



Financial Procedures Manual

2023

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Overview

This manual outlines the financial policies and procedures for Stichting Unrepresented Nations and Peoples Organization.

1 *About Stichting UNPO*

Stichting Unrepresented Nations and Peoples Organization (“Stichting UNPO”) is the foundation established in 1991 by the members of the Unrepresented Nations and Peoples Organization (“UNPO”). Stichting UNPO is registered as a Public Benefit Organization (“Algemeen Nut Beogende Instelling” or “ANBI”) in the Hague, Kingdom of the Netherlands, with registration number 41156820 (RSBIN: 8020.03.539). It is Headquartered in Belgium.

As a public benefit organization, the Stichting UNPO exists to provide networking, research, and education benefits to unrepresented people globally. It does not engage in lobbying activities. In that capacity it serves as the Secretariat of the membership-organization, helping coordinate between the members and its General Assembly, and undertaking projects aimed at the improvement of the general condition of the human rights of unrepresented people.

Stichting UNPO is governed by a Board of Directors that consists of a Chair, Secretary, Treasurer and two or more regular directors.

The Board of Directors is derived from the ‘Presidency’ of the Unrepresented Nations and Peoples Organization, an 11-person council elected by the General Assembly of the Unrepresented Nations and Peoples Organization. Its primary function is to provide strategic overview and direction in the periods between the Unrepresented Nations and Peoples Organization’s General Assembly meetings. The Presidency elects a Management Committee that serves on the Board of Directors of Stichting UNPO. Within the Board of Directors, the Secretary can be fulfilled external to the Presidency.

More details can be found in the Covenant of the Unrepresented Nations and Peoples Organization (<https://unpo.org/section/2/1>) and in the governing statutes of Stichting UNPO. All staff members of Stichting UNPO are required to fully familiarize themselves with these documents, as well as to understand the restrictions imposed by the Stichting UNPO’s ANBI status, particularly with regard to lobbying.

2 *Purpose*

Stichting UNPO receives its fundamental Operational Funding in four ways:

1. Membership dues, both annual dues applicable to all members, and enhanced dues provided by specific members wishing to make additional contributions or support supplementary activities for the benefit of their community.
2. Grant Funding from external donors, primarily centered on the promotion of human rights, environmental protection, or democratic participation for unrepresented people. This additional funding is restricted to project-based restricted-use funding.
3. The funding of Members’ Projects. These projects are often financed by one or more UNPO members, with the aim of supporting specific activities that fall within the framework of the UNPO’s scope. This often includes strategy, development, research, or training.
4. Funding received via spontaneous donations by individual members of the public. This funding source is usually very limited.

This manual establishes the internal operational rules with regards to financial management of the organization, to ensure: (1) the sound management of Stichting UNPO’s financial resources (both Membership Funding and Grant Funding); and (2) to adequately delineate the use of funds between the core Operational Funding and Grant Funding.

General Financial Management Principles

The following basic principles govern Stichting UNPO's financial management and operations:

1 *Electronic Transactions*

As a matter of general principle, Stichting UNPO operates on a no-cash basis, preferring electronic transactions over any other form of transaction, both in terms of receipt and payment of funds. In particular, the following general assumptions apply:

- a) All payments must be made via electronic means, preferably via bank transfer. Rarely and exceptionally, cash transactions might happen when it is difficult to do otherwise;
- b) All payments, including membership fees and reimbursements (for example, travel expenses) must be received via electronic means, preferably via bank transfer. Rarely and exceptionally, cash transactions might happen when it is difficult to do otherwise;
- c) Stichting UNPO bank accounts require double approvals for all transactions above 1500 EUR and, as a result, do not allow for debit or cash withdrawal cards. Accordingly, cash can only be drawn via UNPO credit cards (in exceptionally urgent circumstances) or via a double-signed request for cash withdrawal directly from the bank;
- d) Beyond cash, Stichting UNPO does not use checks or other paper means of transaction, unless such a means of transaction (i.e. a bankers draft or money order) is directly required by the vendor; and
- e) All transactions will have an electronic record. Vendors and suppliers will be asked to provide an electronic invoice, while Stichting UNPO will provide electronic receipts.

2 *Double Approvals*

All transactions above 1500 EUR require two levels of approval before the transaction can be processed, with such controls enacted additional to the bank account level. Only one credit card is exempt from this practice, one with a low 1500 EUR limit. This credit card is kept by the Secretary-General, on behalf of the organization. Credit card expenses must be justified, and the Treasurer must be informed of any credit card payment on a monthly basis.

No Co-mingling of Funds

To ensure financial controls and ease of project auditing, Membership Funding and Grant Funding shall be segregated in different bank accounts.

