



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



# FINANCIAL REGULATIONS & FINANCIAL POLICIES AND PROCEDURES MANUAL

**Coral Triangle Initiative on  
Coral Reefs, Fisheries and Food Security**





**FINANCIAL REGULATIONS  
&  
FINANCIAL POLICIES AND  
PROCEDURES MANUAL**

**Coral Triangle Initiative on Coral Reefs,  
Fisheries and Food Security**

**Financial Regulations &  
Financial Policies and Procedures Manual  
Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security**

**Financial Regulation:**

Established during the 3rd CTI-CFF Ministerial Meeting, 28 October 2011  
Amended at the 8th CTI-CFF Ministerial Meeting, 29 November 2022

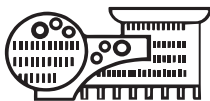
**Financial Policies and Procedures Manual**

Established during the 8th CTI-CFF Ministerial Meeting, 29 November 2022

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## Foreword

Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) is a multilateral partnership of six countries – Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands and Timor-Leste – to safeguard the Coral Triangle region over the concern of increasing level of degradation of the marine and coastal ecosystems.

The partnership aims to address the threats through collaborative and concerted efforts, taking into consideration multi-stakeholder participation. At the global scale, the partnership's goal is to contribute to the achievement of the UN Sustainable Development Goals (SDGs) and the Aichi Biodiversity Target as agreed in the UN Convention on Biological Diversity (CBD), as well as in the UN Framework Convention on Climate Change (FCCC), to sustain life on earth.

The 8th CTI-CFF Ministerial Meeting held on 29 November 2022 has approved and endorsed on the amendments made to the Financial Regulations and the Financial Policies and Procedures Manual for effective functioning of the Regional Secretariat in line with the current and future development. The Regional Secretariat is expected to carry out its day-to-day function, guided by principles and ideals which the CTI-CFF upholds.

It is my privilege to present the Financial Regulations and Financial Policies and Procedures Manual, with the hope that it can provide better guidance to all staffs, the CTI-CFF member countries, partners and stakeholders on the governance and functions of the CTI-CFF Regional Secretariat.

**Dr. Mohd. Kushairi Mohd. Rajuddin**

Executive Director

CTI-CFF Regional Secretariat



# FINANCIAL REGULATIONS

**FINANCIAL REGULATIONS**  
&  
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## Summary of Amendments to the Financial Regulations

### **Financial Regulations for Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security:**

Established during the 3rd CTI-CFF Ministerial Meeting, 28 October 2011

Amended at the 14th CTI-CFF Senior Officials Meeting, 14 December 2018

Endorsed at the 15th CTI-CFF Senior Officials Meeting, 7–8 November 2019

Revised on 18th August 2020 based on decision at the 2nd IRC Meeting, 20-23 July 2020

Amended at the 17th CTI-CFF Senior Officials Meeting, 24-25 November 2022

#### Session 5: Internal Resource Committee

5.13 Acknowledged and accepted the alignment of the Staff Regulations and Financial Policies and Procedure Manual (FPPM) by the Regional Secretariat to the SOM-16 approved Staff Policies and Procedure Manual (SPPM) (Annex 5.7) with the amendments captured in 5.14;

5.14 Acknowledged and accepted the amendments made under the Staff Regulations including Regulation 3 on Definition, Regulation 12 on Overtime, Regulation 14 on Entitlements for First Reporting of Duty, Relocation and Termination, Regulation 18 on Sick Leave and Maternity Leave, and the amendment under FPPM including Appendix 11.1 on Per Diem Allowance.

### **AMENDMENTS CONSIDERED NECESSARY IN THE LIGHT OF DECISIONS TAKEN BY THE CHAIR OF SENIOR OFFICIALS AT THE SIXTEENTH SENIOR OFFICIALS' MEETING ON THE BASIS OF RECOMMENDATIONS BY INTERNAL RESOURCE WORKING GROUP:**

#### Regulation 3: Definition

An addition to the regulation which provides definitions related to financial aspects.

#### Regulation 4: Contribution and Other Income

An addition to the regulation to briefly introduce type of funds of the Secretariat.

#### Regulation 5: Provision of Fund

This regulation is previously part of Regulation 8 on Provision of Funds of the Financial Regulation and has been integrated and edited for structural purpose.

#### Regulation 6: Establishment of Fund

This regulation is a part of Regulation 7 on Funds of the original Financial Regulation with simplified explanation.

#### Regulation 7: Custody of Fund

This regulation is part of Regulation 10 on Custody of Funds of the original

Financial Regulation with some revisions in texts and sequence.

Regulation 8: Budget

This regulation is part of Regulation 3 on Budget of the original Financial Regulation with some revisions in texts and sequence.

Regulation 9: Appropriation

This regulation is a part of the Regulation 4 on Appropriations of the original Financial Regulation with some edited parts on language and sequence.

Regulation 10: Procurement of Goods and Services

This is a new regulation to manage the procurement process.

Regulation 11: Accounting

This is a new regulation to manage the procurement process.

Regulation 12: Reporting to CTI Parties and CTI Partners

This regulation is an extended version of Regulation 11 on Reporting of the original Financial Regulation with additional information.

Regulation 13: Internal Control

This regulation is part of Regulation 5 on Internal Control of the original Financial Regulation with simplified explanation.

Regulation 14: External Audit

This regulation is a part of Regulation 11 on External Audit of the original Financial Regulation.

Regulation 15: Acceptance of Financial Statements

This regulation is part of Regulation 13 on Acceptance of Financial Statements of the original Financial Regulation.

Regulation 16: Insurance

This regulation is part of Regulation 14 on Insurance of the original Financial Regulation with simplified explanation.

Regulation 17: Penalties

This is a new regulation.

Regulation 18: Repealing Clause

This is a new regulation.

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# FINANCIAL REGULATIONS

## Regulation 1 **Applicability**

These Regulations shall govern the financial administration of the CTI-CFF Secretariat.

## Regulation 2 **Financial Year**

The financial year shall be for twelve (12) months, commencing 1 January and ending 31 December, both dates inclusive.

## Regulation 3 **Definitions**

For the purpose of this Regulation:

**Appropriation** – An authorization of CTI COM or CTI CSO directing the payment of goods and services out of funds under specified conditions or for specified purposes.

**Budget** – Is a schedule of expenditures, based on their obligations or cash concepts and the corresponding sources of financing, either from contributions and/or revenues.

**Commitment** – An obligation incurred for which items have not been delivered and services not yet rendered.

**Disbursement** – Payment of cash or cash-equivalent for goods or services, or a charge against available funds in settlement of an obligation as evidenced by an invoice, receipt, voucher, or other such documents.

**Expenditure** – The total amount of money that Regional Secretariat spends during a particular period of time.

**External Audit** – An audit conducted by an individual or firm that is independent of the Regional Secretariat being audited.

Extraordinary – An item in the Regional Secretariat accounts not arising from its normal activities.

Extravagant – Exceeding what is reasonable or appropriate.

Financial – Pertaining to or related to money matters.

Internal Audit – An independent, objective assurance and consulting activity designed to add value and improve Secretariat's operations.

Internal Control – Methods put in place by the Secretariat to ensure the integrity of financial and accounting information, meet operational and profitability targets, and transmit management policies throughout the Secretariat.

Irregular – Contrary to the rules or to that which is normal or established.

Malversation – The misconduct in public office, corruption, misuse of public or other funds.

Manual - A book, especially one giving information or instructions.

Misappropriation – The intentional, illegal use of property or funds of the office for one's own use or other unauthorized purpose by any person with a responsibility to care for and protect office assets.

Obligation – Commitment arising from an act of a duly authorized official which binds the entity to the immediate or eventual payment of a sum of money.

Other Income – Earnings from activities other than normal business operations, such as investment interest, foreign exchange gains, rent income, and profit from the sale of non- inventory assets.

Parties – Those States who have deposited instruments of acceptance or approval or ratification with the Depository.

Partners – Any state, inter-governmental organization or non-governmental organization, including a private sector entity, who had been invited to be a CTI Partner at the initiation of the CTI-CFF or meets the criteria and goes through the established process to become a CTI partner in the Rules of Procedure.

Policy – A course or principle of action adopted or performed by CTI-CFF for expending.

Public Bidding – An offer (often competitive) to set a price by an individual or business for a product or service or a demand that something be done.

Regulation – A rule or directive made and prescribed by an authority.

Rules – One of a set of explicit or understood regulations or principles governing conduct within a particular activity.

Staff – The staff of the Secretariat shall comprise of the Executive Director, Deputy Executive Director, Professional Staff and Support Staff.

Temporary Restricted Fund – Items that were received with a donor-imposed restriction that will be satisfied in the future. The donor’s restriction may be for a particular purpose or program or for use in a specified time period.

Tenders – To invite bids for a project, or to accept a formal offer such as a takeover bid.

Unconscionable – Unreasonably excessive that is normally contrary to moral and other acceptable good practices.

Unnecessary – Things that are not essential to the operation of Regional Secretariat.

## Regulation 4 **Contributions and Other Income**

The funds of the Secretariat shall include:

- a. Assessed Contributions made by Parties in accordance with Schedule 1 of these Regulations;
- b. Voluntary Contributions made by Parties, CTI Partners or other entities; and
- c. Such Other Funds to which the Secretariat may become entitled or may receive, including income from investments.

All income other than contributions to the budget shall be classified as Miscellaneous Income and credited to the General Fund. The use of Miscellaneous Income shall be subject to the same financial controls as activities financed from regular budget appropriations.

