



FINANCIAL MANAGEMENT MANUAL

Revised Version 2

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1. INTRODUCTION

1.1. TI Cambodia Background

TI Cambodia was founded on July 5, 2010 by a group of professional Cambodian volunteers such as Mr. Soeung Saroeun, Mr. Preap Kol, Ven. Thorn Vandong, Mr. Sok Sovann, Ms. Touch Amara, Mr. Chea Koeun and Mr. Lim Vannak. It was formed with both financial and technical supports from Transparency International Secretariat (TIS).

We believe that, in order to reduce poverty and inequality in a society and for a country to effectively develop herself, individuals and institutions must practice and behave in a corruption-free mind and environments and partake in activities that will enhance their values, reputation and dignity.

1.2. Purpose of the Manual

The main purpose of the TI Cambodia Financial Management Manual is to ensure that daily operations of the financial affairs are done in the most effective, efficient and transparent ways within the organisation. Sound financial management is the top priority for TI Cambodia in order to ensure the smooth implementation of project/programme activities. The funds available must be used in accordance with the approved budget lines of TI Cambodia and in accordance with the terms and conditions written in this manual.

The heads of projects/programmes/units shall ensure that all staff members are well conversion with the policies and procedures defined in this manual. They have the responsibility to ensure that all expenditures are consistent with the procedures set out in this manual.

2. GENERAL ACCOUNTING PROVISIONS AND PROCEDURES

2.1. Accounting System

TI Cambodia has been using QuickBooks (QB) as it is very common and known by many practitioners. QuickBooks which is a Double Entry System plays a very important role in recording all the daily transactions related to TI Cambodia's incomes, expenses, and adjustments. Thus there will be two accounting records for each transaction. In addition, TI Cambodia uses excel spreadsheet to produce relevant financial reports for the organisation and donors using the original data exported from QuickBooks. If there is a need for a complicated system in which QuickBooks cannot work well with it, TI Cambodia might consider using other accounting software.

2.2. Accounting Method

As part of financial transparency and accountability for donors' fund, TI Cambodia has further transformed its financial management system from Cash Basis of Accounting to Modified Cash Basis of Accounting. As required and recommended by Transparency International Secretariat (TIS) and in accordance with TIS's Yearly Chapter Financial Risk Assessment, from January 2019, TI Cambodia has further transformed its financial management system from Modified Cash Basis of Accounting

to Accrual Basis of Accounting.

TI Cambodia's yearly financial statement, under this standard, shall comprise of Statement of Comprehensive Income, Statement of Financial Position, Statement of Cashflow, and Statement of Changes in Reserve.

2.3. Financial Year

Financial Year of the TI Cambodia shall be from 01 January to 31 December of each year. Therefore, TI Cambodia's annual organisation financial and audit reports shall follow this period. If required, specific donor project's financial year shall also be respected.

2.4. Chart of account

A chart of accounts (CoA) is a listing of the names of the accounts that TI Cambodia has identified and made available for recording transactions in its general ledger.

A chart of accounts is created based on the need of the accounting standard and TI Cambodia's requirement in recording daily financial transactions and producing relevant financial reports for the organisation and various donors. It shall ensure proper recognition of revenue, expenses, assets, liabilities and equity of the project/organisation. There are 4 main categories listed in a chart of accounts. Those are: Account Number, Account Name, Account Type and Note.

- Account number: is to provide a number (code) to the accounting name
- Accounting name: is used to identify the name of each accounting
- Accounting type: is used to classify the accounting record to the right type of account in order to produce the financial report correctly. The accounting types consist of Asset, Liability and Equity (for statement of financial), and Income and Expense (for statement of comprehensive income). Note: is for giving detailed explanation of each account or budget line (if necessary)

It is the responsibility of TI Cambodia's finance manager to maintain and add/delete CoA when necessary. Prior approval is needed for addition or deletion of the accounts.

2.5. Cost Center

For non-profit sector, this is used to track the incomes and expenses from different donors. In QB, Customer Job or Class is used to assign cost center. This must be accounted clearly and separately so that TI Cambodia is able to produce the financial reports for each donor. Besides, cost center can also be used within the organisation to classify whether the incomes and expenses belong to which project/programme or which department/office.

Cost center can be easily tracked through the computerised accounting system by setting up the cost center code in the QB system. For example, TI Cambodia pays \$200 for Transportation Cost for a project funded by donor A; and \$100 for a project funded by donor B. The recording in the QB shall choose the Chart of Account (transport) and select the cost center codes applied to each donor (either A or B). A computerised accounting system in place together with the chart of account and cost

center set up, TI Cambodia can easily keep good track of all transactions and produce the financial reports according to the need of specific purposes such as the reports for donor, project, or department.

The cost center list shall be maintained and updated as necessary by TI Cambodia's finance manager.

2.6. Currencies

Cambodia largely uses USD as a currency to pay for goods and or services. It is also donors' demand for TI Cambodia to use USD as a currency, and therefore, all accounting records of TI Cambodia are kept in USD as a functional currency.

Exchange rate from USD to Cambodian Riel or vice versa shall be managed as follows:

Direct payments to government's agencies

Cambodian Riel Bank account shall be opened, when needed, and make Cambodian Riel available mainly for the payment of monthly utility; National Social Security Fund (NSSF); salary tax/withholding tax (as they are required to pay in Cambodia Riel) and other invoices which need to be paid in Cambodian Riel.

Cash advance for in-country mission

The accounting department always exchange certain amounts of cash from USD to Cambodian Riel for use within the organisation. Staff has a choice whether to advance in Riel or USD. If they advance in USD, they are required to exchange the USD at a recognised bank or microfinance institution. The receipt of exchange shall be kept for converting currency from Riel to USD. In a case that they are not able to prove the conversion rate for clearance, the accounting department shall use the rate they have exchanged for the month.

Cash advance for overseas mission

Advance shall be made in USD. Conversion to another currency can be made in county before travelling. If the conversion shall be made overseas, a recognised bank/bank agent shall be used and an exchange receipt must be kept for settling the expense when returning to office. In case of failure to do so, the web based exchange rate "www.oanda.com" shall be applied on the transaction date.

Monthly tax declaration with General Department of Taxation

"Salary and Average" exchange rate used for monthly tax declaration shall follow the guidance from the Ministry of Economy and Finance (MoEF).

2.7. Pre-Numbered Accounting Forms

TI Cambodia can only use pre-numbered forms for RECEIPT. The other forms such as the purchase request and voucher for payment, receipt and adjustment are not possible to assign pre numbers as TI Cambodia system allows staff from different units to involve in filling in those documents themselves as part of accountability/transparency. However, through vouching/tracing the documents, we can ensure that all the transactions shall be completely recorded (no missing).