3 *Completeness of Payment Requests*

Every component of a transaction must be documented, approved, and recorded. For example, payment to an employee requires the signature of the employee, or other proof, as evidence of payment. Tangible proof, such as a vendors' receipt and the purchased item, is required to confirm that the item was received, or the services performed. Transactions may only be approved for amounts recorded in the vendor invoice.

Staffing Roles

4 *General*

Since Stichting UNPO is a small organization, it requires all of its employees to abide by the standards in this Manual whilst working with suppliers, consultants, sub-grantees, subcontractors, government financial departments, etc. Accordingly, responsibility is vested in all employees. While the majority of employees are not empowered to make contracts or effect payments, it is expected that all employees will, at some point, be required to apply the procedures in this Manual.

5 *Principal Staff*

The primary staff that are engaged with this Manual are: (a) the General Secretary; (b) the Administrative and Communications Officer; and (c) Project Managers/Thematic Heads.

- **Secretary-General:** The Secretary-General has been delegated, by the Board of Directors of Stichting UNPO, to enter into binding contracts and agreements. They are responsible for the overall good management of the organization, working closely with the Board of Directors. The Secretary-General reports to the Treasurer, monthly and regularly, reports on the overall financial health of the organization, to the Board of Directors on the overall financial health of the organization. Specifically, the Secretary-General's tasks are as follows:
 - a) To direct the day-to-day operations of the Organization and lead, direct, mentor/coach, appraise and supervise the other staff;
 - b) To represent the Organization;
 - c) To establish and operate bank accounts for the benefit of the Organization, under the supervision of the Treasurer;
 - d) To regularly maintain and fulfill any legal and administrative task related the Organization;
 - e) In close collaboration with the Treasurer, manage the financial affairs of the Organization in accordance with the applicable governing financial laws. They will ensure that financial policies, procedures, and donor compliance requirements adhere to the expected standards, and ensure that internal and external financial donors' reports are prepared and disseminated within deadlines;
 - f) To periodically present programmatic and financial reports to the Management Committee and the Presidency; and to annually present programmatic and financial status reports to the Members via the General Assembly. The annual reports, presented during the General Assembly, should include the following information: the names and addresses of the representatives of Members and members of the Presidency, the status of Membership applications, a description of the overall financial situation of the Organization, and a description of the activities of the Organization during the previous year;
 - g) To coordinate the activities of Regional Chapters when established, in order to better accomplish the aims and objectives of the organization.
 - h) To perform any duties delegated or requested by the General Assembly or the Presidency;
- **Administration and Communications Officer:** Dependent on the overall staffing of the organization, day-to-day administration and financial functions may be delegated by the Secretary-General to a junior staff member. These tasks include, but are not limited to, the following:
 - a) To support the SG in preparing the necessary proof of payment, invoices, and contracts delivered by the Organization;
 - b) To support the SG in the preparation of necessary programmatic and financial reports to be presented to the Presidency and General Assembly;
 - c) To ensure that payment packages are complete and accurate prior to processing;
 - d) To ensure that vendors/suppliers, staff, and sub-recipients' payments are prepared and paid on time;
 - e) To maintain the Headquarters' petty cash ledger and prepare petty cash replenishment;
 - f) To prepare cash receipt vouchers for any cash collected (though it is expected that this will be extremely rare) and ensure adequate recording in the ledger;
 - g) To maintain calculation of assets, stocks, and property.
 - h) To support the SG in the preparation and dissemination of internal and external financial reports within deadlines;

- i) To support the SG for all aspects of cash management, including monitoring receivables, billing staff, collection of debt and membership dues, and managing pre-payments;
 - j) To update the website, social media, and other forms of communication regarding the activities of Members on the Organization.
- **Treasurer (Member of the UNPO Board and Presidency Member):** The treasurer acts on a non-paid and voluntary basis. He/She is primarily responsible for monitoring and supervising the Secretary-General regarding the overall financial management of the organization, and the monthly approval of payments and expenses. The treasurer works closely with the SG in the preparation of the annual books and their presentation to the General Assembly.
 - **Project Managers/Thematic Heads:** Project Managers/Thematic Heads are tasked with leading individual grant-based projects and ensuring their appropriate management. They do not have formal financial management roles (e.g. do not have the ability to enter into contracts) but may have responsibility for initiating or managing procurement processes related to their individual projects, uploading payments for processing, ensuring aspects of basic office administration as delegated by the Secretary General, and supervising project staff.
 - **Trainees/Assistants/Officers:** Dependent on the overall staffing of the organization, day-to-day project and campaign related functions may be delegated, by the Secretary General or Project Manager (with the agreement of the Secretary General), to a junior staff member to assist with certain tasks.

