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FINANCIAL PROCEDURES POLICY

Overview

Financial management is the practice of making a business plan and then ensuring all departments stay on track. Financial Management acts as the backbone of any successful organisation, ensuring that resources are efficiently utilised, and goals are met effectively. This policy establishes standardized financial procedures to ensure accuracy, accountability, and compliance with Generally Accepted Accounting Principles (GAAP), Rwanda tax laws, and internal controls. It aims to:

- Safeguard company assets.
- Prevent fraud and financial mismanagement.
- Ensure transparent financial reporting.

Content scope

This policy covers all financial activities, including budgeting and forecasting ensure strategic resource allocation aligned with business goals. Accounts payable/receivable processes maintain accurate cash flow tracking and timely payments. Payroll processing guarantees compliant and punctual employee compensation. Expense reimbursements require documented approvals to prevent misuse of funds. Procurement and vendor management enforce competitive bidding and due diligence for cost-effective partnerships. Cash handling and banking procedures implement dual controls to safeguard assets. Invoicing follows standardized templates to ensure accuracy and prompt client billing. Together, these financial controls promote transparency, efficiency, and regulatory compliance.

Financial management at RRS

Financial management is vital to the success and sustainability of any organization. At RRS, we adhere to rigorous financial management processes to ensure transparency, efficiency, and regulatory compliance. These processes enable us to:

- Allocate resources effectively.

- Establish and achieve clear financial goals.
- Identify and mitigate potential financial risks through strategic planning and contingency measures; and
- Make informed decisions regarding investments, operations, and strategic initiatives.

By implementing these frameworks, RRS maintains fiscal responsibility while supporting long-term growth. We follow and apply essential principle of financial management summarized in below figure and explained in detail here

Grant management and invoicing

RRS can receive funds from federal agency which need to comply with specific expense report and invoice. RRS is ready to comply with different financial reports requirement and certification all over the world.

For example, receiving funds from federal award of the USA oblige subrecipient to comply with their invoicing requirements says"Invoices must include the following certification as required in 2 CFR §200.415"

2 CFR §200.415 (a)

Financial reports must include a certification, signed by an official who is authorized to legally bind the recipient, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

A second example is that they require SUBRECIPIENT to certify that it is in compliance with cost principles and Cost Accounting Standards in accordance with 2 CFR § 200, or 48 CFR Part 31.2 etc.

Example 3: NIHR Global Health Research - Financial Management Guidance for Awards funded through Official Development Assistance (ODA) (Federal award from the UK)

According to https://www.nihr.ac.uk/nihr-global-health-research-financial-management-guidance-awards-funded-through-official-development-assistance-oda, the contracted organization should comply with financial management in the NIHR Global Health Research contract (in particular sections 2 and 4) as it is shown below.

Responsibilities of Contracted Organisations

The term Contracted Organisation refers to the organisation holding the NIHR contract with DHSC. Contracted Organisations are accountable for the effective and appropriate use of all NIHR ODA funds and should be familiar with the relevant clauses relating to financial management in the NIHR Global Health Research contract (in particular sections 2 and 4).

Financial Controls & Approvals

The RRS CEO develop strategic annual budget that allocate funds for all operational costs. The finance department will do a good documentation tracking of expense, invoice and payment processing, financial reporting, internal control, tax compliance, cash management and financial documentation check more for your reference here.

1. Authorization procedures

At RRS, we used bank transfers and cheque in all financial transactions. Efficient cash flow management stands as one of the key Principles of Financial Management, emphasising the necessity of maintaining a healthy balance between incoming and outgoing funds. No single employee shall control all stages of a transaction (e.g., request, approve, and process payments). We adhere to the following authorization procedures.

Transaction Type	Approval Required By
Expenses ≤ 2,000,000RWF	Department Manager and CFO
Expenses >2,000,000RWF	CFO and CEO (Chief Executive Officer)

2. Financial Management Procedures

At RRS, budget management requires Board approval for annual budgets, with department heads submitting quarterly variance reports. For accounts payable, all invoices must reference a valid purchase order or signed contract, with mandatory three-way matching (PO, invoice, receipt) prior to payment. Expense reimbursements must be submitted through email within 30 days, excluding alcohol and personal expenses. Payroll processing requires supervisor-approved timesheets by the 25th of each month. Cash handling procedures include daily register reconciliations and dual-employee verification of bank deposits to ensure accountability. These standardized processes maintain financial integrity across all operations.

3. Compliance & Reporting

- **Monthly:** Financial statements reviewed by CFO.
- **Annually:** External audit report
- **Whistleblowing:** Report fraud to CFO and CEO

4. Consequences for Violations

- **Minor:** Retraining or written warning.
- **Major:** Termination, legal action, or recovery of funds.

5. Training

Mandatory annual training for finance teams and budget holders.

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