3. BANK ACCOUNT MANAGEMENT

To keep donors and organisation's funds in a secured and safe manner, all funding sources shall be kept at the banks licensed by the National Bank of Cambodia. For control purpose, TI Cambodia does not open too many bank accounts. However, a separate bank account may be considered to open depending upon the project need or upon request by the donor.

3.1. Type of Bank Account

3.1.1. Saving Account

TI Cambodia opens this type of account for keeping TI Cambodia's fund and expense settlements for services/goods with particular suppliers. As the nature of saving account, we can make deposits and withdrawals using the deposit or withdrawal slip, but usually cannot write cheques. The bank usually pays an interest rate, and normally provides with a passbook for recording the money in and out. The interest or bank charges are to be updated in the bank statement/passbook every month end.

3.1.2. Current (Cheque) Account

This account is mainly used to issue cheques and pay to the suppliers/other stakeholders. At some banks, this kind of account also bears interest and charges bank fees. TI Cambodia decides to use cheque account for keeping funds from donors as it provides interest and can be issued with cheques.

3.1.3. Fixed Term Account

A fixed term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time. When the term is over, it can be withdrawn or it can be held for another term. Generally, the longer the term the better the yield is. Fixed term deposit can be from one month up to two years. The interest rate is different from one bank to another. If needed, TI Cambodia may consider depositing its funding in this account for higher interest rate.

3.1.4. List of Bank Account

Under the oversight of TI Cambodia's Board of Directors, Finance Manager is responsible for ensuring that the list of existing banks is updated and inform the management team on a monthly basis. In addition, s/he shall ensure that all related bank documents are kept in a safe.

3.2. Bank Authorisation

3.2.1. Opening Bank Account

If a bank account is required to open, a request for opening bank account shall be made and approved by TI Cambodia's bank signatories accepted by the bank.

3.2.2. Member of Bank Signatories

For check and balance, TI Cambodia arranges to have at least two among people authorised to sign all banking documents. Those include documents to open new

bank accounts, documents to close bank accounts, any change to the current bank accounts' signatories, disbursement cheques, bank transfers, etc.

A staff who has access to bank account such as finance staff is not entitled to be an authorised signatory's member because s/he is the one who prepares cheques.

In any circumstances, no blank cheques shall be asked for signatories for future use as signed blank cheques can be used for other purposes which are difficult to control.

List of bank signatory's members shall be regularly reviewed, notified to the bank and updated by Finance Manager especially when any authorised member joins or leaves the organisation.

3.2.3. Bank Reconciliation

Current month bank reconciliation for all the bank accounts shall be prepared at the beginning of each following month in order to compare the transactions record at the bank and at TI Cambodia's accounting book. This is very powerful control which enables the organisation to identify omissions and errors in its own records, as well as being the only way to spot-check fraud, bank errors and even bank fraud.

Each bank reconciliation shall be reviewed and signed by TI Cambodia's authorised person.

3.2.4. Closing of Bank Account

Any bank account not required to be operated must be closed immediately as dormant accounts make a perfect breeding ground for fraud.

Finance manager is responsible for coordinating the closing process fulfilling the requirements by both TI Cambodia and the bank.

The process for closing a bank account is as follows:

- a) Request for bank account closure shall be approved by TI Cambodia's authorised person.
- b) Fill in the required documents from the bank and seek for at least two authorised signatories from the current signatories list.
- c) Send the bank account closing documents to the bank.
- d) Upon confirming the closure of the bank account, transfer the remaining balance to donor's bank account or other bank account as instructed.

4. CASH MANAGEMENT

4.1. Petty Cash

Petty cash fund is established for small expense incurred in the course of conducting TI Cambodia's activities. It promotes efficiency and economy to the TI Cambodia by eliminating the preparation of cheques for small amount of expenses.

Generally, petty cash transactions shall be arranged for monthly repeated cost and any cost up to \$200 per invoice. Official receipts must be obtained in order to support those expenses. The maximum amount for petty cash fund to be kept in the safe at TI

Cambodia's office is \$800 and Riel 800,000. This amount shall be operated on an imprest system and will be replenished when expense exceeds 70% of total allowed petty cash amount.

When replenishing petty cash, the amount replenished must be equal to the amount which was disbursed in order to maintain the maximum petty cash fund amount.

4.2. Replenishment of Petty Cash Fund

The petty cash fund is to be replenished when the expenses exceed 70% of total allowed petty cash amount.

The Petty cash fund custodian is responsible for reviewing petty cash fund regularly to ensure proper handling of the fund. In this regard, the cash count sheet must be prepared and checked against the cash book recording. The two total balances shall match with each other. If a discrepancy is found, it shall be noted in the petty cash book either as a 'cash count losses' or a 'cash count gain' and allocated to an appropriate category. Discrepancies must be reported to Finance Manager. The cash count sheet shall be signed by the petty cash fund custodian and Finance Manager.

4.3. Custody of Petty Cash

Petty cash shall be kept in a safe under the responsibility of a custodian who owns safe box code, while a Finance Manager keeps the safe box key. When the custodian is absent from work for a longer period, the duty shall be temporarily replaced by the other staff authorised by Finance Manager. Once the Finance Manager is absent, other staff authorised by the Operations Director shall serve this duty. For the safety and security reason, another safe box key without security code shall be kept with Executive Director. This key shall be used when the first key is lost.

4.4. Logistics Float

In order to reduce paperwork and make it convenient for Admin/HR department to pay expenses on a daily basis, the Logistics Float is established for immediate cash payment for very small expenses incurred. TI Cambodia keeps the maximum balance of \$300 and Riel 80,000 for logistics float. This amount shall be operated on an imprest system and will be replenished when expense exceeds 70% of total float.

The Logistics Float shall be used for daily operational expenses such as office stationary/consumable, pure drinking water, office refreshment, kitchen supplies, hygiene supplies, small office repair and maintenance, and other small expenses as needed.

This small fund shall be managed by a custodian.

The custodian has to obtain approval from Admin/HR manager prior to making any purchase of up to USD50 by filling in the petty cash voucher. Admin/HR manager can approve for the amount up to US\$50. For purchase of the amount of more than US\$50, the custodian has to submit the request to finance department for certification and seek approval from TI Cambodia's authorised person.

When replenishing the logistics float, the amount replenished must be equal to the amount which was disbursed in order to maintain the maximum amount.

4.5. Cash Disbursement

Cash disbursement shall always be made after cash disbursement request and payment voucher along with supporting documents are authorised by TI Cambodia authorised person.