## Regulation 5

### Provision of Funds

1. Each Party shall contribute to the budget in accordance with the formula prescribed in Schedule 1 of these Regulations.
2. On approval of the budget for a financial year, the Executive Director shall send a copy thereof to all Parties informing them of their contributions and requesting them to remit their contributions due.
3. Annual contributions shall be considered as due and payable in full within sixty (60) days of the receipt of the communication of the Executive Director referred to in paragraph 3 of this Regulation, or as of the first day of the calendar year to which they relate, whichever is the later. **In an event, a CT6 member party is unable to make payments within the stipulated timeframe, the said party should officially inform the Executive Director on the expected timing for the transmittal of the annual contribution.** As of 1 January, of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears, and may be subject to consequences to be determined by the CTI COM.
4. Annual contributions shall be assessed in terms of a value calculated based on the Special Drawing Rate (SDR) of the International Monetary Fund and paid in United States dollars.
5. The Executive Director shall submit to each CTI COM Meeting a report on the collection of annual assessed contributions from Parties, any voluntary contributions received including contributions from CTI Partners, any investment income and other income received.
6. Annual contribution of a new party of the CTI-CFF shall be on prorated basis effective from the joining date as agreed by the parties concerned.
7. The CTI COM may develop a policy to assist in the calculation of the value of in-kind contributions.
8. Voluntary contributions above and beyond Parties' budget contributions may be accepted by the Executive Director provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Secretariat which shall be credited to the General Fund.
9. Voluntary contributions offered by CTI Partners and other non-Parties and entities



may be accepted, subject to agreement by the Secretariat with prior authorization from CTI COM/CTI CSO in accordance with Article 3 of The Agreement on the Establishment of the Regional Secretariat of the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF), that the purposes of the contribution are consistent with the policies, aims and activities of the Secretariat which shall be treated as Temporary Restricted Funds under Regulations 6 (b).

## Regulation 6 Establishment of Funds

1. The Regional Secretariat shall establish fund as follows:
  - a. General Fund - for the purpose of accounting for the income and expenditure of the Secretariat;
    - i. Contributions paid by Parties and miscellaneous income under Regulation 4 to finance general expenditure;
    - ii. Advances made by Parties shall be carried to the credit of the Parties which have made such advances.
  - b. Temporary Restricted Fund
    - i. The CTI-CFF Funds – Grants/Donations from CTI Development Partners.
    - ii. The Special Funds – Grants/Donations from donors other than CTI Development Partners.
    - iii. The Surplus Funds – Any cash surplus at the close of a financial year that is not required to meet undischarged commitments in terms of Regulation 9 (3).
  
2. Funds provided by CTI Partners or other donors, unless provided for allocation to the General Fund, shall be designated as Temporary Restricted Funds. The CTI COM may establish such procedures as it thinks fit to provide for the receipt, reporting and appropriation of Temporary Restricted Funds. The Executive Director shall comply with any such procedures established by the CTI COM and ensure that all on-going monitoring and reporting obligations sought by the donors of the Funds are met/complied in accordance with MOA/MOU.

## Regulation 7 Custody of Funds

1. The Executive Director shall designate a Government bank or banks in Indonesia near the headquarters in Manado in which the funds of the Secretariat shall be kept and shall report the identity of the Government bank or banks so designated to the

- CTI COM/CTI CSO. The Regional Secretariat shall maintain bank account as follows:
- a. US Dollar Account
    - i. General Fund
    - ii. Temporary Restricted Fund
  - b. Indonesia Rupiah
    - i. General Fund
    - ii. Temporary Restricted Fund
2. Investment of funds is regulated as follows:
- a. The CTI COM or CTI CSO may give approval to the Executive Director to make short-term investments of moneys not needed for the immediate requirements of the Secretariat. Such investments shall be restricted to securities and other investments issued by financial institutions or Government bodies with current ratings provided by a rating body approved by the Secretariat's Auditor, indicating a strong capacity to pay. The details of investment transactions and income derived shall be reported in the documents supporting the budget.
  - b. With regard to moneys held in the CTI-CFF or Special funds for which use is not required for at least 12 (twelve) months, longer-term investments may be authorized by the CTI COM and the relevant CTI Partner, provided such action is consistent with the terms under which the moneys were lodged with the CTI-CFF. Such investments shall be restricted to securities and other investments issued by financial institutions or Government bodies with current ratings, provided by a rating body approved by the Secretariat's Auditor, indicating a strong capacity to pay.
3. Income derived from investments shall be credited to the Fund from which the investment was made.

## Regulation 8 Budget

1. The Executive Director, in consultation with relevant staff of Regional Secretariat, shall prepare a proposed annual budget for each financial year that covers income and expenditures for the financial year to which it relates.
2. The draft annual budget shall be divided into parts and sections. It shall be accompanied by such information, annexes and explanatory statements as may be required by the CTI Council of Ministers (CTI COM) or CTI Committee of Senior Officials (CTI CSO), including a statement on the main changes in comparison

with the budget of the previous year, and such further annexes or statements as the Executive Director may deem necessary and useful.

3. The draft budget shall be categorized by section, program and sub-program; for the purpose of comparison, the object of expenditures for the previous financial year and the program expenditures of the current year shall be indicated alongside the resource estimates for the forthcoming financial year.
4. The draft budget shall include a statement of the significant financial implications for subsequent financial years in respect of any proposed work programs presented in terms of estimated expenditure categories.
5. The Executive Director shall submit the proposed budget for the following year to CTI COM/CTI CSO and the [Internal Resource Committee](#) at least sixty (60) days prior to the CTI COM/CTI CSO Meeting. The [Internal Resource Committee](#) shall evaluate and prepare a report to the CTI COM/CTI CSO on the budget proposed by the Executive Director.
6. The CTI COM/CTI CSO shall decide upon the annual budget of the Secretariat after considering the report of the [Internal Resource Committee](#).
7. Supplementary budget proposals may be prepared by the Executive Director if exceptional circumstances make this necessary. Supplementary budget proposals shall be prepared in a form consistent with the approved budget and shall be reviewed by the [Internal Resource Committee](#). Such supplementary budget only allowed to be submitted during the second half of the financial year. Exemption can be given by CTI-CSO depending on the urgency and case by case basis. The provisions of these Regulations shall be applicable to the proposed supplementary budget to the extent possible.
8. The proposed budget shall be presented in United States dollars.
9. If the CTI COM is unable to adopt a decision on the Budget, the level of contribution to the administrative Budget of the Secretariat shall be determined in accordance with the Budget for the preceding year for the purpose of meeting the administrative expenses of the Secretariat for the following year until such time as a new Budget can be adopted by consensus.

## Regulation 9 Appropriation

1. The resolution for appropriations adopted by the CTI COM or CTI CSO shall constitute an authorization for the Executive Director to incur obligations and make payments for the purposes for which the appropriations were adopted.
2. Future obligations may be paid by Executive Director out of the current budget subject to prior authority by the CTI-CSO/COM.
3. Appropriations shall be available for the financial year to which they relate. At the end of the financial year all appropriations for that financial year shall lapse. Commitments remaining undischarged against previous appropriations at the end of a financial year shall be carried over and be included in the budget for the next financial year, unless the CTI COM or CTI CSO decides otherwise.
4. The Executive Director may make transfers of up to 10 (ten) percent of budget between appropriations with prior approval by CTI CSO. All transfers must be reported by the Executive Director in the annual financial report provided to the CTI COM and CTI CSO. This shall be done, provided there is no shortfall in the resources for the same financial year.
5. Should the Executive Director anticipate a shortfall in resources over the financial period as a whole, the Executive Director shall consult in writing the CTI CSO, as to priorities for expenditure.
6. Unforeseen and extraordinary expenses may be incurred from within existing budget appropriations, or from voluntary contributions. Approval to incur such expenses must be obtained from the CTI CSO. All approvals with the corresponding expenses incurred following the format made by the CTI CSO must be reported and submitted to the SOM.
7. While amounts for budget expenditures is included in the appropriation, prior authorization for the utilization of funds must be obtained from the Chair of the CSO, as follows:
  - a. Official Travel outside the official stations
  - b. Increments in the Compensation and Benefits of the Staff
  - c. Other Utilization that the CTI COM/CTI CSO approval may deem necessary
8. For project/s funded by the CTI Partners with unutilized funds for current financial year, the Executive Director may expend the funds in question in the subsequent financial year provided that there is a written consent from the CTI Partners. In

the event that the project is completed, any unexpended funds shall be utilized in accordance with the provisions of the Memorandum of Agreement/ Understanding.

## **Regulation 10** **Procurement of Goods and Services**

1. Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works.
2. All purchases of goods and services shall be made in accordance with the following rules of procurement:
  - a. Tenders – for purchases above USD 15,000;
  - b. Written Quotations – for purchases between USD 2,001 to USD 15,000
  - c. Open Market Purchases – For amounts of USD 2,000 and below.

For tenders, it should be posted on the website and published in a newspaper of general circulation nationwide and in any conspicuous place in the premises of the Procuring Entity. This is to ensure widest possible dissemination and adhere to the principle of transparency, accountability, efficiency, equity and economy in its procurement process.

3. The foregoing Regulations, shall, however, not apply in the following cases:
  - a. where it has been ascertained that only a single supplier/sole distributor exists, and that fact is supported by document and certified by the supplier/distributor
  - b. where voluntary contributions have been provided in the MOU/MOA, specifying a particular project and/or supplier;
  - c. where, on the CTI COM or CTI CSO, there are determined to be exceptional circumstances that require such deviation; and
  - d. in case of emergency, or force majeure, or where, for any other reason, these Regulations would not be in the best financial interests of the Secretariat, and that fact is so certified by the Executive Director.

## **Regulation 11** **Accounting**

1. The Executive Director shall:
  - a. Ensure that appropriate records and accounts are kept of the transactions and affairs of the Secretariat.

- b. Perform all things necessary to ensure that all payments out of the Secretariat's moneys are correctly made and properly authorized.
  - c. Ensure that adequate control is maintained over the assets of the Secretariat, or any assets in the custody of the Secretariat.
  - d. Ensure that adequate control is maintained over the incurring of liabilities by the Secretariat.
2. The Executive Director shall submit annual financial statements to the CTI COM and the CTI CSO. The annual financial statements shall show, for the financial year to which they relate:
  - a. the income and expenditure relating to all funds including donations from CTI Partners, Collaborators, and other source of funds and accounts;
  - b. the status with regard to budget/appropriations, including:
    - i. the approved budget/appropriations;
    - ii. the actual expenditure under or in excess of the approved budget/appropriations;
    - iii. any other income;
    - iv. the detailed amounts charged against these appropriations and other income;
  - c. the financial assets and liabilities of the Secretariat;
  - d. investments, where such investments shall be restricted to securities and other investments issued by financial institutions or Government bodies with current ratings, provided by a rating body approved by the Secretariat's Auditor, indicating a strong capacity to pay;
  - e. Loss of assets and bad debts proposed in accordance with Regulation.
  - f. Provide such other information as may be appropriate to indicate the financial position of the Secretariat.
3. The official accounts of the Secretariat shall be presented in United States dollars. At the option of the Executive Director, he/she may keep accounting records in other currency.
4. Appropriate separate accounts shall be kept for all Special funds and CTI-CFF funds created pursuant to Regulation 6.
5. The annual financial statements shall be submitted by the Executive Director to the Auditor not later than thirty (30) days following the end of the financial year.
6. The Executive Director may propose to the CTI CSO the writing off of losses of assets and bad debts, provided that the external auditor so recommends. In such cases, it shall be covered by an investigation report prepared by investigation committee created for the purpose in accordance with the manual. Such losses shall be included in the annual accounts.