Financial Processing

6 Overview

Financial reports are summaries of the information found in financial records for a given time period or from a specific date. Financial reports also provide information on the financial status of a project, including project income/costs, cash flows, and trial balance. Financial reports may also include sufficient background information to support the data included in reports.

7 Financial Transactions

For the purposes of this Manual, a financial transaction is any occurrence which results in an inflow/outflow of funds or has any effect on the organization's assets and liabilities. All financial transactions will be accounted for accurately and properly. No undisclosed or unrecorded funds or assets will be established or maintained for any purpose.

For grant funds to be permissible the following conditions must be met. Costs must be reasonable for the performance of the grant agreement and attributable to a line item in the grant budget. The costs must be consistent with organizational policies and procedures and the procedures outlined in the grant agreement, including in conformity to any limitations or exclusions set forth in the principles or in the agreement as to types or amount of cost items. The costs must be adequately supported and documented.

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. In determining this, it should consider whether the cost is of a type usually recognized as normal and necessary for the organization's operations.

8 *Transaction Accounting*

Stichting UNPO uses accrual-based accounting, meaning it recognizes revenue when it is earned (not paid), and expenses when they are billed (not paid). Accordingly, for example, where revenue or expenses are paid in the next financial year, they are accounted for in the previous financial year.

In view of the small size of the organization, to exercise additional checks on the administrative and financial status, an external fiduciary will be commissioned. They will be tasked with maintaining proper and regular books of accounts, including all receipts and payments of the Organization and the creation of an annual balance sheet. The Secretary General, or the Administrative Officer, will be tasked with the monthly provision of all proof of payment, contracts, and necessary elements to the Fiduciary to do so.

9 *Receiving Funds*

Stichting UNPO receives funds in a variety of ways: via membership dues, grant agreements, individual donations, and reimbursement for expenses (principally related to travel). As per the above, Stichting UNPO presumes that it will not receive cash payments (however provision for cash receipts is provided below). Invoices and Receipts should be provided and kept in all circumstances, with the presumption that they will be transmitted electronically, and kept in electronic and paper format, in the electronic receipts folder and physical receipts book.

- **Membership Dues:** Membership dues should be paid via bank transfer into the organization's checking account. Each membership due will be evidenced by an invoice for the following year, sent electronically to all members in December.
- **Grant Agreements:** Grant agreements have different means through which payments are requested and received. However, all fees will be received and deposited in separate accounts (non-checking) to membership dues. Relevant documents related to expenses made under the grants will be stored in both electronic form and in a physical form. The physical form will be stored in the relevant folder at the Headquarters of the Organization.
- **Donations:** Donations are received either via bank transfer into Stichting UNPO's checking account. The Treasurer and Secretary General are afforded the discretion to also accept donations through an online payments system. If donations are received via this means (online payments system), the electronic transaction receipt will be saved and filed, and the donor will be provided with a receipt by the online payments system. If received via bank transfer, a receipt document will be drawn up and provided to the donor, assuming the donor has provided the relevant contact details. In both circumstances, an email will be sent to the donor thanking them for the donation, along with attachment of the proof of receipt. This will be kept as evidence of receipt.
- **Cash:** To the extent possible, Stichting UNPO will not accept cash. In some circumstances cash must be given, e.g. for reimbursement of expenses. In these circumstances, a copy of the evidence and form required for expense reimbursement will be kept. For highly exceptional circumstances, such as the spontaneous donation of cash 'on the spot' (e.g. via an individual wishing to make a donation), a receipt book will be used to facilitate the creation of a physical copy of a receipt. With the approval of the Secretary-General, upon assessment of the donor, money and receipt, the cash may be kept and used by Stichting UNPO. All cash received must be banked and supported by an official bank deposit slip. Cash disbursements must not be made from cash received and cash receipts must be stored separately from petty cash funds.

10 *Payments*

Disbursement of money should occur only when approval, legitimacy, and transparency of the costs can be proved. Additionally, costs must be in accordance with both the general budget of Stichting UNPO and, for grants, the grants budget.

Requests for payments should be authorized by the Treasurer or the Secretary-General. When an invoice is received, it should be matched with the purchased order and checked for calculations and

correctness. Prior to approval of the payment request, the relevant approval manager should ensure that all procedures and checks have been followed and all supporting documents attached. The authorized person should then upload the payment to the checking account.

