either donate the item(s) to a partner or for a closed auction to sell the asset to staff members. (A staff member who has had the primary or sole use of an item shall be given the first option to purchase) The purchase price must be the greater of the best price offered by an employee and a fair market value (as determined jointly by the DRH and HoFA).
- 16.37 Where an item is sold to a staff member on approved credit terms, the amount due from the staff member shall be accounted as a receivable/debtor (in the accounting system) for the agreed specified period. The credit terms offered shall not exceed 12 months, or the end of the financial year (whichever shall come first). GL will charge interest monthly, equivalent to the inter-bank lending rate in the country concerned and deduct the amount due in equal instalments from the staff member's salary until the debt is repaid in full. Such an arrangement requires the prior written approval of the HoFA.
- 16.38 The Finance Officer is responsible for updating the fixed asset register when the disposal of an item of PPE occurs. In general, surplus or obsolete equipment may be disposed of by discarding/scraping, trading-in, donating, or selling the item.

Transfer of assets between Departments

- 16.39 The finance department (Country office/regional office) must be advised when there are transfers of assets between GL departments. This will ensure that the location of the asset is updated on the asset register and will make asset verifications and counts easier (for internal and external audit purposes).

Insurance of Property, Plant and Equipment

- 16.40 PPE faces several risks which include damage by fire, theft, and accidents.
- 16.41 Through proper insurance GL can mitigate such risks and achieve 'restitution'. This is a process whereby the organisation is sufficiently compensated for the loss or damage suffered, to effectively put it back into the same position it was in before the risk or uncertainty materialized.
- 16.42 Insurance arrangements may seek to either physically replace the lost or damaged unit with a new one, or pay cash in lieu, such that GL can afford to go and buy a new unit. In either case it is imperative to make sure that assets are insured at replacement values, NOT at book written down values.
- 16.43 GL shall make use of insurance brokerage services to ensure adequate cover is in place and to receive advice with regards to the most suitable types of insurance policies.
- 16.44 Once insurance cover is in place, the insurance company/broker needs to be regularly informed of purchases of new PPE and any disposals of existing PPE to ensure there is always adequate cover in place. This is the responsibility of the FM.
- 16.45 The main classes of insurable assets and the types of cover applicable to them include:
- **Motor Vehicles**
 - In the interest of protecting GL's interests, all motor vehicles registered under GL's name, or on loan to GL, must have comprehensive insurance cover.

Comprehensive cover gives full risks cover for motor vehicles. In simple terms, it means that one can claim for any damage caused to one's vehicle by any means, apart from specific exclusions mentioned in the policy document. It is also possible to claim for acts of vandalism, theft, and other accidental damage to the motor vehicle which does not involve a collision.

- Vehicle Tracking systems – all GL vehicles must be installed with tracking systems and covered by a reputable tracking service in countries where these systems are available.

- **Premises and immovables**

Premises and immovables are susceptible to several risks that include fire, burglary, and vandalism, among others. The different types of insurance cover available include:

- Fire Insurance – This type of policy caters for damage because of fire. In addition, the policy can be extended to include loss or damage arising from a variety of other perils such as riots, strikes, malicious damage, explosions, among others, with a commensurate increase in premiums.
- Burglary Policy – Wherever GL has goods of any description contained in a building it needs to protect such goods against theft. A Burglary policy, in addition to covering the theft of contents from the premises, typically also includes damage caused by thieves to both contents and premises.
- Business all risk cover - All risks cover protects against loss, theft of, or accidental damage to property belonging to the organisation.

- **Movable assets**

Insurance of special self-propelled equipment and movable equipment covers the following damage incurred as a result of the following risks:

- Road accidents, including collisions in parking places and other places separated from roads.
- Risk of fire, lightning, explosion, fall from air of aircraft or parts thereof.
- Impact of storm, hail, flood; illegal activities by third parties (explosions, arson, vandalism, etc.)
- Other damages to self-propelled equipment.

16.46 All GL offices must obtain appropriate insurance cover for all assets with a book value and ensure that it is adequate (cover that is neither over nor undercover). Over-covering assets will result in GL paying more than is necessary. Under covering assets will mean that the objective of restitution will not be achieved, and GL will suffer a loss in the event of a claim.

18. GL Cottages Procedures

The purpose of GL Cottages is to generate other income for the organisation. Cottages offer accommodation, food and conference services.

Booking procedures.

- 18.1 Booking is done online and via e-mails. Email is received by Events Coordinator.
- 18.2 Events Coordinator checks availability of the requested dates and responds with a quotation. Quotation is processed in Nightsbridge system.
- 18.3 The quotation shall be valid for seven days or up to 48 hours before activity/occupation, whichever comes first.
- 18.4 Guests make a 50% deposit based on the quotation to confirm booking. The other 50% is paid on checking in.
- 18.5 Unconfirmed bookings made through Nightsbridge should be updated to show as unconfirmed through marking as "unavailable" status and ensure these are deleted based on quotation validity time lapse. This will ensure there is no blocking of other prospective customers.
- 18.6 Upon arrival, guests check in by the reception. They complete a check in form that details their names, addresses, contact details, next of kin, check in and check out dates and signature.
- 18.7 Guests are given room keys and are escorted to their respective rooms.
- 18.8 Upon check out, guests return keys. Housekeeping inspects the rooms for any irregularities. If there are damages or missing items, GL Events Coordinator informs the Human Resources Manager and informs the guests to recover the costs. GL to assess if the damages or losses can be recouped from insurance.

