Administrative and Financial Rules of the Organization

1. Purpose

The purpose of these rules is to ensure **effective, efficient, and transparent administration and financial management** within the organization. They establish uniform procedures for handling human resources, procurement, finance, and assets to promote accountability and good governance.

2. Scope

These rules apply to:

- All AoP employees, consultants, and board members;
- All AoP organizational departments and field offices;
- All AoP programs, projects, and funds managed by the organization.

ADMINISTRATIVE RULES

3. Organizational Governance

- AoP operates under a Board of Directors responsible for policy direction and oversight.
- The Executive Director [ED] is responsible for day-to-day management and implementation of Board decisions.
- Department heads oversee operational areas [Finance, Programs, HR, Administration, etc.].

4. Human Resource Management

- For AoP, recruitment and selection follow equal opportunity and merit-based principles.
- For AoP, every employee must have a signed employment contract and job description.
- For AoP, performance is reviewed at least once per year and anchored on formal contracting.
- For AoP, all staff must comply with the Code of Conduct, Anti-Fraud Policy, and Safeguarding Policy.
- For AoP, the HR department maintains complete personnel files for all staff.

5. Procurement and Asset Management

- For AoP, all goods, works, and services must be procured transparently and competitively.
- For AoP, a Procurement Committee oversees all purchases above a set threshold.
- Approved procurement methods:
    - Direct purchase [below petty cash limit]
    - Request for quotations
    - Tender or bidding process
- For AoP, all assets are recorded in a Fixed Asset Register, tagged, and periodically verified.
- For AoP, disposal of assets requires Board or management approval.

6. Office Administration

- Proper filing systems [physical and digital] must be maintained for all correspondence and documents.
- Use of organizational vehicles, ICT equipment, and office supplies must follow internal procedures.
- Travel must be pre-approved with clear travel authorization forms and expense reports.
- Communication systems [email, internet, telephone] must be used for official purposes only.

7. Record Keeping and Confidentiality

- All AoP official records [financial, administrative, and programmatic) must be stored securely.
- Confidential and personal information must not be disclosed without authorization.
- AoP records retention period stands at a minimum of 5 years [unless otherwise specified by donors in concurrence with the Board].

FINANCIAL RULES

8. Financial Management Principles

- AoP adheres to the principles of accountability, transparency, efficiency, and value for money.
- For AoP, all financial activities must comply with applicable laws, donor agreements, and international accounting standards.
- For AoP, the Finance Manager is responsible for ensuring compliance with financial controls.

9. Budgeting

- Annual budgets are developed by departments, reviewed by management, and approved by the Board.
- Budgets must align with the **strategic plan** and **available funding**.
- Any significant budget variance [>10%] requires prior approval.

10. Accounting System

- The AoP accounting system allows for segregation by project, donor, and account code.
- All transactions must be supported by valid documentation [invoice, receipt, purchase order, etc.].
- Financial statements are prepared monthly, quarterly, and annually.

11. Cash Management

- A **Petty Cash Fund** may be maintained for small operational expenses.
- All petty cash transactions must be documented and supported by receipts.
- Petty cash should be replenished only after reconciliation and approval.

12. Bank Accounts

- All AoP bank accounts must be opened in the name of the organization and approved by the Board.
- Two or more **authorized signatories** are required for all transactions [usually Executive Director and Finance Manager].
- Monthly bank reconciliations are prepared and reviewed by management.

13. Disbursement of Funds

- All AoP payments are based on approved vouchers and supporting documents.
- All AoP payments above a defined threshold must be made by bank transfer or cheque, not in cash.
- Advances [e.g., for travel or activities] must be cleared within five working days after completion.

14. Financial Reporting

- Monthly financial reports are prepared by the Finance Department.
- Quarterly and annual financial statements are reviewed by management and submitted to the Board and donors.
- AoP's accounts are externally audited, annually.

15. Internal Control Measures

- Segregation of duties between authorization, custody, and recording of transactions.
- Periodic internal audits to assess compliance and risk.
- Strict control of access to financial systems and passwords.
- Regular training on financial policies for staff.

16. Fraud and Irregularities

- Zero tolerance for fraud, corruption, or misuse of funds.
- Any suspected irregularity must be reported immediately through established whistleblower mechanisms.
- Disciplinary and/or legal action will be taken against offenders.

17. External Audit

- Conducted annually by a certified external auditor appointed by the Board.
- Audit reports are submitted to the Board, management, and relevant donors.
- Management prepare a corrective action plan to address audit findings.

18. Financial Records and Retention

- All vouchers, receipts, ledgers, and statements are retained for a minimum of 5 years.
- Donor-specific retention rules may apply for funded projects.

19. Policy Review

These rules shall be reviewed **every two years** or earlier if required by changes in law, donor regulations, or organizational structure.