After a payment is uploaded into the bank account, two persons from the board are required to approve the payment. At least three people are eligible to approve transactions from the organization's bank accounts; the Secretary-General and the Treasurer, or either one of the Vice President of the Organization or another Board Member.¹ Approvers must double-check that all procedures, checks and supporting documents are provided.

Once a month, all financial transactions will be provided with the supporting documents to the external fiduciary in charge of the maintaining up to date the Organization accounting.

11 Expense Reimbursements

Expenses will be reimbursed on the basis of documented evidence. This includes invoices and receipts (e.g. for hotels, food, etc.), in addition to the following documentary evidence, contingent on the type of expense:

- i. workshops* – signed attendance list, showing amount paid to each participant, names of each participant;
- ii. training* – name of training institute, rate per period and amount paid to the candidate, duration of the course, and a report of the training; and
- iii. travel for field research, project or team meeting and organizational meetings* – authorization by the Secretary-General with acknowledgment of the Treasurer.

Expenses for the Secretary-General must be approved by the Treasurer.

12 Travel and Per Diem

To the extent possible, all staff travel expenses, with the exception of incidentals, will either be procured in advance or covered by a partner organization or grant. Stichting UNPO does not provide per diems for travel, unless provided by a grant, partnership agreement, or by the member or organizational partner who have invited Stichting UNPO staff to travel.

In cases where per diem is provided by a grant, the budget will be set by the grant. As outlined above, cash advances are disfavored, and staff will be asked to seek reimbursement of the expenses after the fact. The member of staff must provide proof of purchase and an overall travel memo that details the purpose of travel, each individual expense, and the documentary proof of travel outlined above.

Additional rules regarding travel expenses are:

- It is the travelers' responsibility to obtain any required vaccinations or inoculations prior to travel. The traveler can utilize his/her own service and be reimbursed the actual cost of travel related services on an expense report form (with receipts provided).
- The traveler may be required to pay for excess baggage at the airport. A receipt is required for reimbursement if excess baggage is deemed necessary for official/business use.
- Airport tax will be reimbursed at actual cost charged, based on receipt/documentation provided.
- Air, road, and rail travel are reimbursed at the actual cost of passage. A ticket receipt should be required as proof of travel. Air travel will be in the Economy class, while staff traveling by bus or rail will be allowed to be in the first class if the price is deemed reasonable, relative to the price of an Economy class ticket.

¹ In the absence of one of the treasurer/SG a board member can be designated to ensure that there are sufficient approvers available.

Budgeting & Accounts

13 *Budget approval policy*

All budgets will be prepared by, or through consultation with, the General Secretary and the Treasurer. They will also be presented to the Board for approval for the fiscal year. The budgets will provide a financial overview for the organization, and will, on a line-by-line analysis per funder, give an indication of which funder is attributed to each cost.

14 *Grant Agreements*

All grant agreements, irrespective of size, are subject to the approval of the Board of Directors.

15 *Donor policy and rules*

In the event of a grant project, the donor's policy will take precedence over the policies and procedures outlined in this Manual.

16 *Transaction Recording*

- Transaction ledgers are kept in Stichting UNPO's accounts database.
- All receipts and payments issued should be recorded and analyzed in the accounts database.
- All bank transfers must be dual approved by two designated signatories and should be recorded in the accounts database.
- All original documents should be systematically filed in the electronic receipts folder on the organization's server, and physical receipts (or printouts) kept in the receipts folder.
- All receipts should be recorded by the Secretary-General/Administrative Officer, with quarterly reconciliations.
- All records will be kept for at least seven years, in accordance with the law applicable in the Netherlands, unless a longer period is prescribed by law or agreement.

17 *Financial reports*

Twice a year, financial reports will be produced and delivered to the Board of Directors. These will include a budget summary, an expenditure and receipts summary, and information pertaining to cash flow.

- **Budget summary:** Shows how much has been spent and how much is remaining for each budget line item.
- **Expenditure summary:** Shows expenditures to-date and highlights any expenditures that are likely to overrun the budget limit.
- **Cash flow summary:** Analyzes the current and projected cash flow for the organization through the next quarter, highlighting any risks and mitigation strategies.

Final books will be annually presented and approved by the General Assembly.

18 *External reporting*

Project staff will be aware of all donor reporting requirements, including deadlines, and will ensure that all relevant reports are submitted to the Secretary-General/Administrative Officer at least 5 days before the reporting deadline. They will further ensure that all relevant reports are ready to be submitted to the Donor in a timely manner. This includes programmatic Donor reporting and the timesheets of all staff who have worked on the project associated with the grant.

19 *Accounting and Audit*

Stichting UNPO's fiscal year runs from 1 January to 31 December each year.

