

FINANCIAL AND ADMINISTRATIVE REGULATIONS

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1. INTRODUCTION

Labris - Lesbian Human Rights Organization manages responsibly and transparently financial resources, adheres to the adopted procedures, and pays special attention to prevention corruption. Procurement in Labris - Lesbian Human Rights Organization is conducted in accordance with Law on Public Procurement of the Republic of Serbia. This way of working in procurement implies equality among suppliers, fair competition, efficiency, economy and transparency in financial management.

All costs of Labris are actual (they are used for actual purposes of the organization), allocated (there are funds allocated for them) and allowable (they meet the criteria of reasonability and they fall under the definition of allowable costs).

The regulations were adopted during the Labris Coordination Team meeting on 22 April 2015 and were put into effect from 22 April 2015.

2. ADMINISTRATIVE AND FINANCIAL MANAGEMENT

2.1. ANNUAL ORGANIZATIONAL BUDGET AND FUNDRAISING PLAN

The Coordination Team of Labris – Lesbian Human Rights Organization proposes, and the Assembly, at the regular annual meeting, adopts the annual organizational budget. To draft the Budget is the responsibility of the Financial Manager.

The annual budget consists of two parts. The first part is the institutional budget which contains the organization management costs and basic administrative and current costs necessary for basic functions of the organization. The second, program-based, part of the budget contains a projection of the project costs divided according to programs and types of costs.

Based on the annual organizational budget, the Coordination Team in cooperation with the Financial Manager proposes and the Labris Assembly adopts Labris' annual Fundraising Plan.

The deadline for the preparation of the drafted organizational budget and fundraising plan is December 15, and for adoption December 31 for the next financial year. Duration of Labris' financial year equates with the calendar year.

2.2. FINANCIAL MANAGEMENT POLICY

Financial principles of these regulations describe regulations and the practices of Labris. They explain in more detail the relationship and the work methods of the employees with financial transactions, cash, auditing and reporting.

Labris conducts the system of internal control which provides measures the organization implements in order to secure its resources and ensure precision, efficiency and reliability in accounting and operating information. The process of control is conducted in the following manner:

- The money from the office's petty cash fund, property (movable property, furniture etc.) and other assets acquired through the activities, are adequately protected;
- All the financial transactions have to be authorized and properly documented by the authorized person;
- The financial assets can be spent in accordance with donors' requirements and their restrictions;
- Financial reports are timely and accurate and in accordance with the Labris financial policy.

2.3. CORRUPTION AND CONFLICT OF INTEREST PREVENTION STRATEGY

The employees of Labris who are trusted with procurement procedures have to be fully acquainted with the Statutes and Policies of Labris, and in particular with the principle of avoiding possible conflicts of interest or unethical practices for personal gain.

The responsible person in Labris is obliged to take action and all necessary measures to prevent corruption in procurement planning, procurement implementation or during the execution of the procurement contract.

2.4. BANK

2.4.1 Current Accounts

Labris - Lesbian Human Rights Organization has current accounts opened in Komercijalna banka.

The following persons are authorized to sign all contracts, bank payments and disbursements:

- **Legal representative**

The Finance and Administration Department is in charge of managing the banking documentation, such as a contract with a bank, a card of deposited signatures, etc.

The recommended method of payment is payment via current account (payment order, e-banking method), and only in certain transactions is payment in cash allowed, in accordance with the financial and administrative management decision.

All transactions that take place through Labris bank accounts must have a written trace by which it can be unambiguously determined who and when gave an order to execute a certain bank transfer.

2.4.2 Reporting

Expense adjustment report (Report) shows the cash flow statement of Labris' current accounts (cash inflows and outflows). At the end of each month the finance and administration manager (until the 7th day of the month for the previous month) produces the Report in a special form (Appendix 1) by means of combining information from projects' budgets, the book of account and balance sheets. Expense adjustment report is approved by Labris' Coordination Team. The Report is filed electronically in the folder Labris – Master budget, and the Chair of the Coordination Team is responsible for keeping the files up to date. All employees have the access to the files.

The Finance Manager is responsible for keeping the book of account, which is updated on a daily basis. On the other hand, Finance Manager is responsible for cost control regarding the budget lines of the particular projects. This control is also performed on a daily basis.

2.4.3 Financial records

All transactions have to be recorded within 24 hours since they were made. The F&A coordinator performs financial recording in financial software based on the documentation provided for this kind of recording (balance sheets, accounts, contracts etc.). The control of the recorded entries is performed once a week by the Coordination Team. Recording procedure performed without the provided documentations is considered to be violation of F&A regulations.

2.5. CASH MANAGEMENT

Labris – Lesbian Human Rights Organization handles all financial transactions via current accounts. Only in special situations it is possible to use cash as a mean of payment, thus reducing payments in cash to a minimum.

2.5.1. Cash register fund

The Financial Manager and Administration Manager are responsible for the cash register fund. The maximum amount in the cash register fund must not exceed 30.000 RSD. The cash is secured in a metal strongbox and the Financial Manager is responsible for the key. The strongbox is placed in a locked cabinet. The Administration Manager has the key to the cabinet.

The Administrative manager keeps a day-to-day Cash register journal. Administrative Manager pays in cash from the cash register only for invoices that are stamped (approval stamp and budget cost verification).

Check of the balance in the cash register is done at the end of each day in case there is a change in the cash register, by the Financial Manager in the Cash Register Journal form.

Occasional and unannounced cash control is performed by the Coordination Team, at least every 6 months and a report is made.