All supporting documents for cash disbursement shall be properly marked with stamped "PAID" to prevent duplicate payment. In addition, they shall be marked with "Posted" after the transactions are recorded in QuickBooks or other Computerised Accounting System to avoid duplicate entries.

4.6. Cash Receipt

TI Cambodia always issue a receipt when receiving cash in a duplicate copy made receipt. For controlling purpose, receipts shall be printed and pre-numbered, and signed by the person issuing the receipt when collecting the money. The used receipts and new receipts books shall be kept locked all the time.

4.7. Transfer of Surplus Cash into the Bank

Having cash lying around in the office is a temptation to a theft and the money would be better managed if it is kept in a bank account. TI Cambodia shall transfer the surplus cash to the bank on a daily basis or, at the very least, within 3 working days of cash receipt.

4.8. Keep Money Coming In Separate from Money Going Out

To keep it clearly and separately recorded, TI Cambodia shall deposit the money received in cash straight to the bank, rather than spending it directly. This allows bank signatories members to exercise their authorisation control over withdrawal of cash. On the other hand, as TI Cambodia operates an imprest system, it will confuse the system when putting cash receipts into the petty cash box.

5. LEVEL OF AUTHORITIES

The approval on purchase request, payment, invoice, receipt, and contract/agreement, and any other documents for all funding sources, except for cheque and bank documents, shall be made by only one authorised person per approval. The level of authority shall be differentiated by the amount of money as set out below:

Amount	Approver
Up to USD 2,000	Director Operations/Director of Programmes
From USD 2,001	Executive Director (ED)

There shall be at least three different levels of signatures involved for any request for purchase, advance, payment/reimbursement or adjustment as described below:

On the Finance Voucher Form, we have:

Requested/prepared by: signed by anyone who initiates or prepares a request

Reviewed by: signed by Immediate Line Manager

Verified by: signed by Finance Manager

Approval on Request: signed by Director of Operations/Director of Programmes or ED (depending on the amount of money)

Approval on payment by: signed by Director of Operations/Director of Programmes or ED (depending on the amount of money)

The Requester, Reviewer, Verifier and Approver must be at least three different people. No one can verify or approve their own requests/expenses even if their positions give them the authority to do so. For instance, ED, Director of Operations/Director of Programmes cannot approve their own requests or payments. ED's purchase request or payment shall only be signed by Director of Operations.

Please note that TI Cambodia related documents which do not have the cash value shall be signed by the ED alone or his designated person. Those documents include Memorandum of Understanding, Cooperative Agreement, Contracts, letters to other stakeholders, and other official documents.

6. METHOD OF PAYMENT

TI Cambodia has currently set up three methods of payment for its staff, suppliers/service providers and other stakeholders.

Following the payment, all related supporting documents shall be stamped "Paid". Doing this will prevent confusion on whether the payment has been made and thus avoid making double payments.

The three methods are described below:

6.1. Payment by Cash

TI Cambodia aims at improving cash safety and security by decreasing the level of cash in the office. An effective method for achieving this goal is to reduce the number of purchases paid by cash, and increase the payment by cheques or bank transfer. The payment for goods and services will be made by cash at the value up to USD 200.

Any waiver to this method must be documented with clear justification, and approval by TI Cambodia's authorised person.

6.2. Payment by Cheque

This method shall be used for all kinds of payments of more than USD 200 per invoice.

However, this is normally used for goods and services purchased at a value greater than 200 US Dollars. For items of expenditure that occur regularly over the course of one month, TI Cambodia shall ask the supplier to accept payments by cheque being paid on a monthly basis. These regular purchases shall include office stationery, photocopying, gasoline, office consumables, office refreshments, etc. The valid

reason shall be explained should there is any waiver.

Please note that cheques shall be made to the right individual person or supplier/service provider providing the goods/service invoice. Cheques shall not be issued to a third person as a substitute. However, in some cases where this may be necessary, TI Cambodia shall require the individual or supplier/service provider to write a letter authorising the third person as a substitute.

6.3. Payment by Bank Transfer

This method shall be used for all kinds of payments of any amount per invoice. However, this is obviously used for the payment of monthly staff salaries including their benefits to their respective payroll account at the bank, payment to supplier/consultant overseas, air ticket, sub-grant payment to TI Cambodia's partners, and any other payments which are necessary to be paid by bank transfer. This method of payment requires TI Cambodia to pay bank service fee if the transfer is being made to the different bank account of TI Cambodia. There is also a need for the fee/fund recipients to provide the acknowledgement of receipt of fund/fee TI Cambodia sent to in order to confirm that the recipients has received them. Failing to do this, TI Cambodia may face a risk in which we do not know whether the fund/fee has been received by the recipient or lost along the way.

Please note that bank transfer shall be made to the right person or supplier/service provider providing the goods/service invoice or the sub-grant agreement invoice. Bank transfer shall not be made to a third person or supplier/service provider as a substitute. However, in some cases where this may be necessary, TI Cambodia shall require the individual or supplier/service provider to write a letter authorising the third person as a substitute.

7. BUDGET MANAGEMENT

7.1. Budget Planning

Budget planning is both a strategic and operational process linked to the achievement of institution's objectives. It involves building both longer-term funding strategies and shorter-term budgets and forecasts. It lies at the heart of effective financial management.

Budget planning does not start with budgets and numbers. It is impossible to start a budget forecast without a clear idea about what it is we want to do and how we intend to do it. We can only produce effective budgets if we have good plans to base them on. A plan without budget shall be impossible to implement.

In order to involve in budgeting process, all concerned staff shall need to understand the vision, mission, objective of TI Cambodia, and its annual operational plan.

TI Cambodia chooses a bottom-up budgeting process which is based on activities (activity-based budgeting) where project staffs and managers produce their budgets and submit to the Finance Manager/Senior Management Team for consolidation.

Finance Manager will then call for a Senior Management Team Meeting to discuss the entire organisational budget, consolidate and make adjustment/correction before submitting to the Executive Director for approval and then to Board of Director for final

approval. The Board normally approves the budget through the quarterly meeting or through other means. If that is urgent, the approval shall be sought prior to the quarterly board meeting. This process is also applied for budget revision.

TI Cambodia uses its own budget format if the donors do not require to follow their formats. The format in excel spreadsheet contains summary and detailed sheets.

7.2. Project Budget

Project budget shall be prepared when TI Cambodia develops its new project proposal submitted to the donor(s). If required, TI Cambodia will follow the budget format provided by the donor. However TI Cambodia has its own budget format to use when the donor does not concern or do not provide the budget format to follow.