## Regulation 12

### Reporting to CTI Parties and CTI Partners

1. The Executive Director shall submit to each CTI CSO/COM Meeting a report on the collection of annual assessed contributions from Parties, any voluntary contributions received including contributions from CTI Partners, any investment income and other income received.
2. The Executive Director shall ensure reports on expenditure from funds donated by CTI Partners will be made to such CTI Partners within timeframes that meet the internal budgetary reporting cycle of those Partners.
3. Reports prepared for CTI Partners will be in a format that will meet the internal reporting requirements of the CTI Partner concerned.
4. Copies of reports made for CTI Partners will also be provided to the CTI CSO.
5. For the purpose of monitoring of funds, the Regional Secretariat shall submit to the [Internal Resource Committee](#) on a quarterly basis, the financial reports on the 10th day of the month following the end of each quarter.

## Regulation 13

### Internal Control

1. For the effective and efficient use of Secretariat's Assets, the Executive Director shall:
  - a. Prepare manual containing detailed financial rules and procedures in consultation with the [Internal Resource Committee](#) designated by the CTI CSO to ensure effective financial administration and the exercise of economy in the use of funds;
  - b. Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the goods or services have been received and that payment has not been previously made;
  - c. Designate officers who may receive monies, incur obligations and make payments on behalf of the Secretariat; and
  - d. Maintain and be responsible for internal financial control to ensure:
    - i. The regularity of the receipt, custody and disposal of all funds and other financial resources of the Secretariat;
    - ii. The conformity of obligations and expenditures with the appropriations adopted by the CTI CSO and CTI COM; and
    - iii. The economic use of the resources of the Secretariat.

2. For any agreement or contract, the Regional Secretariat shall seek prior authority in writing from the CTI COM/CTI CSO in accordance with Article 3 of The Agreement on the Establishment of the Regional Secretariat of the CTI-CFF.
3. For the improvement of systems and procedures of Regional Secretariat, any Party may request the conduct of internal audit subject to the approval of the Chair of the CTI CSO, in accordance with this regulation and generally acceptance auditing standards. The Internal Auditor shall:
  - a. Review, evaluate and report on the use of financial resources and on the effectiveness, adequacy and application of internal control systems, procedures and other relevant internal controls.
  - b. Determine compliance of financial transactions with financial regulations, rules and procedures and other CTI-COM/CTI CSO legislative mandates including administrative instructions and approved recommendations of external oversight bodies.

## **Regulation 14**

### **External Audit**

1. The CTI CSO Chair shall appoint the external Auditor with consent of the Parties, who shall be the Auditor-General or equivalent statutory authority from a Party affiliated with internationally recognized independent auditor or an internationally recognized independent auditor with local office establish in Indonesia with experience in the audit of international organizations. The Auditor shall be appointed for a period of one year and may be reappointed. The CTI COM will ensure respect for the Auditor's independence of the Secretariat and the Secretariat's staff and shall make provision for appropriate funds to the Auditor. Regardless of estimated contract cost, the Tender/Invitation to Bid shall be published in the website and published in a newspaper of general circulation nationwide.
2. The Auditor shall be completely independent and solely responsible for the conduct of the audit.
3. The Auditor or its duly authorized Partner/s or Staff shall be entitled at all reasonable times to full and free access to all accounts and records of the Secretariat relating directly or indirectly to the receipt or disbursement of funds by the Secretariat or to the acquisition, receipt, custody or disposal of assets by the Secretariat and may make copies of, or take extracts from any such accounts or records.



4. The Auditor shall conduct their examination of the financial statements in conformity with generally accepted auditing standards and shall report on all relevant matters, including:
  - a. Whether, in their opinion, the statements are based on proper accounts and records;
  - b. Whether the statements are in agreement with the accounts and the records;
  - c. Whether, in their opinion, the income, expenditure and the acquisition and disposal of assets by the Secretariat during the year have been in accordance with these Regulations; and
  - d. Observations with respect to the efficiency and economy of the financial procedures.
5. The Executive Director shall provide the Auditor with the facilities he or she may require in the performance of the audit.
6. The Auditor shall, within sixty (60) days of the date upon which the annual financial statements are submitted by the Executive Director, issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Auditor deems necessary with regard to matters referred to in paragraph 4 as appropriate. The Auditor shall provide two copies of the Audit Reports and Audited Financial Statements, one copy to the Chair of the CTI CSO and COM and another copy to the Regional Secretariat upon completion of the audit as stated in the contract. The Regional Secretariat shall be responsible to circulate the soft copy of Audit Report and the complete set of Audited Financial Statements to member parties within seven (7) working days.
7. The CTI CSO may request the Auditor to perform certain specific examinations and issue separate reports on the results as specified in the contract.

## Regulation 15

### Acceptance of Financial Statements

1. The CTI CSO shall, following consideration of the audited annual financial statements and audit report submitted to it under Regulation 14 of these Regulations, signify its acceptance of the audited annual financial statements or take such other action as it may consider appropriate
2. The CTI CSO may direct the Executive Director to take such actions as it thinks fit based on the external Auditor's report. The Executive Director shall submit his/her compliance, along with the supporting documents, with the audit findings as required by CTI CSO not later than thirty (30) days after receipt.

## Regulation 16 **Insurance**

The Secretariat may take out suitable insurance with a reputable financial institution against normal risks to its assets.

## Regulation 17 **Penalties**

Misappropriations/Malversations of funds and Noncompliance with any provision of this regulation shall be a ground for disciplinary action as provided in the Staff Regulation.

## Regulation 18 **Repealing Clause**

All ( previous) Financial Regulations inconsistent with the provisions of this regulation are hereby repealed or amended accordingly.

## Schedule 1 **Assessed Contribution Formulae**

Parties will contribute to the General Fund of the Secretariat on the following basis:

- a. The total amount to be contributed will be determined by the CTI COM based on the draft budget provided by the Secretariat;
- b. Sixty percent (60%) of the amount identified in paragraph (a) of this Schedule will be contributed by each of the Parties in equal shares; and
- c. The remainder of the total amount identified in paragraph (a) of this Schedule will be divided between the Parties based upon the relative size of their gross domestic product (GDP) as calculated by the most recent year for which GDP figures are available for all Parties.









# FINANCIAL POLICIES AND PROCEDURES MANUAL

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**&**  
**FINANCIAL POLICIES AND**  
**PROCEDURES MANUAL**

**Coral Triangle Initiative on Coral Reefs,  
Fisheries and Food Security**





# Contents of Financial Policies and Procedures Manual

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# 1. INTRODUCTION

## Financial Policies and Procedures Manual Preface

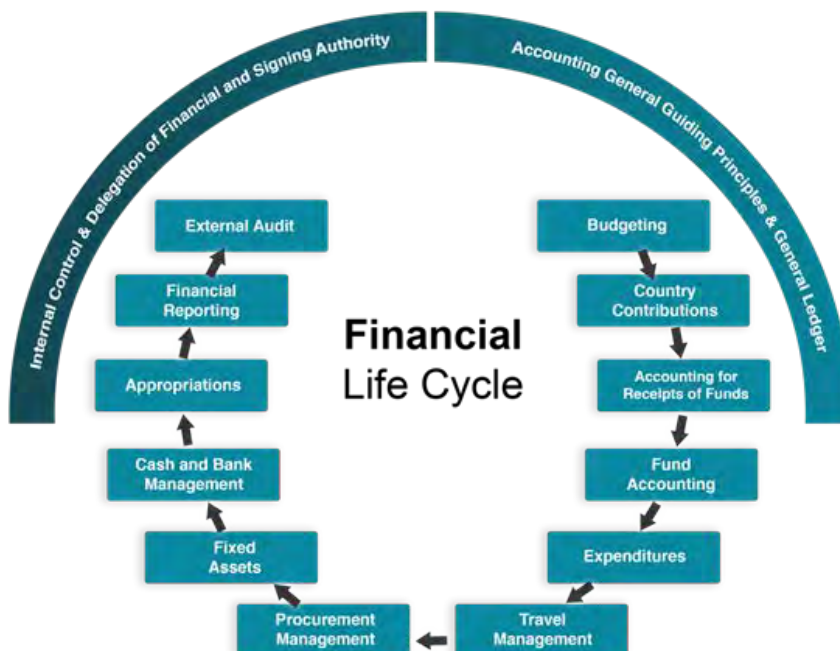
- i. The Coral Tringle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) is a multilateral partnership of six (6) countries working together to sustain extraordinary marine and coastal resources by addressing crucial issues such as food security, climate change and marine biodiversity. CTI-CFF would like to develop and implement sound financial management that comply with internationally accepted accounting standards generally applicable to international cooperation organization and adherent to the Financial Regulations of CTI-CFF agreed by all country members. In response to this requirement, the Regional Secretariat (“Secretariat”) developed this Financial Policies and Procedures Manual, hereinafter referred to as the “Manual”.
- ii. The CTI-CFF’s financial management encompasses all Staff, resources, systems and activities that work together to carry out, in an effective manner, the financial and accounting functions of the Secretariat. This Manual seeks to streamline the functions of all the elements within this financial management area to ensure that all activities of the Secretariat are carried out in a systematic manner to safeguard assets as well as facilitate and enhance financial reporting.
- iii. The implementation of sound financial and accounting management is therefore designed in such a way as to ensure that:
  - a. All transactions are executed only upon proper approval and authorization.
  - b. Only valid transactions are recorded accurately to permit preparation of financial statements that conform to generally accepted international accounting standards.
  - c. All assets are safeguarded in a healthy control environment.
- iv. All CTI-CFF’s Staff with a role in the management of financial and accounting operations are expected to comply with the policies and procedures in this Manual.
- v. At the minimum, these policies and procedures will be reviewed annually and revised accordingly to be adapted and aligned to the environment in which the Organization operates, as needed by the Executive Director and approved by the Coral Triangle Initiative Council of Ministers (CTI COM) or Coral Triangle Initiative Committee of Senior Officials (CTI CSO) or another appointed committee.

