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PDP-CENTER

Financial Policy

Of

People Center for Development and Peace (PDP-Center)

Chapter I: Purpose and Document Usage

1. Purpose

Is to ensure the practical and general financial management of PDP – Center is accurate, transparent and easy to manage.

2. Document Usage

- Staff must have permission from the accountant before implementing any financial activities.
- The account must note down the borrowing and return date of every transaction in a ledger.

Chapter II: Income and Expense

3. Cash Income and Responsibility

- All incoming finances must be given to the accountant to deposit in the bank account of PDP Center or in it's safety security box. Each transaction requires a signature from the giver, receiver and approval from the director.
- The accountant is responsible for recording all income of PDP Center, including the receipt number and date.
- Upon receiving a cheque, income must first transfer into the bank before cash can be withdrawn.
- All departments or individuals of PDP Center must have express permission to withdraw finances from the organization, even if it is within a specific project budget.

4. Payment Receipt

- Initial payment receipts must be recorded and saved.
- The customer should receive a copy of the receipt

- Receipts with a signature must be saved in a folder named "Cancel", including the reason of erasing and a signature approval by the director of the checker.

5. Expense

All material and service expenses must have the accurate receipt and balance according to the market price, including relevant discounts.

The Director will check and make the executive decision on all other PDP – Center expenses. The Accountant is responsible only for saving and storing PDP – Centers money, with no right to make spending decisions. All expensed payments must have "paid" and "post" stamped on them after transactions are complete.

Chapter III: Bank Deposit and Withdraw

6. Deposit and Withdraw

- Transactions must be deposited by staff with depositing rights only. PDP-Center must deposit cash by individual donor upon request.
- The director, vice-director and accountant must be informed of every withdrawal from the bank.

7. Bank Reconcile

Bank Reconcile ensures that both deposits and withdrawals recorded on PDP – Centers transfer note are accurate. Reconcile must be performed every month by the accountant who is responsible for cash transactions, procuring the reconcile document from the bank and having the PDP – Center director sign the document.

Chapter IV: Cash on Hand and Advancement

8. Cash-on-Hand

A maximum of \$2500 and a minimum of \$500 must be kept in cash in the safety security box at PDP Center headquarters. The Accountant has no right to keep cash at home, on his person or manage the expenses with express permission from the director and transfer rights official.

9. Petty Cash

A maximum of \$200 and a minimum of \$50 must be saved of petty cash.

10. Cash Count

- Cash count is at the end of every month of the transaction
- Cash count is involved from accountant and director or transfer rights person.
- Report of cash count must be sign by the saver and auditor

11. Advance

- Staff may ask for a maximum of one months salary in advance, which must be cleared by the end of the month. In urgent cases, staff can request a maximum of three months salary in advance, with permission and depending on the financial

circumstances of PDP Center. Staff will not approve second advances if staff did not clear their initial transaction.

- Staff must clearly state the purpose of their cash advance and the amount of cash required before signing the advance slip with the director and transfer rights official.

12. Keys and Password

The keys and password keepers must be a separate people.

- The Financer is the key keeper
- The Assistant or Accountant is the password keeper

Passwords must be saved in a closed envelope, signed by at least three people including the director, finance officer and program officer. The envelope can be opened if the password keeper is in an accident. They are unable to resign without informing others of the password and are forbidden from telling others.

13. Internal Auditor Committee

The committee must include:

- A Representative of the Council Consultant
- Two officers or program assistants

It is the Committees duty and responsibility to check and audit on:

- Income and expense
- Bank reconciliation
- Cash on hand
- Petty cash
- Other supporting documents
- Other suggestions

This internal audit must be performed at least twice a year.

Chapter V: Result of

14. Purchasing Materials and other Services

Purchasing materials and other expenses must follow the guidelines below:

- Openly competitive
- Transparency
- Legally commercial
- Any materials that cost more than \$400 must have at least three (3) quotes.
Director or Transfer rights official is responsible for deciding on which quote to choose.

15. Real Estate Note

The Accountant is responsible for taking care of and reporting of the materials and furniture of PDP Center. All materials valued over \$20 and used for more than a year must be registered on the real estate list.

The real estate list must include the following information:

- Order number
- Code number
- Reference documents
- Price
- Insurance
- Other explanation

16. Report and System of Noting

Financial summaries must be conducted at the end of each month, including:

- Balance sheet
- Income statement
- Income and Expenditure
- All real estate must have be checked and have its price estimated at the end of each year. The director, rights transfer official, accountant and administrator must be present to witness the event and create a report.
- All reports must be audited by expert staff, signed by the director and saved in the "File" each month.
- PDP Center uses Quick Book Accounting for their noting system.

17. Auditing

- PDP Center must have every expense audited by an independent audit center, except for any donation that does not require an audit.
- PDP Centers Tax year begins early January and finishes at the end of December each year.

Chapter VI: Changeable

18. Financial Purpose

Changes to the financial purpose can be made only in a meeting by the particle committee.

Phnom Penh August 01, 2013

**Board of Director
Chairperson**



Vong Sreytouch

Phnom Penh August 01, 2013

President



Yong Kim Eng