7.3. Organisation Budget

Organisation budget is a combination of all the project/programme budgets. In case all the projects/programmes have the same budget lines using TI Cambodia's budget format, the organisation budget shall be consolidated using each budget headings and lines. For the projects/programmes budget using different format provided by the donors, the organisation budget will be shown by project/programme names with the detail of each project budget lines as detailed in the note.

7.4. Budget Revision

Budget revision is necessary in order to adjust the annual operational plan after the project has been implemented. At least in the first 6 months, TI Cambodia shall have project/programme budget revision. If the requirement from the donor is different from this, TI Cambodia will follow the donor's one.

8. INCOME SOURCES AND MANAGEMENT

Sources of income for TI Cambodia shall come primarily from donor grants for the implementation of programmes and projects, through core or specific funding, and from TI Secretariat (TI-S). Other sources of income shall be generated by individual membership fees, public fundraising activities (corporate donations, donation box, TI Cambodia's events/campaigns, gala dinner, crowd funding, community funding campaigns, etc.), and contribution from other stakeholders through activities related to the Business Integrity Programme or TIC's work

The approval for all income sources shall follow point 5 "Level of Authority".

8.1. Grants from Donors

- Following the grant agreement is signed, the grant instalment schedule shall be established in order to track the grant instalment flow.
- Upon receiving the grant, the receipt shall be issued with the date the grant received at the bank, and make appropriate record in the bank ledger. In the meantime, the acknowledgement of receipt shall be made and sent to the donor detailing the gross amount, bank charge at the local bank and oversea, and the net amount received.

- All cash income shall be deposited in the TI Cambodia bank accounts by no later than next 3 working days.
- The grant is always kept at the recognised bank as mentioned in the bank management section of this policy. A separate bank account shall be opened if required by the donor.
- The utilisation of grants shall be strictly complied with the donors' requirement as stated in the agreements with donors.

8.2. Individual Membership

- Each member shall be required to fill in a registration form and, upon approval from the Board of Directors, pay an annual membership fee as set in the membership policy.
- When receiving the membership fee, a receipt shall be issued stating the date and the method of payment (cash, cheque or transfer). The transactions shall be appropriately recorded. In the meantime, an acknowledgement of receipt shall be produced and sent to all members detailing the gross amount received, the bank charge at the local bank and/or overseas, and the net amount received.
- Cash income shall be deposited in TI Cambodia's existing bank account within the next 3 working days after the transaction.
- If needed, a separate bank account for membership income shall be opened in order to track the income generated by the membership fee and the expenses incurred.
- The membership income shall only be used for organisational purposes, and how the income is being used shall be made public in a report to be published on TI Cambodia's website, and made available to each member if requested

8.3. Income from the Public

- When receiving income from the public, a receipt shall be issued stating the date and the method of payment — the contribution shall be done either in cash, cheque or transfer. The transactions shall be appropriately recorded. In the meantime, an acknowledgement of receipt shall be produced and sent to the individual donor (if the identity is known), detailing the gross amount received, the bank charge at the local bank and overseas, and the net amount received.
- All cash income shall be deposited in TI Cambodia's bank account within the next three working days after the transaction.
- A separate bank account for individual donations shall be opened if deemed necessary in order to keep track of the income generated by each individual and the expenses incurred.
- The income generated by the public's donations shall only be used for organisation's purposes and how the income is being used shall be made public in a report to be published on TI Cambodia's website, and make available to those who donate if requested.

8.4. Contribution/Donation from Other Stakeholders

- Contribution/donation may be contributed by other stakeholders through activities related to the Business Integrity Programme or TI Cambodia's work.

- The contribution received shall be kept in a separate bank account if necessary.
- All cash contribution shall be deposited in TI Cambodia's bank account within the next three working days after receiving the payment.

Note: as stated in Transparency International's Donation Policy, Procedure and Guidelines, funding from any source will be accepted, provided that such acceptance does not impair TI Cambodia's independence or endanger its integrity and reputation. Donors will not have any influence over TI Cambodia's programmes and activities, nor will they have any control on how funding is spent.

8.5. Reserve/Unrestricted Fund

All organisations must have financial reserves. It can help the organisation save what can be later used to fill in funding gaps or any other unplanned need within the organisation). The more reserves TI Cambodia has, the more sustainable it is. Thus building reserves is part of TI Cambodia's financing strategy.

TI Cambodia can build up the reserve fund in the following ways:

- **Increase unrestricted income:**

Such income may be received through contributions from institutions it provides services to or by fundraising activities and events. These funds are granted for general use within the whole organisation rather than for a specific or restricted purpose.

- **Effective and efficient use of restricted funds**

During the implementation of programmes/projects, the budget line for the relevant restricted funds shall be carefully followed. If some budget remains at the end of programme/project period, and if allowed by the donor, TI Cambodia will transfer this remaining amount to the reserve account.

- **Make sure that core costs are included in the project budget**

In each project budget proposal, the project costs must be fully and accurately estimated, including the percentage (%) of indirect costs. Once the project is approved, the contribution for indirect costs shall be put in the reserve, if not used.

- **Minimising expenditure**

This can be done by controlling both operations costs and programme/project related costs, e.g. by trying to minimise electricity consumption in the office, follow the procurement procedures for any programme/project-related purchase, etc.

For effective control purpose, the senior management team shall closely monitor the reserve fund, and the use of this fund shall be properly planned and approved by the authorised person. This fund shall be kept in a separate "RESERVE/Unrestricted" bank account.

8.6. Inter-Transfer or Borrowing of Funds between Donors/Projects

To be more transparent, each project/donor shall have a separate bank account in order to keep track of the funds received and used by a specific project. Thus, when inter-borrowing is needed, an internal written request for inter-borrowing from one

project/donor to another shall be made and get approval from TI Cambodia's authorised person.

The borrowing shall be done between bank accounts.

All funds borrowed are required to be paid or transferred back to the concerned project/donor as soon as possible.

If TI Cambodia has enough reserve fund, it can be used for that purpose without borrowing from other projects/donors.

In order to avoid inter-borrowing, TI Cambodia shall have a clear budget plan and cash flow forecast to avoid cash shortage while waiting for the fund transfer from the donor during the implementation of the project. Additionally, TI Cambodia needs to strictly comply with the donor requirements as non-compliance can cause delays in the release of funds by the donors, e.g. when being late in sending the narrative and finance reports to the donors.

8.7 Shared Cost Allocation between Donors

TI Cambodia welcomes diversified funding for its sustainability. It has received, and continued to accept both core and specific funding from donors.

In terms of shared cost, it might include, but not limited to, the recurring cost such as office rental, utilities, internet/email/office phone, etc.