Invoicing

- 18.9 A proforma invoice shall be generated in Nightsbridge and sent to the customer to ensure agreement with terms of booking before the customer can be invoiced.
- 18.10 Once confirmation of the proforma invoice / quotation is received, a full tax invoice is raised in Nightsbridge, and a 50% Pastel tax invoice raised with cross reference to the Nightsbridge invoice ID. Both the Nightsbridge detailed invoice and the summary Pastel invoice are sent to the customer for payment.
- 18.11 A final pastel invoice is issued after the event, reflecting outstanding balance based on actual costs incurred, including shuttle services, beverages, meals and any other services offered during the period.
- 18.12 VAT shall be disclosed in each invoice at the ruling VAT rate.
- 18.13 All the final tax invoices shall be raised within 48 hours of service delivery and invoice immediately sent to the customer on the agreed channel of communication.
- 18.14 All customers are given a maximum window period of 7 days to settle the final invoice.

Receipting of cash payments

- 18.15 Receipts shall be issued promptly on receipt of funds for all payments made by cash and credit card. The amounts shall be receipted in Gender Links Cottages official receipt book.
- 18.16 For EFT customers, receipt shall be issued only on request and after confirmation that funds have reflected in the bank statement.
- 18.17 For payments made based on a quotation issued, reference number for the quotation shall be indicated on the receipt.
- 18.18 Cash received shall be stored in a lockable safe overnight and handed over to the Finance Officer for banking within 48 hours. The deposit slip should be reconciled to the receipt book. No cash shall be utilised before banking.

Workshops and meetings at GL and the GL Cottages

- 18.19 Projects are charged for workshops held at the GL cottages and accommodation according to the gazzeted Cottages rates.
- 18.20 The corporate unit and the programme staff responsible should make use of the Conference room and meetings checklist as part of the workshop preparation.

GL Cottages stocks management

- 18.21 Effective stock management is crucial for a hotel business to ensure adequate supplies, minimize waste, and control costs. The stock management procedures are as follows:
- **Inventory Identification:** Identify all items to be stocked, including linens, toiletries, cleaning supplies, food, beverages, and paper products.
 - **Categorization:** Group items into categories (e.g., housekeeping, food and beverage, administrative supplies).
 - **Setting Stock Levels:** Determine optimal stock levels based on historical usage, seasonal fluctuations, and lead times.
 - **Stockroom Organization:** Designate a specific stockroom or storage area, organized by category, with clear labeling and signage.
 - **Receiving and Inspection:** Inspect deliveries for damage or discrepancies and verify items against purchase orders.
 - **Stock Issuance:** Issue stock to departments as needed, using a first-in, first-out (FIFO) system to minimize expiration and obsolescence.
 - **Inventory Tracking:** Use an inventory management system or software to track stock levels, monitor usage, and generate reports.
 - **Regular Inventory Audits:** Conduct regular physical counts to ensure accuracy and identify discrepancies.
 - **Stock Reconciliation:** Reconcile inventory records with physical counts, investigating and resolving discrepancies.
 - **Ordering and Procurement:** Generate purchase orders based on inventory levels, lead times, and supplier availability.
 - **Supplier Management:** Build relationships with reliable suppliers, negotiating prices and ensuring timely delivery.
 - **Stock Disposal:** Properly dispose of expired, damaged, or obsolete items, following hotel policies and environmental guidelines.

GL Cottages costing model

18.22 Costing for a hotel business involves calculating the costs associated with providing accommodations, food, beverages, and other services to guests. Below are the key steps in costing services and goods:

- **Identify Cost Centers:** Divide the hotel into cost centers, such as rooms, food and beverage outlets, spa, and maintenance.
- **Calculate Direct Costs:** Determine the direct costs for each cost center, including:
 - Labor costs (wages, benefits, etc.)
 - Food and beverage costs (ingredients, supplies, etc.)
 - Room costs (linens, amenities, etc.)
 - Energy and utility costs
- **Calculate Indirect Costs: Determine indirect costs, such as:**
 - Marketing and advertising expenses
 - Administrative costs (salaries, office supplies, etc.)
 - Maintenance and repair costs
 - Utilities and energy costs not directly attributed to a cost center
- **Calculate Overheads: Calculate overhead costs, such as:**
 - Property taxes and insurance
 - Depreciation and amortization
 - Interest on loans and credit
- **Determine Menu Pricing:** Calculate menu prices for food and beverage outlets based on food costs, labor costs, and desired profit margins.
- **Determine Room Rates:** Calculate room rates based on room costs, labor costs, and desired profit margins.
- **Calculate Other Revenue:** Calculate revenue from other sources, such as spa services, parking, and Wi-Fi.
- **Prepare Financial Statements:** Prepare financial statements, including the income statement and balance sheet, to review and analyze cottages' performance.

Treatment of left-over food

18.23 Left-over food after a buffet shall be given to staff members at a subsidized price.