## Purpose of the Financial Policies and Procedures Manual

- i. The purpose of this Manual is to describe all finance and accounting policies and procedures currently in use at CTI-CFF and to ensure that the financial statements conform to Generally Accepted Accounting Principles (GAAP) and the Financial Regulations agreed by CTI-CFF Parties; assets are safeguarded; and finances are managed with accuracy, efficiency, and transparency.
- ii. The Manual aims to ensure key financial guidelines and requirements for a well-managed international organization are taken into account.
- iii. The Manual aims to set out the basic framework of systems that will provide adequate levels of internal controls including budgetary control.
- iv. The Manual also aims at ensuring and promoting the principles of accountability and transparency generally referred to as good corporate governance code.

## Structure of the Financial Policies and Procedures Manual

- i. The organization of the sections and sub-sections within the Manual is shown in the Table of Contents and following the financial life cycle of CTI-CFF as shown in the figure below.



- ii. The first chapter introduces the entire process, outlining its purpose, as well as emphasize the necessity for updates and revision. The second chapter sets forth internal control, delegation of financial and signing authority, and the general guiding principles, detailing the relevant concepts and conventions of

the financial management.

- iii. Chapter five (5) through seventeen (17) sets out the policies and procedures framework for all aspects of the system. It establishes points of reference for all areas of financial management.

## Outline of Chapters

This Manual is structured according to major financial management activities of the CTI-CFF. A summary of these chapters is provided below:

- i. **Introduction:** Introduction to the Financial Policies and Procedures Manual, detailing its purpose, structure and applicability.
- ii. **Internal Control:** Process to ensure the Organization's objectives are implemented in operational effectiveness and efficiency, reliable financial reporting, and in compliance with laws, regulations and policies.
- iii. **Delegation of Financial and Signing Authority:** The delegation of authority and accountability for financial administration to support effective system of financial administration.
- iv. **Accounting General Guiding Principles:** Overview of the accounting structure and system.
- v. **General Ledger:** Provides information on complete record of financial transactions over the life of the organization comprising the chart of accounts and journal entries.
- vi. **Budgeting:** An overview of the budgetary cycle and detailed procedures involved in policy setting including preparation, authorization, implementation, reporting, monitoring and review of budgets.
- vii. **Country Contributions:** Procedures on defining and calculating country contributions, including mechanism for collection and administration.
- viii. **Accounting for Receipt of Funds:** Policies, accounting treatment and procedures in relation to receipts of fund consisting of country contributions and other revenue sources.
- ix. **Fund Accounting:** Procedures on managing the funds received by the Secretariat in accordance with the Financial Regulations of CTI-CFF.
- x. **Expenditures:** Policies, accounting treatment and procedures to be applied for expenditures, and all stages of payment processing. The chapter also includes procedures for specific types of payment and maintenance of permanent records.
- xi. **Travel Management:** Provides information on travel authorization, process to file and obtain travel expenses and reimbursement as well as advances related to official organization travel.
- xii. **Procurement Management:** Provides information on managing ordering, receipt, review and approval of items from suppliers.

- xiii. Fixed Assets:** Provides information on systematic approach to the governance and realization of value from assets that a group or entity is responsible for, throughout the assets' life cycle.
- xiv. Cash and Bank Management:** Provides information on organizational process of collecting and managing cash.
- xv. Appropriation:** Procedures on setting up, managing and recording the necessary appropriation.
- xvi. Financial Reporting:** Procedures for the preparation and consolidation of accounts, including periodic adjustments and annual financial statements
- xvii. External Audit:** Provides information on financial reporting and associated processes.

## Reader Guidance

- i. The layout of each page within this Manual is standardized. For each section:
  - a. The header includes:
    - i. Date Approved
    - ii. Date Effective
    - iii. Organization Logo
    - iv. Title of the Document
    - v. Section Number
    - vi. Version
    - vii. Section Title
  - b. The footer includes:
    - i. Authorization Signature
    - ii. Authorization Date
    - iii. Page Number of the Section.
- ii. The layout of each page within this Manual is standardized. For each section: refer to specific subject matter. (Note: this structure may omit irrelevant section; or amend where applicable):

### **X.1 Overview**

*This part is available to present in a free format to describe general context, scope and/or purpose of the subject matter.*

### **X.2 Definitions**

*This part includes the definition of elements that will facilitate the reader's understanding of the subject matter.*

### **X.3 Policies**

*This part states and/or refers to any document or items of the Manual that is the result of a stated and approved policy.*

#### **X.4 Roles, Authorities and Accountabilities**

*This part states and/or specifies the roles, authorities and accountabilities of the units involved in the implementation of policies above.*

#### **X.5 Procedures and Processes**

*This part states and/or specifies the operational procedures or processes.*

#### **X.6 Appendixes and Attachments**

*This part includes or refers to any related CTI-CFF forms. Forms are cross-referenced here.*

#### **X.7 Revision History**

*This part records the revision made for the respective section, containing the information of: Version, Date (of revision), Description of changes and Requested by. The example for standard contents of the revision history is below.*

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
(x.x)	(dd/mm/yyyy)	(Section number - Description of changes/revision)	(Requester name - Position)

- iii. A list of abbreviations and definitions of terms commonly used in this Manual is included for reference purposes.

### **Authority, Applicability, Distribution and Maintenance**

#### **1.6.1 Authority**

- i. In developing this Manual, consideration was given to all applicable host-country Accounting Standards, International Public Sector Accounting Standards and the Financial Regulation on The Agreement on the Establishment on the Regional Secretariat on the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security.
- ii. The Manual also has the approval of the Executive Director and the full authority of CTI COM or CTI CSO. Failure to comply with any policies and procedures contained in this Manual may render any Staff liable to disciplinary actions. A plea of ignorance will not be acceptable as an excuse for non-compliance.
- iii. If for any reason a given policy or procedure cannot be implemented, it would be incumbent upon the responsible official to notify the immediate supervisor in writing detailing the circumstances and submitting an alternative policy or procedure for the approval of the Executive Director, who shall either endorse or reject the exception and the procedure to be valid as a replacement.

### 1.6.2 Effective Date

- i. The effective date for the application of this Manual is the date of issue of the Manual by the Executive Director of CTI-CFF upon CTI COM or CTI CSO endorsement. Contents of each sections may be amended in the future and the amendments will be effective as in the date of authorization by CTI COM or CTI CSO.
- ii. In case of doubt as to the meaning of any of the policies and procedures, the Executive Director shall rule thereon with the guidance of the Operation Plan and Budget Committee (“Budget Committee”).

### 1.6.3 Applicability

These policies and procedures shall govern the financial management and activities of CTI-CFF and apply to all financial record and documents created and kept by the Secretariat office.

### 1.6.4 Compliance

Compliance with the Manual is mandatory for all financial transaction in the Secretariat and in the event that a policy or a procedure in this Manual conflict with other documents or directives, other than those amending of the document, this Manual will prevail.

### 1.6.5 Distribution, Maintenance and Update

The Executive Director of CTI-CFF is responsible for:

- i. The initial issue of the Financial Policies and Procedures Manual to CTI-CFF.
- i. The maintenance and updating of the document, including distribution of any updates or amendments to all related Staff.

With the guidance from the Budget Committee.

### 1.7 Appendixes and Attachments

- i. Appendix 1.1 – Formatting Requirements
- ii. Appendix 1.2 – Document Versioning

### 1.8 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 1 – Initial Release	



## 2. INTERNAL CONTROL

### 2.1. Overview

- i. The Regional Secretariat (“Secretariat”) uses a system of internal controls to protect the Secretariat’s assets, ensure the integrity and reliability of its information, secure compliance with laws, policies and procedures, and ensures the performance of its objectives.
- ii. Internal controls are a process that is established, reviewed, and continually monitored by Coral Triangle Initiative Council of Ministers (CTI COM) or Coral Triangle Initiative Committee of Senior Officials (CTI CSO), the Operation Plan and Budget Committee (“Budget Committee”), Executive Director, Deputy Executive Director for Corporate Services and relevant senior managers. It is the responsibility of the Executive Director to ensure adequate internal control system is implemented and used. It is the Secretariat’s responsibility to establish and maintain adequate internal control over financial reporting. It is the responsibility of all Staff to understand the internal controls and ensure they are effective.

### 2.2. Definitions

- i. Internal Control Review: This is a periodic review of internal methods and systems to determine whether adequate measures exist and are actually implemented to prevent or detect the occurrence of potential risks or incorrect financial reporting.
- ii. Risk Assessment: The process of determining the relative potential for negative impact of an assessable unit’s resources due to inadequate control techniques and/or other environment factors. The results of the assessment are used to mitigate inherent risks.

### 2.3. Policies

#### 2.3.1 General Policies

- i. For the effective and efficient use of Secretariat’s assets, the Executive Director shall:
  - a. Prepare a manual containing detailed financial rules and procedures in consultation with the Budget Committee designated by the CTI CSO to ensure effective financial administration and the exercise of economy in the use of funds.

- b. Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the goods or services have been received and that payment has not been previously made.
- c. Designate officers who may receive monies, incur obligations and make payments on behalf of the Secretariat.
- d. Maintain and be responsible for internal financial control to ensure:
  - 1. The regularity of the receipt, custody and disposal of all funds and other financial resources of the Secretariat.
  - 2. The conformity of obligations and expenditures with the appropriations adopted by the CTI COM and CTI CSO.
  - 3. The economic use of the resources of the Secretariat.
- ii. For any agreement or contract, the Secretariat shall seek prior authority in writing from the CTI COM or CTI CSO in accordance with Article 3 of The Agreement on the Establishment of the Regional Secretariat of the CTI-CFF.
- ii. For the improvement of systems and procedures of Secretariat, any Party may request the conduct of internal audit subject to the approval of the Chair of the CTI CSO, in accordance with this regulation and generally acceptance auditing standards. The Internal Auditor shall:
  - a. Evaluate and report on the use of financial resources and on the effectiveness, adequacy and application of internal control systems, procedures and other relevant internal controls.
  - b. Determine compliance of financial transactions with financial regulations, rules and procedures and other CTI COM or CTI CSO legislative mandates including administrative instructions and approved recommendations of external oversight bodies.