The shared cost allocation is based on the percentage of each specific project budget to total programme budget; percentage of total actual time worked; square footage (space occupied); number of staff compared with the total staff, or actual cost which might incurred.

However, if the donor requires to follow its method of cost allocation, TI Cambodia will follow.

8.8 Indirect Cost (Overhead)

TI Cambodia charges the Indirect Cost (overhead) from other specific project/activity with a rate ranging up to 20% of the total eligible cost of the project/activity. The senior management team shall make a decision over the percentage charge of indirect cost depending on the size and complexity of each specific project/activity and/or fund. This is a flat rate charge, so there is no detailed breakdown of each charge. The collection of indirect cost from each specific project/activity shall be kept as unrestricted fund for organisation's usage/sustainability.

However, if the donor requires to follow its rule of indirect cost, TI Cambodia will follow.

9. TRAVEL ALLOWANCE

TI Cambodia recognises the need for its staff to travel for work-related purposes and is committed to ensuring that staff members make safe, efficient and cost effective travel arrangements.

TI Cambodia will provide appropriate per diem, accommodation and transportation expenses of staff members (travellers) who are assigned to work outside of the duty stations, both in country and abroad.

9.1. Definition of Travel

This refers to all official travels of TI Cambodia staff, and any person authorised by TI Cambodia within and outside of Cambodia. Official travel shall include attending meetings, trainings, workshops, seminars, conferences, exposure trips, field visits and other activities organised by TI Cambodia or others. All travel must be carried out according to the itinerary and route stated in the travel Authorisation Form (TAF).

9.2. Request for Travel Authorisation

Prior to any travel, authorisation must be sought from TI Cambodia's authorised person. To be safe and spare enough time for the support from the logistics/procurement team to be organised, travel authorisation should be obtained as far in advance as possible. Travels outside of Cambodia require visa applications and air ticket purchase and enough time shall be spared to get these things done. Of particular concern are the countries that do not have a consulate in Cambodia.

The travel authorisation form should contain information such as the purpose of travel, the destination(s), the means of transportation, the number of days, the estimated cost, etc.

In circumstances which staff is not able to submit the authorisation form to the authorised person in person, she/he is allowed to seek authorisation in an official email. She/he is still required to submit the official authorisation form upon the submission along with the mission along with authorisation email as a proof.

9.3. Visas/Insurance and Other Travel Related Cost

The procurement in charge person is responsible for arranging visas and insurance for all official travels in coordination with all concerned staff. All visa/insurance fees, and other travel related cost shall be covered by TI Cambodia.

9.4. Travel Advance Request

Once the Travel Authorisation Form is approved, the official travel advance shall be made.

Copies of all relevant documentation to support the travel authorisation form must be attached as substantiating information to the travel advance requested.

9.5. Cancellation of Travel

Cancellation of an approved travel authorisation must be made in writing to the authorised person/immediate supervisor and the concerned staff. The money advanced for the travel shall then be returned to the Finance Department. Any non-cancellable cost will be under the personal responsibility of the traveller, unless the ground for cancellation is approved by TI Cambodia's authorised person.

9.6. Back-to-Office Report

All travellers are required to submit a short back-to-office report upon return to the office. Travel expense claims for staff shall not be processed unless the report is submitted with line manager endorsement and approved by one of the authorised person.

9.7. Per diem

Per Diem is defined as a daily allowance for travellers to cover their meals when they are on mission outside the duty office.

9.7.1. Per diem for TI Cambodia Staff/Local and International Guests

The amount of per diem is \$25/day in the country; \$60/day in any Asia (except Japan, Singapore, South Korea, Hong Kong and Taiwan), South America, Pacific and African countries; and \$90/day in Japan, Singapore, South Korea, Hong Kong, Taiwan, North America, Australia, New Zealand, Europe and other regions.

The per diem classification is shown below:

Per diem Breakdown	Eligible claim rate	Remarks
Breakfast	20% of total per diem	Departure from office before 8.00 am
Lunch	40% of total per diem	Departure from office before 12.00 and return to office after 12.00 noon
Dinner	40% of total per diem	Return to office after 5.30 pm

If all meals (breakfast, lunch, dinner) are provided by the organisers or other sponsors during their mission, the travellers are not entitled to claim these meals. If one or two meals is/are provided, they are entitled to the per diem in proportion to the total daily rate as classified in the table above. This applies for both in-country and overseas missions.

Exceptionally, travellers can claim a per diem when they have to travel to a place and return within the same day, when the distance between TI Cambodia's office and the place they travel to is more than 45 km. However, if the mission requires the staff to work over lunch and the round trip is more than 30km, per diem for lunch shall be provided.

9.7.2. Per diem for Participants in Events Organised by TI Cambodia

1. Per Diem for local participants who travel from home/office more than 45km are entitled to a per diem rate of \$15/day (breakfast=\$3, lunch=\$6 and dinner=\$6). In this regard, an identified list of participants is needed, and each of them has to sign and acknowledge receipt of the per diem. In case meals are provided by the organiser (TI Cambodia), participants will not be entitled to per diem.
2. Per Diem rates for international participants will apply TI Cambodia per diem overseas rate, i.e. using the Per Diem rate in Asia.

Note:

For any event organised by TI Cambodia with more than 100 participants, TI Cambodia will arrange all the logistics and provide them with all the meals, transportation, accommodation, etc. Thus participants with this group size will not be entitled to any allowance during the event.

Participants or organisers of any events or initiatives conducted by TI Cambodia's Youth Networks or Citizens shall not be entitled to TI Cambodia's per diem rates. They shall be entitled to the per diem based on project/event approved budget/proposal.

Any assigned youth or individual to support TI Cambodia's activities (i.e. data collection, logistics support...) shall be entitled to the per diem based on project/event's approved budget/proposal.

For any individual or group assigned by TI Cambodia to participate in an event out of Cambodia, TI Cambodia will cover their per diem, transportation and accommodation costs following TI Cambodia's overseas per diem rate.

All the government staff who comes to TI Cambodia's event or sponsored by TI Cambodia for any event/meeting/workshop (in or out of Cambodia) shall apply the government's DSA.

The receipt is not required for per diem allowances, but participants are required to acknowledge their per diem receipts by signing on TI Cambodia's per diem distribution form.