As a result of its budget size, Stichting UNPO is not required to undergo an annual audit of accounts, and it is not anticipated that the organization's budget will rise to the level required for such an audit in the Netherlands. Nonetheless, it is the organization's policy to conduct an audit of accounts over a 2–3 year period, thus resulting in all accounts being audited.

Moreover, audits can be required on a per-project basis and will be conducted with an auditor approved by the donor. A project-based audit shall be budgeted in each grant project, regardless of whether Stichting UNPO is the lead or a sub-grantee.

Financial Instruments

20 *Petty Cash*

Petty cash, of no more than 200 EUR, will be kept in the Brussels office to cover unexpected office-related expenditures that cannot be covered by credit card or credit card holders. Petty cash may only be used upon the written approval (via email) of the Secretary-General or Treasurer.

A request to use petty cash should be made to the Secretary-General or Treasurer via email, detailing precisely what it will be used for, with the presumption that it will only be used for general office expenditures such as coffee, tea, communal bathroom supplies, etc.

Withdrawals of petty cash should be recorded into the petty ledger prior to any petty cash being removed. Expenses should subsequently be recorded against the amounts removed, with change returned to petty cash and recorded.

At the end of each month, the employee responsible for petty cash oversight will reconcile the petty cash folder and draw up a monthly petty cash "invoice", detailing the expenditures with the attachment of relevant receipts. This invoice will be scanned electronically and stored in both electronic and paper form, as with all other receipts and payments.

Petty cash will be replenished when there is 50 EUR or less remaining in the lock box. Since Stichting UNPO's bank accounts do not allow for cash withdrawal, cash will be withdrawn against one of the two credit cards, and documented as a credit card expense in accordance with the credit card regulations.

Petty cash cannot be used for grant funds.

21 *Credit Cards*

One credit card, with a limit of 1500 EUR, is kept on behalf of the organization, by the Secretary-General.

It is expected that credit cards will only be used where bank transfer is not possible, with the view that they will primarily be used for the following purposes: (1) subscriptions to online services requiring a credit card; (2) booking and payment of travel-related expenses (hotels, tickets, etc.); and (3) purchases of office-related materials.

The credit card operates as a "charge cards", with any payments immediately withdrawn by the bank at the end of each month, with no interest payments. Stichting UNPO will not take out credit cards, in the traditional sense, that allow for payment deferrals against interest.

As with petty cash, the holder of credit cards will, within 30 days of the end of each month, submit a memo outlining the expenses made, the reasons for expenses, any attribution against grants funds necessary, along with the provision of all relevant receipts.

Contracting

22 Procurement of Goods or Services

Stichting UNPO's Procurement Policy is based on the principle of assuring the most cost-efficient and rational use of resources for goods or services that will best serve the organization, in both the immediate and long-term. The policy shall also ensure that procurements are conducted in a manner that provides open and free competition to the maximum extent practical.

Procedures to avoid unnecessary purchases or duplicative items should be always in place. No employee should participate in a purchase if a real or apparent conflict of interest is involved. A conflict of interest originates when an employee or a member of their immediate family, or a member of Board or associate, has some interest, economical or otherwise, in procurement in a specific business or the hiring of the services of a particular person or business.

Only goods and services specified in the approved budget (grant and/or organizational) can be procured.

All goods received should be recorded in the organization's inventory.

23 Inventory

The Administrative Officer maintains a Fixed Assets register log that lists all equipment. The following details must be included:

- a. Acquisition date
- b. Description
- c. Make
- d. Serial number
- e. Cost

Physical inventory verification should be done annually to ensure all equipment and materials are accounted for and recorded accordingly.

24 Consultants and Independent Contractors

A consultant is a self-employed, independent contractor for whom Stichting UNPO has no legal obligation to withhold taxes or pay benefits. Consultants are considered to be local contractors, rather than employees, and as such are not eligible for payroll or regular employee benefits.

Consultants can be contracted on the basis of a daily rate or fee for service, following a comprehensive scope of work detailing the specific tasks to be performed, the timeframe, and the person responsible for supervising the consultant. Each consultant will provide an invoice for its services at the end of each month.

Consultants may only be hired if there is a provision included in the relevant organizational or grant budget. The hiring of consultants must be approved by the Secretary-General.

25 Employees, Timesheets and Payroll

All employees associated with Stichting UNPO must have valid contracts on file. Contracts must comply with the national law of one of the locations in which the UNPO is registered.

Employees engaged in grant projects are required to fill out timesheets delineating their work performed against each respective grant. Timesheets must be signed by the employee and approved by their supervisor.

In accordance with European law, the UNPO will provide all relevant payroll documents.