### **2.3.2 Control Framework**

- i. It is the policy of the Secretariat to ensure that its control framework provides for strong organization governance.
- ii. It is the policy of the Secretariat that its internal control system be a relevant evaluation tool for internal control over financial reporting.
- iii. It is the policy of the Secretariat that its own internal control framework and review evaluations:
  - a. Be free from bias
  - b. Permit reasonably consistent qualitative and quantitative measurements of the Secretariat's internal control system
  - c. Are sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of the Secretariat's internal controls are not omitted.
- iv. The internal control framework has five (5) components which include:

- a. Control Environment
- b. Risk Assessment
- c. Control Activities
- d. Information and Communication
- e. Monitoring.

### **2.3.3 Control Environment**

#### **2.3.3.1 Values**

- i. Policies and Procedures
  - a. The Secretariat has established and uses formal policies, procedures and codes of conduct and other devices communicating expected behavioral standards, acceptable business practices, and conflicts of interest.
  - b. The policies and procedures are comprehensive.
  - c. The policies and procedures are in writing.
  - d. The policies and procedures are communicated to and acknowledged by the Staff.
- ii. Tone
  - a. An ethical tone has been established by the Executive Director.
  - b. This ethical tone has been communicated to the Staff by use of web sites, intranets, manuals, and meetings.
  - c. The Secretariat has policies and procedures for reporting unacceptable behavior.
  - d. Reports of unacceptable behavior are quickly addressed by the Secretariat.
  - e. Obstacles exist that minimize temptation for unethical behavior.
  - f. The policies, procedures, and overall general attitude of the Secretariat create a corporate culture of conformity to high ethical and moral standards.
  - g. Staff are not expected to achieve unrealistic goals.
  - h. Reasonable incentives, compensation, and promotion ensure honesty.
- iii. Community
  - a. Secretariat reporting is proper and accurate (not intentionally misleading).
  - b. The Secretariat cooperates with auditors and other evaluators.
  - c. Accounting errors are quickly corrected.
  - d. The Secretariat has a functioning Complaints and Grievances rules and procedures.
  - e. The Policies and Procedures Manuals are uniformly enforced.
  - f. Only the Executive Director can approve modification of the internal control system.
  - g. Reasons for modifying internal control are fully and properly documented.

### **2.3.3.2 Competence**

- i. Human Resource
  - a. The Secretariat has a Human Resource internal control complete with formalized policies and procedures.
  - b. The Human Resource system helps identify supervisory requirements, needed positions, position requirements, qualified applicants, and performance appraisal.
- ii. Professional Staff
  - a. Professional staff have significant general management experience relating to the activity of the Secretariat.
  - b. Professional staff are well educated in professional management techniques.

### **2.3.3.3 Philosophy and Style**

- i. The Secretariat has policies and procedures for managing risk.
- ii. The risk management policies and procedures are followed/implemented.
- iii. The Secretariat promotes performance-based management.
- iv. There has not been excessive Staff turnover.
- v. There has not been Staff turnover which indicates internal control problems.
- vi. Key personnel have not quit unexpectedly.
- vii. Valuable assets and information are safeguarded from unauthorized access or use.

### **2.3.3.4 Organizational Structure**

- i. The organizational structure of the Secretariat is appropriate and efficient.
- ii. The Secretariat has a documented organizational chart.
- iii. The organizational chart has been communicated to the Staff.
- iv. The structure of the Secretariat facilitates excellent communication throughout the Secretariat.
- v. The organizational structure is reviewed during the strategic planning process.
- vi. Staff are generally not overloaded.

### **2.3.3.5 Delegation of Financial and Signing Authority**

- i. The Secretariat has a Delegation of Financial and Signing Authority policy.
- ii. The delegation of authority is appropriate such that Staff are not responsible for activities they lack the authority to complete.

### **2.3.3.6 Oversight Groups**

- i. There are mechanisms in place within the Secretariat to monitor and review ongoing operations.
- ii. A committee, who is independent from management reviews Secretariat activities.
- iii. The Secretariat provides the oversight committees with timely and accurate information to allow monitoring of Secretariat activities, including review of the Secretariat's 1) targets, 2) performance reporting, and 3) financial position and operating results.

### **2.3.4 Risk Assessment**

- i. Establishment of Secretariat Wide Objectives
  - a. The Secretariat has a budget plan which clearly identifies goals and objectives.
  - b. The Secretariat updates its budget plan on an annual basis.
  - c. The annual budget plans are clearly communicated to Staff.
- ii. Establishment of Activity-Level Objectives
  - a. Activity level objectives are detailed in the annual budget plan.
  - b. The activity level objectives are realistic and obtainable.
  - c. Responsibility for activity level is delegated to specific individuals.
  - d. Appropriate necessary resources have been identified, budgeted, and allocated, to successfully achieve the activity level objectives.
  - e. The activity level objectives are measurable.
  - f. The activity level objectives are measured and reported to the Secretariat and responsible Staff.
- iii. Risk Identification and Analysis
  - a. The risk identification should be integrated into business operations.
  - b. Risk identification at both senior and mid-level management.
  - c. Risk identification occurs for both entity-wide and activity level objectives.
  - d. The Secretariat should conduct a risk analysis as least once a year.
  - e. The risk analysis categorizes risk by type, significance, and potential impact.
  - f. The risk analysis provides for mitigation measures, required management action, and necessary internal controls.
  - g. This risk management is used as document of evidence that risks are actually managed and continually monitored.

### 2.3.5 Control Activities

- i. Internal control activities are the policies, procedures, and systems used to help ensure proper general management and strong corporate governance. This includes both the Secretariat's written documentation and the activities used to measure and evaluate performance and conduct. Specific control activities include internal and external reviews, authorizations and approvals, and the tools used to evaluate and measure performance and test the adequacy of the Secretariat's internal control system.
- ii. This document provides a tool to help evaluate the Secretariat's overall control activities.
- iii. All relevant policies and procedures are in writing.
- iv. Staff are educated in internal control and participate in the process.
- v. Secretariat objectives and related risks are identified and linked.
- vi. Control activities are properly monitored.
- vii. The Secretariat has properly safeguarded its assets.
- viii. Especially vulnerable assets are physically secured.
- ix. Strategic plans, forecasts, budgets, and actual performance are monitored against targets.
- x. The Secretariat utilizes a well-respected, sophisticated and relevant computerized accounting system.
- xi. If custom modifications have been made to the computerized accounting system, they have been thoroughly tested.
- xii. Financial and trend analysis are employed to evaluate performance.
- xiii. A management continuity and succession plan are in place.
- xiv. A disaster recovery plan is in writing and in place.
- xv. The Secretariat understands its human assets, both existing and required.
- xvi. A proper compensation system is used to retain and attract human capital.
- xvii. The Secretariat has a division of duties policy and that policy is incorporated into all other relevant policies and procedures.
- xviii. Duties are properly segregated.
- xix. The Secretariat has records of the management and retention policies and procedures.
- xx. Inspection of the records indicates they are current, properly classified, coded, and retained.
- xxi. Proprietary and restricted records are locked upon inspection.
- xxii. The Secretariat keeps records of management decisions.

- xxiii. Internal control documentation exists and complies with Secretariat and government requirements.
- xxiv. There is evidence of internal control review by Staff.
- xxv. Internal control review is properly reported in the Secretariat financial statements.
- xxvi. There is evidence of external review like audited financial statements.
- xxvii. The audited financial statements contain a review of the Secretariat's internal controls.

### **2.3.6 Information and Communication**

- i. Information
  - a. The Secretariat regularly reviews important internal information which is critical to achieve the Secretariat objectives.
  - b. The Secretariat has mechanisms in place to ensure internal information is timely, useful, and accurate.
  - c. The Secretariat has financial management and reporting policies.
  - d. The Secretariat regularly reviews internal and external information which may indicate either opportunity or risk to the Secretariat.
  - e. The Secretariat has a mechanism for identifying and distributing pertinent information to the right people.
  - f. The Secretariat ensures pertinent information is accessible.
- ii. Communications
  - a. The Secretariat ensures effective communication by regularly reviewing communication within the Secretariat and with stakeholders.
  - b. The Secretariat ensures accurate and effective communications with all stakeholders.
  - c. The Secretariat ensures accurate information is communicated to outside parties.
  - d. Staff know and are comfortable that reprisals will not occur for reporting negative information or information concerning violation of Secretariat policy, procedure, or internal control.
  - e. The Secretariat has a procedure for grievance reporting which includes the opportunity for anonymous reporting.
  - f. Stakeholder grievances and suggestions are welcomed, reported centrally, and used to identify internal control weaknesses and improve operations.
  - g. The Secretariat properly communicates with oversight bodies and development partners/groups.
  - h. Significant risks and unusual circumstances are properly reported both internally and externally.
  - i. The Secretariat Code of Ethics policy is properly communicated.

- iii. Communication Methods
  - a. The Secretariat emphasizes the use of technology for communication.
  - b. The Secretariat continually evaluates new and emerging communication technologies.
  - c. The Secretariat continually monitors and enhances security with regard to the use of technology.
  - d. The Secretariat communicates by example.

### **2.3.7 Monitoring**

- i. Monitoring refers to the continuous assessment and implementation of the Secretariat's internal control system. Monitoring includes the normal day to day standard operating procedures used by the Secretariat to conduct business and the evaluation of Staff understanding of those procedures. Monitoring also includes both internal and external quality assessments of the internal control system. The results of the quality assessments are used to produce a positive impact on the internal control system, i.e. that recommendations are actually implemented.
- ii. The Secretariat ensures that Staff understand the control system and standard operating procedures.
- iii. The Secretariat ensures that Staff understand they are responsible to ensure that the internal controls are effective.
- iv. Staff' understanding of the internal controls system is evidenced by training and interview.
- v. Staff know they are expected to notify the Secretariat of suspected internal control weaknesses.
- vi. Staff know they are expected to notify the Secretariat of information inaccuracies because they may indicate internal control weaknesses.
- vii. The Secretariat's internal control checklists are reviewed on a quarterly basis.
- viii. Periodic internal audits are conducted.
- ix. Qualified Staff conduct internal audits and internal audits comply with the requirements set forth by the audit committee, if applicable.
- x. Results of the periodic internal audits are documented.
- xi. External audits are conducted annually.
- xii. External audits include a review of the Secretariat internal control system.
- xiii. Internal control weaknesses and deficiencies are immediately corrected by the Secretariat.