9.8. Accommodation

9.8.1 Accommodation for TI Cambodia Staff/Local and International Guest

Accommodation booking should be done by TI Cambodia's Procurement Assistant or designated officer for group check-in arrangement in order to obtain discount rates. Payment for accommodation shall be made by TI Cambodia's office or the designated officer holding cash advance whenever possible. The selection of accommodation has to take into account the security, the cost and the convenience. The accommodation cost shall not exceed:

Geographic Area	Rate/night
Cambodia	Maximum 50\$
Asia and Pacific (except Japan, Singapore, South Korea, Hong Kong and Taiwan), South America, and African countries.	Maximum 120\$
Japan, Singapore, South Korea, Hong Kong, Taiwan, Australia, New Zealand, Europe, North America and other regions.	Maximum 200\$

Accommodation costs covered by TI Cambodia shall be based on the actual receipts which are considered legitimate.

9.8.2. Accommodation for Participants in Event Organised by TI Cambodia

The accommodation provided to participants who participate in events organised by TI Cambodia is categorised below:

1.1 Accommodation for local participants shall be arranged by TI Cambodia as they should stay at the same place for safety and security reasons following the local rate of TI Cambodia.

1.2 Accommodation for international participants shall be arranged by TI Cambodia as they should stay at the same place for safety and security reasons following TI Cambodia staff's overseas rates.

9.9. Transportation

TI Cambodia understands that transportation is critical for daily operations to be carried out effectively. The transportation arrangement, allowance and claim procedures are stated below:

9.9.1. Transportation for TI Cambodia Staff/Local and International Guests

All transportation costs, while on business travel, shall be reimbursed based on the actual receipts.

9.9.2 Transportation for Participants

Transportation allowance for participants joining in TI Cambodia event shall be only covered based on the nature of TI Cambodia's activities and/or the availability of budget with prior approval from TI Cambodia's authorised person.

If transportation cost for all or some of participants shall be covered, the following distance-based flat rate calculation will be applied for all transportation from PHN to province, province to province, travelling within the province/city, and travelling to the field during the mission:

Cost reimbursement (flat rate)

- 1 – 7 Km = \$1
- 8 – 14 Km = \$2
- 15 – 21 Km = \$3
- 22 – 28 Km = \$4
- 29 – 36 Km = \$5
- 37 – 43 Km = \$6
- 44 – 52 Km = \$7
- 53 – 68 Km = \$8
- 69 – 84 Km = \$10
- 85 – 100 Km = \$12
- 101 – 150 Km = \$13
- 151 – 200 Km = \$14
- 201 – 250 Km = \$15
- 251 – 300 Km = \$16
- 301 – 400 Km = \$17
- 401 – 500 Km = \$18
- 501 – 600 Km = \$19
- More than 600 Km = \$20

Travellers need to use the Google Map to measure the distance of travelling.

Traveller shall sign on the transportation allowance distribution form to acknowledge the receipts, and no transportation receipt is required.

Please note that if TI Cambodia arranges the transportation for travellers, they shall not receive any transportation allowance.

9.9.3. Transportation for TI Cambodia Staff/Guests/Participants Who Use Their Own Transports

Transportation allowance (using own vehicles) for TI Cambodia Staff/Guests /Participants (travellers) who join TI Cambodia events shall be only covered based on the nature of TI Cambodia's activities and/or the availability of budget with prior approval from TI Cambodia's authorised person.

If transportation cost for all or some of travellers shall be covered, the following distance-based flat rate calculation will be applied for all transportation from PHN to province, province to province, travelling within the province/city, and travelling to the field during the mission:

Cost reimbursement (flat rate)

- For car: \$ 0.20 per km including fuel, maintenance/depreciation cost
- For Motorcycle: \$0.10 per km including fuel, maintenance/depreciation cost

Travellers need to use the Google Map to measure the distance of travelling.

Travellers shall sign on the transportation allowance distribution form to acknowledge the receipts, and no transportation receipt is required.

Please note that if TI Cambodia arranges the transportation for traveller, they shall not receive any transportation allowance.

10. HONORARIUM FOR MEMBERS OF THE BOARD OF DIRECTORS

All members of the Board of Directors are volunteers and play a very important role at TI Cambodia. Board meetings are held quarterly to discuss the proposed meeting agenda, the strategy of the organisation and approve important documents and policies. In order to enable the smooth and effective functioning of the Board's work and their regular participation in the Board meetings, TI Cambodia provides an honorarium in the amount of US\$ 50 to each board member during each Board meeting. This honorarium covers the Board Members' expenses such as their communications (phone card and internet/e-mail) and transportation within Phnom Penh during Board's meeting.

For Board Members who travel from the province to participate in TI Cambodia's Board Meeting in Phnom Penh, TI Cambodia will cover the additional transportation costs incurred on the actual receipt or TI Cambodia will reimburse the flat cost if they drive vehicles themselves to the meeting (refer to point 9.9.3), and the accommodation based on the actual receipt.

Board Members are also entitled to the same travel allowance package as TI Cambodia's staff when they travel for a TI Cambodia-related mission.

11. CASH ADVANCE AND SETTLEMENT

11.1. Business Advance

A business advance shall be authorised for work purpose only. Payment of the advance shall be made in cash, cheque or bank transfer to the staff who made the request. It must be processed only after approval from an authorised person on the Advance Request Form.

Only one advance can be approved for one activity. However, if there is a need for one advance covering two activities and these activities closely happen, which is difficult for the person who advance have a clearance on the first advance, it can be an exception. No additional advance can be issued until the prior advance has been cleared.

➤ **Process:**

- Fill in the Travel Authorisation Form and Advance Request Form
- Get approval from TI Cambodia's authorised person
- Submit the form to the cash custodian
- The custodian either pays the advance request by cash if the amount is up to \$200, or by cheque if the amount is above \$200.

11.2. Salary Advance

In any circumstance, staffs are not allowed for the request of salary advance.

11.3. Clearance of Business Advance

Business advance must be fully settled within 10 working days after the completion of each business travel, activity or event.

➤ **Process:**

- A person who requests an advance clearance shall fill in and submit the Advance Clearance Form to his/her line manager for review and submit it to TI Cambodia's authorised person after verification by the Finance Manager.
- The reviewer/verifier shall trace the expense report with the attached supporting documents. He/she shall check whether the receipts match the expenses shown on the report, and whether all receipts are correct: are all the expenses properly accounted for on the report? Is the arithmetic on the expense report correct? The reviewer shall compare the lodging and meal per diem schedule based on the policy, and check the advance monitoring report to determine whether the person who requested the advance has an outstanding advance. If all the receipts and relevant supporting documents are correct and satisfying, the payment can be processed.
- If the person who received the advance spent less than the amount advanced as stated on the Advance Clearance Form, the remaining amount shall be returned to TI Cambodia's cash custodian.
- If the person who received the advance spent more than the amount advanced as stated on the Advance Clearance Form, TI Cambodia shall provide for the difference. The amount overspent shall not be over 10% for each travel/activity/event and must be approved earlier either by email or phone. If by

phone, this needs to be documented and attached to the expense report. If by email, the printed email shall also be attached to the expense report. The amount overspent shall be reimbursed to the staff within 10 working days of submission of the completed form along with fully supporting documents.

