Financial and Accounting Manual

Internal finance management procedures

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Board approval	02 November 2026
Custodian	President / Head of Administration and Operations / Relevant function

This policy was approved by the Board of Directors of Rawdah Youth Organization on 02 November 2026 and is in force from that date.

1. Purpose and applicability

This manual governs budgeting, bookkeeping, receipts, disbursements, grant accounting, assets, reporting and audit readiness for Rawdah Youth Organization (RYO). The manual shall be applied together with banking, procurement, fraud prevention and donor-specific rules. Where a lawful donor requirement is stricter, follow the stricter requirement.

2. Roles and segregation

Board oversight, budget approvals, expenditure requests, payment approvals, bank execution, accounting entry and monthly reconciliations shall be separated where feasible. Mustaf Ali Osman coordinates operational administration, but this role does not alone authorise unlimited payments or replace independent financial oversight.

3. Financial year, chart of accounts and budget

Maintain an annual operating budget approved by the competent governance body. Use a documented chart of accounts by project, donor, cost centre, restricted/unrestricted fund and spending type. Record budget variations with reasons and approval; keep a version-controlled budget and forecast.

4. Income and donor-restricted grants

Record donations, fee income and grants when received or recognised under the accounting basis approved for RYO. Donor funds must be traceable to agreements, approved line items, allowed costs and reporting periods. Avoid combining restricted cash with unrelated purposes; maintain project-level ledgers even when permitted to use shared bank accounts.

5. Spending, documentation and payments

Each cost needs a legitimate RYO purpose, an approved budget or written exception, procurement evidence when required, proper invoice/receipt, program confirmation and authorisation. Payments are made through approved channels. Personal or related-party payments require heightened scrutiny and conflict disclosure.

6. Cash and petty cash

Use bank transfers where feasible. If petty cash is necessary, set an approved float, custodian and per-transaction limit. Record cashbooks, receipts, signed replenishments and independent surprise counts. Never borrow temporarily from project money or use unsupported cash advances.

7. Asset management and inventory

Maintain a fixed-asset register for devices, furniture, training equipment and other property. Record purchase date, cost, project, location, custodian, serial number, condition and disposal status. Conduct at least annual physical verification, with prompt reporting of loss and a documented disposal process.

8. Payroll and staff advances

Payments to employees and consultants require approved contracts, recorded attendance/work evidence where applicable, payroll calculation, applicable deductions and separate approval. Staff travel advances must be documented, reconciled and cleared promptly; a new advance should not ordinarily be made where a prior advance remains overdue without justification.

9. Month-end close and bank reconciliation

Complete monthly bank and cash reconciliations, review unmatched items, compare actual expenditure with budget, verify supporting documents and prepare a management report. The reviewer should not be the sole person who executes payments. High-risk discrepancies are escalated promptly.

10. Donor reporting, audits and retention

Financial reports must reconcile to ledgers and supporting documents, show restricted balances and be submitted by agreed deadlines. Preserve contracts, approvals, bank records, receipts and beneficiary evidence for the longest required lawful/donor retention period; protect sensitive personal records.

11. Fraud escalation and review

Any suspected false invoice, diverted grant, irregular procurement or unexplained shortfall is reported through a confidential route and considered by an independent, non-conflicted reviewer. The Board reviews finance policy performance annually.

Operational control table

Process	Evidence to retain	Control / review
Budget	Approval minutes, versioned budget	Quarterly Board performance review
Expense request	Purchase request, project code	Authorised pre-approval
Procurement	Quotations, evaluation and award	Independent comparison where needed
Payment	Invoice, approval, payment evidence	Approved signer and execution separation
Bank reconciliation	Statement, ledger, reconciliation	Monthly independent review
Asset purchase	Inventory register, handover	Annual physical count
Donor report	Grant ledger, supporting schedule	Independent consistency check

Implementation and version control

For effective operation of this RYO policy, approve and record the full text and any internal threshold, signatory or role annexes; appoint its custodian; confirm training and operational readiness; and retain the authorised master version with the approval minutes. Review annually or on material changes.

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Policy custodian: Relevant designated officer Version: 1.0 (approved)