### **2.3.8 Internal Control Committee**



- i. The Internal Control Committee in CTI-CFF Secretariat is formed to ensure the integrity of financial and accounting information, meet operational and profitability targets, and transmit management policies throughout the organization structure. The function of this committee is as a transition prior to setting up a dedicated internal control department/division. The committee consists of three (3) staffs: representative from Program Services and Corporate Services who are at least manager level or above. These should not be authorized bank signatories. This committee is formed by a decree along with its responsibilities issued by the Executive Director.
- ii. This committee shall serve for one (1) financial period only.
- iii. The country that is chairing CTI COM and CTI CSO may assign a representative to be a member of this internal control committee.

## **2.4 Procedures and Processes**

Supporting documents are required for any transactions when processing payments and at the same time to ensure the accountability of such transactions. Some of the main payments includes:

- i. Payment of airfare to travel agents
  - a. Vendor's Invoices
  - b. Copy of the Tickets
  - c. Approved Travel Requests
- ii. Payment for goods and services
  - a. Vendor's Invoices
  - b. Bidding Documents for the procurement above the threshold limit as stated on Appendix 12.1 of Section 12 – Procurement Management.
  - c. Purchase Requests and its approval for the purchase above the threshold limit as stated on Appendix 12.1 of Section 12 – Procurement Management.
  - d. Service Delivered, this could be the report of the event delivered supported by other documents, e.g. pictures, etc.
- iii. Payment to consultants
  - a. Consultant Invoices
  - b. Timesheets
  - c. Terms of Reference (TOR)/copy of contracts
  - d. Acceptance of the deliverables from the user
- iv. Payments for Car Rentals
  - a. Vendor Invoices
  - b. Copy of contracts
- v. Payment of Expenditures Claims

- a. Expenditure Reports
  - b. All invoices
  - c. Travel Requests and its approval
  - d. Per diem calculations
- vi. Payment for Meeting/Seminar/Training Costs
- a. Invoices from Hotel/Venue
  - b. Terms of Reference (TOR)
  - c. Attendance List
  - d. Approval for the events
  - e. Other supporting documents, e.g. pictures, etc.
- vii. Payment to Local Partners
- a. Invoices from Local Partner
  - b. Copy of contracts
  - c. Acceptance of the deliverables
  - d. Narrative Reports
  - e. Other supporting documents for the second milestone onward.

## 2.5 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 2 – Initial Release	

# 3. DELEGATION OF FINANCIAL AND SIGNING AUTHORITY

## 3.1 Overview

The purpose of this policy is to document in writing, the delegation of authority and accountability for financial administration to the Executive Director and Deputy Executive Director for Corporate Services and senior managers of the Regional Secretariat (“Secretariat”). This policy is intended to support an effective system of financial administration that satisfies organizational and managerial requirements for sound financial stewardship, accountability and control.

## 3.2 Definitions

- i. **Consulting Services:** The provision of expertise or strategic advice that is presented for consideration and decision-making. Examples of consulting services include: management consulting, information technology consulting, technical consulting, policy consulting, communication consulting. Consulting services do not include services in which the physical component of an activity would predominate (e.g. services for the operation and maintenance of a facility, security, temporary help services).
- ii. **Consultant:** A person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.
- iii. **Financial Commitment:** Any obligation, by way of requisition, contract, purchase order, lease, or any other agreement or arrangement eventually settled through either cash payment or exchange of equipment, goods or services of equivalent value. Goods, services or equipment ordered for an evaluation period are financial commitments, regardless of the dollar value, made on behalf of the Secretariat.
- iv. **Value of a Financial Commitment:** The total indebtedness to be incurred by the Secretariat over the entire (minimum) term of the agreement, excluding all applicable taxes. Contingent liabilities should be assumed to be payable for the purposes of calculating the value of the commitment.
- v. **Capital Commitment:** A financial commitment for assets such as buildings, furniture and equipment, including IT software and equipment as stated in the Section 13 – Fixed Asset.
- vi. **Sole/Single Source:** The use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of the goods or services. Single source is the use of a non-competitive

procurement process to acquire goods, services or construction from a specific supplier even though there may be more than one (1) supplier capable of delivering the same goods, services or construction (for complete information please refer to Section 12 – Procurement Management).

### **3.3 Policies**

- i. Approval by CTI COM or CTI CSO of the Secretariat budget confers authority and accountability to the Executive Director of the Secretariat to make expenditures within the amounts and scope of the accounts allocated to them in the budget.
- ii. iDelegation of authority shall be established along the lines of the Secretariat’s organizational structure at the highest practical positions. Signing authority is delegated by virtue of appointment to a position.
- iii. Regardless of any delegation of signing authority made, financial accountability rests with the individual with the original signing authority.
- iv. Signing officers will not authorize procurements or payments when they are the direct or indirect beneficiaries, or for expenses that may have a personal benefit to them. Another person with higher or similar authority level must approve such transactions.
- v. Signing officers must comply with the intent of this policy. In particular, staff shall not avoid the established limits by subdividing payment, invoices or contracts into smaller amounts.
- vi. All financial and capital commitments shall be authorized and approved by designated signing officers, in accordance with Appendix 3.1 – Signing Authority Levels.
- vii. Commitments must relate directly to the mandate of the signing officer’s unit within the limits set out in this policy and within approved budgets. Where budgets are likely to be exceeded, signing officers must ensure measures are in place to address deficits.
- viii. All signing officers are expected to act in good faith in the best interests of the Secretariat and at all times avoiding conflicts of interest. In circumstances where conflicts of interest exist or could be seen to exist, signing officers must declare the conflict and adhere in all other respects the Secretariat’s Conflict of Interest policies.
- ix. All signing officers shall comply with the Secretariat’s Procurement Management Policy and Procedures (See Section 12 – Procurement Management), including open and competitive bidding, where applicable. Waiver from the competitive process requires an approved Sole or Single Source Certification form found in the Secretariat Procurement Policy. Approvals for sole/single sourcing are noted in footnotes to Appendix 1.
- x. Under certain circumstances, signing officers may temporarily further delegate or change signing authority limits of subordinate staff, up to the limits of

the person delegating signing authority as permitted in Appendix 3.1, in the Delegation of Authority Form (Attachment 3.1). Such delegations must be in writing and approved by the Executive Director. Such delegations may also be made to another manager who is at the same level or higher in the organizational structure.

- xi. No authority under this policy shall be delegated to a person in a non-Staff position.
- xii. The Executive Director may make non-substantive changes to this policy to reflect changes to the titles of positions, the deletion of positions, and the addition of positions directly comparable to those included in this policy.

### **3.4 Roles, Authorities and Accountabilities**

- i. Signing Officers:* Before signing a document (commitment), a signing officer must be satisfied as to the following and must be prepared to take responsibility that:
  - a. The document is within the responsibility of the signing officer through the authority of the Secretariat's approved budget, or other policies and procedures.
  - b. The Secretariat is able to meet its obligations within the terms of the document and that the other party/parties is reasonably likely to meet theirs.
  - c. The document complies with host country law and regulation and Secretariat's policies and procedures.
  - d. There is evidence that commitments comply with the Secretariat procurement and applicable policies, including open, competitive bidding guidelines.
  - e. The appropriate level of approval has been obtained for the document.
  - f. Wherever there may be a potential or perceived conflict of interest, the conflict is declared in accordance with the Secretariat Conflict of Interest Policies and appropriate steps taken as defined in the policy.
  - g. Financial and other benefits to or liabilities relating to the document have been considered, are reasonable and manageable.
  - h. The intellectual property elements have been thoroughly considered.
  - i. Appropriate indemnities and insurance have been provided for and whenever needed, appropriate legal review has occurred.
- ii. Senior Management and other Staff to whom budgets are allocated:* Senior management and staff to whom budgets are allocated shall:
  - a. Ensure that appropriate internal controls are established and maintained within their respective areas of responsibility.

- b. Ensure signing authority is documented with the Delegation of Authority Form (See Attachment 3.1) and are current as responsibilities change within their department.
  - c. Ensure measures are in place to address deficits, i.e. when expenditures are over budget.
  - d. Review monthly operating statements to ensure that expenditures are reasonable and that charges are correct and properly recorded in the accounting records.
- iii. *Finance and Accounting Unit*: Finance and Accounting Unit shall:
- a. Maintain an up-to-date file/database of specimen signatures and related documentation of signing authorities.
  - b. Implement measures to monitor compliance with this policy.

### 3.5 Appendixes and Attachments

- i. Appendix 3.1 – Signing Authority Levels
- ii. Attachment 3.1 – Delegation of Authority Form

### 3.6 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 3 – Initial Release	

# 4. ACCOUNTING

## GENERAL GUIDING PRINCIPLES

### 4.1 Overview

This chapter sets out in general, review of the accounting system to be followed for the financial management activities of the Regional Secretariat (“Secretariat”) of CTI-CFF.

### 4.2 Organizational Structure of the Accounting Entities

#### 4.2.1 Accounting Entities

- i. The Finance and Accounting Unit carry out the accounting function of the Secretariat and report to Deputy Executive Director for Corporate Services.
- ii. The accounting entities of the Secretariat shall be led by the Finance and Operation Manager and supported by necessary Finance and Accounting Staff as needed.

#### 4.2.2 Roles and Responsibilities

The responsibility of the Finance and Operation Manager, and Finance and Accounting Staff shall be detailed in Appendix 4.1 – Responsibilities of Finance and Operation Manager, and Finance and Accounting Staff.

### 4.3 The Accounting System

#### 4.3.1 Accounting Method

The accounting methodology of the Secretariat is accrual basis. With this policy, the Secretariat will accrue revenue and expenditure at year-end to reflect unrecorded transactions that affect the year then ended. In order to meet the requirement of Generally Accepted Accounting Principles (GAAP), the Secretariat’s financial statements shall be prepared on accrual basis. This is to ensure that revenue and cost are:

- i. Recognized when earned or incurred, not necessarily when money is received or paid; and
- ii. Matched with each other so far as their relationship can be established or justifiably estimated and related with in the income statement for the period to which they relate.

### 4.3.2 Currency

- i. The Financial Regulations of CTI-CFF stipulates that the accounts of the Secretariat shall be presented in United States Dollars. Accounting records may, however, be kept in such currency or currencies as the Executive Director may deem necessary.
- ii. Therefore, the reporting currency of the Secretariat shall be presented in United States Dollars (USD). The functional currency for the accounting records and the translation mechanism of the functional currency into the reporting currency shall be defined in the Appendix 4.2 – Translation of Functional Currency to Reporting Currency.