11.4 Reimbursement of Expenses

The reimbursement of expenses occurs for monthly repeated costs such as security/cleaning services, utilities, internet, desk phone monthly fees, etc. In such cases, there shall be no need for advance request.

In rare and recommended cases, this can also happen when staff cannot get the cash advance for a trip or event because of an emergency matter or any reason that prevents them from requesting the cash advance in time before their travel/event. In such cases, prior approval from the authorised person on the cash advance request is still needed. If they are away from the office, they can contact their manager/authorised person either through email or phone to get ahead and go ahead with their plans.

The reimbursement of expenses shall be made to staff within 10 working days after submission of the completed form along with all supporting documents.

Process for expense reimbursement claim

- A person who request the reimbursement of expense shall fill in Expense Reimbursement Form, submit it to his/her line manager for review, then to the Finance Manager for verification, and finally to TI Cambodia's authorised person.
- The reviewer/verifier shall trace the expense report with the attached supporting documents. He/she shall check whether the receipts match the expenses shown on the report and whether all receipts are correct: are all the expenses properly accounted for on the report? Is the arithmetic on the expense report correct? The reviewer shall compare the lodging and meal per diem schedule based on the policy, and check the advance monitoring report to determine whether the person who requested the advance has an outstanding advance. If all the receipts and relevant supporting documents are correct and satisfying, the payment can be processed.

The following supporting documents shall be attached to the expense report:

- Request for purchase
- Quotation
- Summary of quotation
- Declaration of impartiality and confidentiality
- Purchase order/service agreement
- Prove of inspection and acknowledgement of goods and services received
- Official invoice/official receipts
- Meeting minutes
- Attendance list (meeting/workshop)
- Boarding pass (travel)
- Air ticket (travel)
- Used call card
- Any other supporting documents which are necessary to attach to the expense claim

12. CORPORATE CREDIT CARDS

TI Cambodia will provide authorised employees with a Corporate Credit Card, in order to enable authorised business expenditure to be incurred. TI Cambodia also maintains at least one corporate credit card for business use within TI Cambodia.

Cardholders are responsible for ensuring that they read the terms and conditions of use of the card.

The Corporate Visa Card is only for use on the following types of expenditure:

- Booking air ticket online
- Booking accommodation online (while travelling on TI Cambodia official business)
- Paying on expenses when local currency is required and money changer not conveniently available.
- Cash out from ATM as needed when VISA Card Machine is not available for direct payment
- Any other expenses which is required or worth to pay by credit card while traveling

Senior management staff, who have passed their probationary period, may be issued with a Corporate Credit Card, where their function and duties require the use of a Corporate Visa Card, e.g. for travel purposes.

Each Credit Card will be issued to a specific person, who will remain personally accountable for the use of the card.

The limit on cards for the Executive Director is USD 5,000. The limit for all other cards is USD 3,000.

The cardholders will be required to sign the Corporate Card Usage Agreement to prove that they have read and understood TI Cambodia's Corporate Credit Card policy. This is to be signed and returned to Finance department along with the application form upon initial application.

Cardholder's Responsibilities

As soon as the bank statement is issued, the card issuer will supply the statement to TI Cambodia. Cardholder must ensure that all tax invoices/receipts are forwarded to Finance department soon upon receipt of his/her statement. Cardholders will also be responsible for providing details of all expenditures incurred in order to verify the nature of the expenditure.

Cardholders are responsible for ensuring they have read the terms and conditions for the usage of the card.

Changes to Corporate Credit Cards

All changes to Corporate Credit Cards (e.g. increase the limit) must be requested in writing with justification for the change. All changes must be duly authorised by the authorised person.

Lost/Stolen Cards & Charge Queries

In case the card is lost or stolen, the card holders are required to contact the relevant bank immediately.

When an employee terminates their employment with TI Cambodia, they are responsible for ensuring that all statements, receipts and invoices are reconciled, authorised and returned to Finance department in seven working days prior to their termination date.

The Corporate Credit Card shall also be returned to TI Cambodia upon notification of termination.

13. STAFF PAYROLL

TI Cambodia is committed to pay staff salary in due course. Payment shall be made twice per month according to the government's Prakas. The first payment for half month shall be made from 11th-18th day, and second payment for another half month shall be made from 25th-31st day. There should be more simplified for the first payment, while the second payment shall be settled with addition, deduction, withholding tax and other settlement.

➤ Payroll Calculation:

Calculation of payroll must be done carefully. Monthly pay rate x number of days worked: 22 (average number of workdays per month). Average number of workdays per month is calculated by the total number of calendar days less weekend ÷ 12 months: $(365 - 104) / 12 = 21.75$ or 22.

➤ Payroll Register:

The payroll register shows the details of the staff payroll computation. It must be prepared on monthly basis. The items in the payroll register shall at least cover the following main items:

- Gross pay
- Addition
- Deduction
- Net pay

Payroll spreadsheets are easy for containing errors (especially tax calculations) and even fraud happened in the form of 'ghost employees'. Payrolls shall be prepared by HR/Admin Manager, verified by Finance Manager, certified by Director of Operations and approved by Executive Director.

For controlling purpose, the preparer provides with a summary of changes from last month's payroll total to this month's total, which focuses the verifier/certifier's attention on new staff join, staff leave and salary changes, etc.

Staff monthly salary tax shall be calculated based on government's tax declaration, shall be withheld at the end of each month, and paid to the tax office between 1st and 20th of the following month.

➤ Payment Procedures:

After the payroll register has been approved by the ED, payment shall be made to staff accordingly. Salary transfer through bank to each staff member bank account is the safest and convenient payment method to be used by TI Cambodia. It is also possible to pay the staff's salary by cheque for those who have not had bank account yet by the

date of salary payment; or cash if the amount is pretty small (<\$200) as mentioned in the payment method section. Any waiver to this payment procedure shall be clearly explained with the reason. Each month salary shall be paid to staff in US dollars.

Staff members are not allowed to receive salary payments on behalf of other TI Cambodia staff members. However, in special cases where a staff member is unable to receive or collect the salary in cash, e.g. if s/he is hospitalised, s/he can write a letter authorising another staff member to collect her/his salary. This letter must be approved by TI Cambodia's authorised person before the salary payment is made.