All orders and accompanying documentation from the cash register operations are archived in the folder Labris - Master budget, for the timeliness of which the Financial Manager is responsible.

2.5.2 Reimbursement

Reimbursement of the expenses paid in cash is made momentarily after the transaction, or seven days at the latest. The maximum amount of the payment in cash can be 5.000 RSD. In case it is necessary to pay more than 5.000 RSD in cash, the reasons must be stated in the box Description in payment orders.

The employee who request reimbursement, fills in the Payment order form (Appendix 2) and submits it together with cash and fiscal receipts to the Administrative Manager. The Financial Manager verifies the authenticity of the order, and the Administrative Manager reimburses the employee for her expenses.

2.6. NON-ELIGIBLE COSTS

Labris does not cover the following costs: employees' debts, tips, gifts, party expenses, alcohol, cigarettes, advertisements which are not part of planned activities, losses caused by exchange rate fluctuations, donations to third parties, fines.

2.7. FILING AND DOCUMENTATION

In order to protect the environment Labris tries to maximally reduce the use of paper files. The electronic filing system is located on a separate server, and a part of the documentation concerning project implementation is stored on separate server.

The employees have various levels of access to the archive, based on work organization and levels of authorization.

The organization of documents in the registry (the table of contents) has to be placed as the first document at the beginning of the registry.

All employees are responsible for keeping the archive up to date in accordance with their job descriptions and Labris regulations and procedures. The Financial Manager is responsible for keeping the finance and administration archive accurate and up to date.

Labris is required to keep all documents, both financial and program, according to provided legal deadlines and in accordance with special requirements stated by donors.

Contracts with employees are kept in a special locker with a key. Each employee file contains job description, performance appraisal history, employee registration (M1 form), copy of identity cards, a certificate of education, a statement of conflict of interest, a statement of understanding of the Statute and Labris Policies and the bank account number to which their salary will be transferred to.

All fixed assets for work (equipment, furniture, etc.) are entered in the inventory list. The inventory list is an internal document. The inventory list is updated once every three months. General inventory list is performed every year, before the end of the calendar year and is an integral part of the basic funds. Fixed assets are depreciated in accordance with IAS. Administrative manager conducts an inventory and it is approved by the Coordination Team.

2.8. PROCUREMENTS

Finance and administration department is responsible for procurement process.

Labris' procurement system entails two categories depending on the total value of procurement:

- 1) values from EUR 100 to EUR 1.000
- 2) values exceeding EUR 5.000.

The procedures, decision-making process and the number of people included in the procurement process are different for each of the categories.

For the costs that fall into first category, the Procurement form (Appendix 3) is used. The employee who initiates the procurement fills in the part of the form – Procurement request, with the approximate description of the goods/services, the quantity and the cost. After the Program Coordinator approves cost contingency, the Financial Manager authorizes the cost. The next step is obtaining three written offers, preferably five, by the Administrative Manager.

For the costs up to EUR 5.000 the inquiry can be made, also, by an e-mail in free form, while for costs exceeding EUR 5,000 exclusively using the Request for offer submission (Annex 4). Incoming offers are analyzed in relation to price and a set of specific criteria set by the Program Coordinator for each type of procurement. Criteria scores ranging from 1 to 5 are entered by the initiator in the Analysis section, controlled by the financial manager and approved by the Coordination Team. Analyzed offers are attached and archived with the Procurement form.

The next step is procurement implementation. The Administration Manager enters the estimate details of selected offer (in the section Implemented procurement). The goods and services reception is conducted by the Administration Manager and the quality control is performed by the expense initiator. If the goods or services quality is deemed positive, the Program Coordinator authorizes the payment, and the Financial Manager makes the payment.

All documents from the procurement process, regardless of the level of expenses, are filed together with payment records in the Master registry. The Program Coordinator is responsible for updating the archive.

2.9. BOOKKEEPING

Labris – Lesbian Human Rights Organization hires a bookkeeper or a specialized bookkeeping agency in order to deal with the Association's financial reports required by the state. The access to the bookkeeping software is limited to the bookkeeper.

During a month, bookkeeping department receives documents from the previous month. Documentation contains receipts (including cash receipts), balance sheets from banks, contracts and payroll accounting, etc.

The person responsible for the contacts with the bookkeeping department is the Financial Manager.

2.10. REVENUES

Labris – Lesbian Human Rights Organization generates all of its income through projects funded exclusively by a foreign, state, private or international donor.

2.11. ANNUAL AUDIT

If funds are provided, Labris – Lesbian Human Rights Organization performs once a year an external audit.

The financial year lasts, in accordance to the law, from January 1 to December 31. Accordingly, the annual audit should be completed by April of the current year for the previous year.

Labris – Lesbian Human Rights Organization, also, conducts internal audits once a year and makes a report on it.

At the request of donors, Labris implements and individual audits of projects, which are financed from the project budget.

2.12. SALARIES AND FEES

Each employee is required to keep records of her working hours on a daily basis (Appendix 5). At the end of the working month, a filled and signed working hours record is submitted to Financial Manager for additional information regarding the percent of distribution among different budgets. Additional information is obtained on the basis of Salary form which regulates the ratio of payroll

regarding donors. The Salary form is proposed by the Financial Manager and approved by the Coordination Team.

Salaries of employees are paid exclusively, according to the employment/fee contract on which unequivocally stands the amount of salary/fees and the number of hours for their engagement, and over their bank accounts. In case of lack of funds, it will be paid to the employees earnings per inflow of funds (retroactively).

There is currently no content classified with this term.