### 4.3.3 Key Accounting Control Objectives and Respective Controls

- i. The following key control objectives and their respective controls are essential to the system of accounting operated at all levels in the Secretariat. Some controls will meet a number of control objectives.
  - a. **Accuracy:** The information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omission. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period. This objective shall be addressed by:
    - i. Budgeting procedures
    - ii. A proper approval, certification and authorization process for payments
    - iii. Review and authorization of payroll schedules by a delegated authority
    - iv. Reconciliation of Check/transfer advice prior to signing by authorized signatory
    - v. A regular, complete and up-to-date reconciliation
    - vi. Maintenance of physical assets register
    - vii. Control over maintenance of permanent accounting records
    - viii. Procedures and control for making adjustment to accounting records
    - ix. Reconciliation of the General Ledger to Sub-ledgers, registers and source documents
    - x. Detailed Chart of Accounts for classifying transactions
    - xi. A regular post-audit process, both internal and external.
  - b. **Completeness:** The information in the accounts and the supporting subsidiary records shall be a complete representation of all past transactions that have occurred during the reporting period. This objective shall be addressed by:
    - i. Budgeting procedures
    - ii. Recognition of significant commitments/appropriations



- iii. Issue and review of sequentially numbered receipts for all revenue
  - iv. Regular, complete and up-to-date bank reconciliation
  - v. Reconciliation of General Ledger to Sub-ledgers, registers and source documents
  - vi. A regular post-audit process, both internal and external
  - vii. A systematic and verifiable consolidation of accounts from subsidiary ledgers, registers and source transactions.
- c. Existence/Validity:** All transactions accounted for must be genuine transactions. This objective shall be addressed by:
- i. A proper approval, certification and authorization process for payments
  - ii. Claims shall be stamped as paid on authorization for payment
  - iii. Audit trail from the payment to the source documents supporting the claim
  - iv. Review and authorization of payroll schedules by a delegated authority
  - v. Reconciliation of Check/transfer advice prior to signing by the delegated authority
  - vi. No duplicate receipts provided
  - vii. Regular, complete and up-to-date bank reconciliation
  - viii. A regular post-audit process, both internal and external.
- d. Economy:** The accounting system shall include controls to ensure the prudent allocation of the Organization resources. This objective shall be addressed by:
- i. Expenditure approval, certification and authorization procedures
  - ii. A competitive procurement processes
  - iii. Asset management policy and procedure.
- e. Effectiveness:** The accounting system shall include controls to ensure the effective performance of the Organization responsibilities. This objective shall be addressed by:
- i. Clearly defined responsibilities, scheme of delegation and reporting lines
  - ii. Comprehensive procedure notes.
- f. Efficiency:** In practice there will often be a trade-off between economy and effectiveness. The accounting system should seek to operate as efficiently as possible by optimizing the relationship between these two variables. This objective shall be addressed by:
- i. Pre-audit/certification of payments
  - ii. Issue of payment through direct bank transfer
  - iii. Use of impress system for small payments
  - iv. Hierarchical organizational structure in which there is a clear scheme

of authority delegation to perform the tasks

- v. Responsibility accounting, using responsibility centers
- vi. Production of annual and monthly financial reports
- vii. Limited duplication of roles
- viii. Consolidation of accounts.

**g. Minimize risk of fraud and corruption:** The accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed by:

- i. Segregation of duties, so that certain accounting functions should be performed by different officers, including:
  - 1. Accounts and audit
  - 2. Recording receipt of funds
  - 3. Approval/authorization and issue of payment
  - 4. Recording of expenditures and issue of payment
- ii. Budgeting procedures
- iii. Pre-audit of claims for payment
- iv. Maintenance of an authorized signatories list by the bank
- v. Requirement of a double signatory for issue of payment above certain limit of expenditures
- vi. Issue of payment through direct bank transfer and checks
- vii. Control over maintenance of permanent accounting records
- viii. Procedures and control for making adjustments to accounting records
- ix. Reconciliation of the General Ledger to Sub-ledgers, registers and source documents
- x. Responsibility accounting, using responsibility centers
- xi. Clearly defined responsibilities, scheme of delegation and reporting lines
- xii. A regular post-audit process, both internal and external.

#### 4.3.4 Key Reporting Control Objectives and Respective Controls

- i. **Matching Principle:** The matching principle states that revenue is reported when earned and expenses are reported as incurred and should be matched against revenue, even if no cash outflow has occurred. This is the rationale for the accrual basis of accounting.
- ii. **Prudence:** Prudence is the inclusion of a degree of caution in the exercise of the judgments needed in making the estimates required under conditions of uncertainty, such that assets or revenue are not overstated, and liabilities or expenses are not understated. The prudence concept states that revenue and income are not anticipated but are recognized by inclusion in the income statements only when realized in the form of cash or other assets or when the ultimate cash realization can be assessed with a reasonable degree of certainty.

All known liabilities are provided for whether their amounts are known with certainty or are a best estimate in the light of the information available. Where the matching concept is inconsistent with the prudence concept, the latter would prevail.

- iii. **Sufficient:** The accounting system must produce sufficient information for the adequate control of the Organization's finances. This objective shall be addressed by:
  - a. Preparation of monthly and annual accounts
  - b. Availability of an audit trail through Ledgers, registers and source documents to substantiate the financial reports
  - c. Preparation of additional operational information by entities as required
  - d. On-going review of information requirement by users.
- iv. **Relevance:** the accounting system must produce financial information which is relevant and understandable to the users of the information. The financial reporting from the accounting system must be based on the accountabilities required of users, and their decision-making requirements. This objective shall be addressed by an on-going review of information requirement by users.
- v. **Reliable:** The accounting system shall produce reliable financial information. This objective shall be addressed by the controls over completeness, accuracy and validity.
- vi. **Consistency:** The accounting system must enable consistent information to be produced in financial reports, in order to be useful for decision making. This objective shall be met by:
  - a. A consistent reporting period and unit of currency
  - b. Consistent accounting basis and policies
  - c. Consistent reporting formats and disclosures
  - d. Accounting policies consistently applied across all organization entities.
- vii. **Disclosure Principle:** This requires the presentation of sufficient information to permit the reader to reach an informed understanding of the financial statements
- viii. **Going Concern:** The Financial statements shall be prepared on the assumption that:
  - a. The Secretariat is a going concern and would continue in operation into the foreseeable future.
  - b. The institution has neither the intention nor the need to liquidate or curtail materially the scale of its activities unless there is an intention to liquidate the entity. If the intention to liquidate the entity exists, the financial statements may have to be prepared on different basis and, if so, the basis used shall be disclosed.

- ix. **Historical Cost Principle:** The financial statements of the Secretariat would be prepared under the historical cost convention and in accordance with GAAP. Historical cost implies that the carrying value of assets is based on their purchase price.

#### 4.4 **Appendixes and Attachments**

- i. Appendix 4.1 – Responsibilities of Finance and Operation Manager, and Finance and Accounting Staff.
- ii. Appendix 4.2 – Translation of Functional Currency to Reporting Currency.

#### 4.5 **Revision History**

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
1.0		Section 4 – Initial Release	

# 5. GENERAL LEDGER

## 5.1 Overview

This policy is to ensure that the appropriate procedures in relation to the maintenance and recording of transactions into the general ledger are in place to comply with the first paragraph on Financial Regulations 11 (1)(a) on Accounting which states:

The Executive Director shall ensure that appropriate records and accounts are kept of the transactions and affairs of the Secretariat.

This policy outlines the management of the general ledger by Regional Secretariat (“Secretariat”) Staff involved in the recording of financial transactions, changes to the general ledger or the subsequent generation of general ledger reports and reconciliations.

## 5.2 Definitions

- i. General Ledger: Contains all the CTI-CFF Secretariat financial transactions.
- ii. Journal Entry: A journal entry records financial transactions in the general ledger. The Secretariat utilizes the double entry accounting system, thus there are always both debit and credit journal entry lines and the total debits must equal the total credits.
- iii. Journal Entry Template: All journal entries must be prepared using the journal entry template as per Attachment 5.1 – Journal Entry Template.
- iv. Supporting Documentation: Consists of source documents, supportive calculations, and/or other items necessary to substantiate the accuracy and appropriateness of a journal entry. All journal entries are required to have supporting documentation. Supporting documentation must be stored and available at the time the preparer submits the journal entry template for approval. Typical supporting documents include, but are not limited to, general ledger reports, worksheets with supportive calculations, copies of source documents such as check requests, purchase requisitions, travel expense reports, third party reports/statements, or related emails.
- v. Approval Matrix: The approval matrix outlines the minimum required approval level based on journal entry type and journal entry amount (Appendix 5.1 – Approval Matrix).
- vi. Preparer: The individual who creates the journal entry and compiles the supporting documentation. The preparer is responsible for archiving both the journal entry and supporting documentation into the designated storage medium.

- vii. Approver: The individual who is responsible for reviewing the journal entry template and supporting documentation for validity, accuracy, and completeness prior to approving for posting it into the general ledger.

### **5.3 Policies**

#### **5.3.1 General Policies**

Based on Financial Regulations 11 on Accounting, the Executive Director shall:

- i. Ensure that appropriate records and accounts are kept of the transactions and affairs of the Secretariat.
- ii. Perform all things necessary to ensure that all payments out of the Secretariat's moneys are correctly made and properly authorized.
- iii. Ensure that adequate control is maintained over the assets of the Secretariat, or any assets in the custody of the Secretariat.
- iv. Ensure that adequate control is maintained over the incurring of liabilities by the Secretariat.

#### **5.3.2 General Ledger**

The general ledger is used to record all financial transactions relating to the Secretariat. It is further subdivided into assets, liabilities, equity, income and expenses. The general ledger is used to summarize the large number of transactions into categories and subsequently used to produce set of the financial report. The management of the general ledger includes:

- i. Chart of Accounts
- ii. Journal Entry
- iii. General Ledger Account Reconciliations

#### **5.3.3 Chart of Accounts**

##### **5.3.3.1 Overview**

- i. Chart of Accounts shall be used to organize the finances of the Secretariat and to segregate expenditures, revenue, assets and liabilities.
- ii. Accounts are typically defined by an identifier (account number) and a caption or header and are coded by account type.
- iii. The purpose of this sub-section is to provide the method for assignment and maintenance of the organization chart of accounts, to standardize the system of creating and classifying accounts within the Chart of Accounts and to formalize the procedures to be followed when requesting a change to and updating the General Ledger Chart of Accounts.

