



Financial Policy

1.0 Purpose

The purpose of financial management in the operation of all Initiative for Socioeconomic and Ecological Advancement's (ISEA) activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, ISEA commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

2.0 Authority

The Board of Directors is ultimately responsible for the financial management of all activities.

The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.

The Executive Director is authorized to sign checks of up to N1,000,000. Checks for amounts greater than N1,000,000 shall require approval from the Board of Directors.

The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than N5,000,000.

The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Board of Directors on variances and the reason for these variances.

3.0 Responsibility

The Executive Director shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of ISEA operations according to the schedule established.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than N200,000 as capital assets in accounting records.
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing in excess of N1,500,000 per unit. Selection will be based on cost, service, and other elements of the contract.
- ISEA may award the bid to any provider and is not required to accept the lowest cost proposal.

The Board of Directors shall:

Review financial reports at each board meeting.

Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

4.0 Budgets

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific objectives, the Executive Director shall:

- Submit operating and capital budgets to the Board of Directors in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

5.0 Asset Protection

In order to ensure that the assets of ISEA are adequately protected and maintained, the Executive Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

6.0 Policy Review

This policy shall be reviewed from time to time when the need arises. The policy review may be necessitated by change in government policies, regulations and laws as well as change in the economic situation in the areas we operate which may directly affect prices of commodities. The review of this policy may also be done to accommodate the growth and expansion of the organization.