➤ **Pay slips:**

It is the responsibility of the cashier who issues pay slips for all TI Cambodia staff so that s/he can acknowledge the payment received from the organisation. Pay slips must be given to each staff on the day the salaries are paid to staff. Staff signatures are mandatory on the pay slip to prove that they have received the salary payment and acknowledge the items in the pay slip.

14. FINANCIAL REPORTS

Once the finance vouchers are approved by TI Cambodia's authorised person, the Finance Officer enters all the transactions such as payments, receipts, and the adjustment in TI Cambodia's QuickBooks accounting system. Around the end of the month, the accounting books are to be finalised. The books shall be closed two working days before the end of each month, allowing adequate time for the Finance Manager to analyse and produce the finance report in a timely manner. The finance report shall be prepared by the Finance Manager, reviewed by the Director of Operations and approved by the Executive Director on a monthly basis; and approved by the members of the Board of Directors on a quarterly along with the board meeting, and yearly basis.

All vouchers and its supporting documents used for posting transactions in QuickBooks shall be orderly numbered and kept in a secured place to allow for proper checking and control, and to facilitate cross referencing.

The following is the standard financial reports in excel spreadsheet produced using the accounting data obtained from original sources in QuickBooks:

14.1. Financial Report for Organisation Level

- **Statement of financial position (balance sheet):** shows assets, liabilities, and equity of TI Cambodia at a particular point in time.
- **Statement of comprehensive income:** shows the fund received from the donors or other sources against the actual expenditures of TI Cambodia for a chosen period.
- **Statement of Cash flows:** provides data regarding all cash inflows a company receives from its ongoing operations and external investment sources, includes cash made by the business through operations, investment, and financing—the sum of which is called net cash flow.
- **Statement of change in equity (reserve):** reconcile the organisation's opening and closing reserve balance during an accounting period.

14.2 Financial Report for Donor/Project Level

- **Budget and actual report:** shows the project budget against the actual expenditure for each donor or each project.
- **Statement of comprehensive income:** shows fund receipt from donor against expenditure of each project.
- **Statement of fund balance:** shows the receipt and expense and balance of each funding source.

15. FINANCIAL CONTROL AND AUDIT

15.1. Internal Control

TI Cambodia has an internal checking mechanism system to review financial operations and to ensure transparency, accountability and earn the donors' trust. Line Managers are responsible for ensuring that receipts/supporting documents submitted for disbursement under their project are genuinely and properly filled out with relevant information prior to submitting them to the finance department for review and to the authorised person for approval. Monthly financial reports produced by the Finance Manager shall be reviewed by Line Managers, verified by the Director of Operations and Programmes and approved by the Executive Director. Monthly and Annual Financial Reports shall be reviewed by the Director of Programmes, verified by the Director of Operations and approved by the Executive Director, and then submitted to the Board of Directors for their endorsement in term of Annual Financial Report. Any irregularities in financial operations will then be investigated.

The strategic plan, operational plans, work plans, quarterly budget plan, staff monthly meetings, progress and financial reports shall be used as tools to control the budget progress and expenditures.

Other specific internal control procedures are already integrated in each section of this manual.

15.2 Internal Review (Internal Audit)

TI Cambodia set up the internal review function (Internal Audit) in order to have a regular review of the accounting records, financial management system and other operations within TI Cambodia, with a view to improve good governance, risk management, and control processes using a systematic and disciplined approach. More specifically, it aims at:

- Promoting appropriate ethics and values within the organisation;
- Ensuring effective organisational performance management and accountability;
- Communicating risk and control information to appropriate areas of the organisation;
- Coordinating the activities of and communicating information among staff and management; and
- Ensuring learning process within the organisation occur to improve the organisation's functioning.

(See the detailed ToR of Internal Audit Function for further information. The ToR shall be updated when necessary).

15.3 External Audit

To uphold transparency and accountability pertaining to donors' funds, TI Cambodia shall undergo an annual financial audit of the whole organisation including all projects and programmes. The financial period of the organisation is from January – December each year. To be fair and applicable, the budget for the organisational audit fee shall be allocated by the different projects/programmes or donors. A separate project/programme audit shall be conducted if it is required by the project/programme or donor.

The audit shall be carried out in accordance with the General Accepted Auditing Standards (GAAS) such as the Cambodian International Standards on Auditing (CISA).

There are two main types of reports that the auditing firm shall deliver to TI Cambodia: the financial audit report and the management letter or the Agreed Upon Procedure (AUP) report as required by the donor. The submission of these reports shall not take longer than 3 months after each fiscal year and project closing period or earlier than this if required by the donors. The final reports shall be sent to TI Cambodia's management team who will then send it to donors, members of the Board of Directors, and other involved stakeholders.

The process of hiring an auditing firm shall strictly follow TI Cambodia's procurement procedure and donor requirements. Only firms who meet the selection criteria are encouraged to send their technical proposal (See detailed Terms of Reference (ToR) for external auditors).

16. ACCOUNTING FILE SECURITY AND RETENTION

The account users in QuickBooks are the Finance staffs. Finance Manager is the user and administrator.

The finance staffs shall ensure the security of the QuickBooks Accounting data system and files. The closing period shall be set every month for the closing date which is normally selected as the end of each month. Within and before the end of month, transactions can be corrected upon the Finance Manager's suggestion. Once the closing date is passed, any adjustment can only be made in the next month with the appropriate approval from TI Cambodia's authorised person.

The accounting data in QuickBooks shall be maintained and backed up on a daily basis in an external hard drive and/or on the server following backup testing procedures and data recovery plan procedures. Such testing procedures will ensure that the backup files are up to date and that the data contained is genuine and ready for reinstallation. A data recovery plan will provide procedures on how to recover lost data or information.

The Finance Manager/Director of Operations shall secure and maintain accounting records and supporting documents for a period of 7 years or longer if required by the donor, or by relevant Cambodian government legislation.

17. FINANCIAL INFORMATION DISCLOSURE

To be accountable and transparent as to how donors' grants and other sources of funding are well managed, TI Cambodia shall always disclose financial information such as its sources of funding, its annual budget, its expenditure reports, and its financial independent audit report on TI Cambodia's website. Those documents shall also be sent to TI Cambodia's donors, the Board of Directors and other stakeholders (if needed), including government agencies.

18. AMENDMENT AND REVIEW

The manual shall be updated every 4 years, or when required, based on the practical experiment of implementation by the involved stakeholders.

The manual was revised by the Senior Management Team with proper consultation with TI Cambodia's staff. This revision ver. 2 shall be effective from 1 July 2020.



Pech Pisey
Executive Director

And approved by the Board of Directors on 27 June 2020



Vong Socheata
Chair of Board of Directors