### **5.3.3.2 Policies**

- i. The Finance and Operation Manager or designee will maintain the Chart of Accounts and update it on a regular basis.
- ii. All changes to the Chart of Accounts must be submitted in writing to the Finance and Operation Manager or designee by the individual dealing with accounting responsibility in the Secretariat.
- iii. All ledger accounts are assigned a descriptive account title and account number to facilitate the record keeping process for accounting.
- iv. All General Ledger Accounts will be numbered in accordance with the conventions set forth in the Appendix 5.2 – Chart of Account Structure.
- v. The Finance and Operation Manager will maintain the accounts of the general ledger in an accurate, timely and efficient manner.
- vi. The changes of Chart of Account should be:
  - a. Approved by Deputy Executive Director for Corporate Services.
  - b. Assessed as to the impact upon processes and financial reporting.
  - c. Amended by Finance and Accounting Unit holding the responsibility on accounting of the Secretariat.

### **5.3.3.3 Procedures and Processes**

#### **5.3.3.3.1 Design of Accounts**

- i. Accounts have titles and numbers that indicate specific ledger accounts such as Cash, Bank, Furniture, Accounts Payable-Trade, etc.
- ii. Accounts are arranged in the same sequence in which they appear in the financial statements.
- iii. Another segment of account may be created to record additional information related to the financial transactions, such as funding code, donor code, department code, etc.

#### **5.3.3.3.2 Description and Definition of Accounts**

- i. Each account is given a short title description that is brief but allows the reader to quickly ascertain the purpose of the account.
- ii. For training and to ensure consistent transaction coding as well as help other non-accounting managers understand why something is recorded as it is, each account is defined. Definitions are concise and meaningful.
- iii. The definition tells the user what can be recorded in a specific numbered account.
- iv. The detail structure and definitions of CTI-CFF chart of account shall be described in Appendix 5.2 – Chart of Account Structure.

## **5.3.4 Journal Entry**

### **5.3.4.1 Overview**

The purpose of this sub-section is to describe the functions for recording transactions and maintaining the general ledger, to facilitate the maintenance of an effective and efficient accounting system and to assure that financial reporting may be accomplished in an error free manner and all transactions, not otherwise automatically posted through sub ledgers, are recorded in the general ledger in a timely and accurate manner.

### **5.3.4.2 Policies**

- i. The Finance and Accounting Unit is responsible for the proper posting of journals and entries to the general ledger and for the maintenance of the accounts to ensure accuracy, validity and reliability of financial records.
- ii. The CTI-CFF will establish and maintain an effective accounting system to capture data regarding the economic activity of the CTI-CFF.

### **5.3.4.3 Procedures and Processes**

#### **5.3.4.3.1 Posting Transactions and Journals**

- i. The accounting system aids in the maintenance of journals and posting of transactions to general ledger accounts. The following functions are performed on a regular basis, preferably daily, to update the general ledger for the month's activities:
  - a. All transactions are required to have proper coding at minimum to the individual fund, program, grant and general ledger codes.
  - b. All activities recorded in journals will be posted to the general ledger.
  - c. Under the accrual basis, the recurring adjusting journal entries will be posted via the general journal. Recurring journal entries will be established for adjustments that occur equally each monthly accounting period. Recurring journal entries are reviewed monthly and adjusted accordingly.
  - d. Adjusting journal entries are prepared for transactions that have not been recorded in other journals or to correctly restate account balances to accurate amounts. The need to make adjusting journal entries may be due to any of the following:
    1. Accrual of income and expense items.
    2. Correction of errors.
    3. Recording of non-cash transactions.
- ii. Journal entries must be approved in accordance with the journal entry approval matrix as per Appendix 5.1 – Approval Matrix before being posted. Adequate supporting documentation will be prepared and maintained for each journal entry.



- iii. The description of the journal entry should follow the standard description in bookkeeping as per Appendix 5.3 – Standard Description in Bookkeeping Entries.
- iv. The journal entry preparer is required to submit the completed journal entry template and supporting documentation to the designated approver for approval.
- v. Evidence of journal entry approval is required to be in the form of a written signature or electronic approval via email.
- vi. Approved journal entries and supporting documentation are required to be archived and stored by the preparer in a designated storage location for easy accessibility.

#### **5.3.4.3.2 Trial Balance**

- i. After posting all journals and adjusting entries, a trial balance is printed. The trial balance is reviewed to ensure that the general ledger is in balance. When there is a subsidiary ledger system, all control accounts in the general ledger are reconciled to subsidiary ledgers. Any differences will be investigated, and appropriate adjustments are made.
- ii. The Finance and Operation Manager will make a final review of the trial balance for accuracy and proper reflection of account balances before printing financial statements.

### **5.3.4 General Ledger Account Reconciliation**

#### **5.3.4.1 Overview**

- i. To define the requirements for general ledger account reconciliations and to communicate those requirements to those responsible for preparing reconciliations.
- ii. Accounts covered under this policy include those significant accounts contained in the general ledgers of the Organization that require account reconciliations to assure their accuracy.

#### **5.3.4.2 Policies**

- i. All general ledger account reconciliations will:
  - a. Be performed in a timely manner
  - b. Have corrective action performed in a timely manner
  - c. Be reviewed and authorized by an appropriate person with the necessary skills that is independent of the preparer
  - d. Have supporting documentation for any reconciling items
  - e. Be stored in a designated storage location.

- ii. The Secretariat requires account reconciliations for certain general ledger accounts. It also establishes the authority necessary to identify which accounts require reconciliation and the prescribed format for CTI-CFF.
- iii. An account reconciliation compares a general ledger account balance with the detail level sub-ledger, which should support the general ledger account balance. For example, the “sub-ledger” may be a bank statement, an aging, a spreadsheet, or some other appropriate underlying documentation. If errors or reconciling items are found in the general ledger, the sub-ledger, or both, then the proper adjustments should be made to clear them from the reconciliation as soon as possible.

#### **5.3.4.3 Procedures and Processes**

The following procedures are intended to assist in applying this policy. The intent is to provide supporting guidelines to assist the staff in developing necessary activities to ensure that the policy is understood and being followed.

##### **5.3.4.3.1 Responsibility**

- i. It is the Finance and Operation Manager’s responsibility to monitor the accounts on their respective general ledgers to ensure that they accurately reflect their business transactions. This responsibility should be fulfilled by implementing and following a formal process ensures that all required accounts are reconciled regularly and in a timely manner. The Finance and Operation Manager should ensure that these reconciliations are reviewed and approved on a regular basis.
- ii. Each general ledger account should be the responsibility of staff of Finance and Accounting Unit. Ownership responsibility should be assigned to the person who has the best knowledge and control of the account (unless internal control considerations dictate otherwise) as well as the accounting skill to prepare the reconciliation.

##### **5.3.4.3.2 Development and Review Processes**

- i. The reconciliation should be prepared in a standard format (if appropriate) and on a monthly basis. When applicable, balance sheet accounts should be reconciled along with their income or expense counterpart. For example, accrued interest expense should be reconciled along with interest expense. Reconciliations in electronic worksheet format are preferable where possible.
- ii. Appropriate steps should be taken to correct and clear reconciling items in a timely manner, usually by the next month-end.
- iii. Disposition of unidentified reconciling items must receive approval of the Finance and Operation Manager. Approval for disposition must be obtained from the Deputy Executive Director for Corporate Services if the dollar amount of the unidentified reconciling item is greater than 5,000 USD.

- iv. The sub-ledger should contain enough information to assure that the sub-ledger detail is appropriate for use as a reconciling item. The exact format of the supporting documentation may vary by account. Written explanations should be included in the reconciliations for supervisory review and external auditor review.
- v. Completed reconciliations should be dated and signed by the preparer. Care should be taken that signatures are legible and should be accompanied by the signatory's printed name and position title. The reconciliation and any related journal entries should be approved in writing by the preparer's supervisor or an individual with a higher level of authority than the preparer. The completed reconciliations should be maintained in a readily accessible filing system for review by management and internal and external auditors.

#### 5.4 Appendix and Attachments

- i. Appendix 5.1 – Approval Matrix
- ii. Appendix 5.2 – Chart of Account Structure
- iii. Appendix 5.3 – Standard Description in Bookkeeping Entries
- iv. Attachment 5.1 – Journal Entry Template

#### 5.5 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 5 – Initial Release	

# 6. BUDGETING

## 6.1 Overview

- i. The following budgeting policies and procedures has been developed to establish and maintain effective management of the Regional Secretariat (“Secretariat”) financial resources, while providing a structured approach to the allocation of resources to achieve the Organization’s goals. A comprehensive annual budget is prepared for all funds expended by the Secretariat and is done so in accordance with Generally Accepted Accounting Principles (GAAP) and best practice.
- ii. The budget is an instrument by which the CTI-CFF expresses its priorities and allocates resources to manage its functions. It is also a tool by which planned expenditures are controlled at all levels of the Organization.

## 6.2 Policies

- i. The Executive Director shall prepare a three (3) consecutive years budget consist of a draft annual budget for the ensuing year comprising estimates of receipts by the Secretariat from all sources and of expenditures by the Secretariat, projected budget for the next second consecutive year and forecast budget for the next third consecutive year. The projected and forecast budget for the second and the third consecutive years are indicative budget that shall be prepared based on the best information and assumption available at the time of the annual budget preparation and will be reviewed and re-evaluated on the next budget cycle.
- ii. The total annual budget calculation will be divided into two (2) sections:
  - a. General budget for expenses and activities funded by Country Contributions
  - b. Budget for activities funded by grant(s) from partner(s).
- iii. Line items for the expenditures to be included in the budget should include, but not limited to, the following:
  - a. Operating expenses of the Secretariat, e.g. utility, supplies, permit and licenses, etc.
  - b. Salary and benefits for Staff of the Secretariat
  - c. Budget expenses for programs and events
  - d. Capital expenditure
  - e. Appropriation.

- iv. The draft annual budget shall be categorized by section, program and sub-program, for the purpose of comparison, the object of expenditures for the previous financial year and the program expenditures of the current year shall be indicated alongside the resource estimates for the forthcoming financial year.
- v. The draft annual budget shall include a statement of the significant financial implications for subsequent financial years in respect of any proposed work programs presented in terms of administrative, recurrent and capital expenditure.
- vi. The Executive Director shall submit the proposed annual budget for the following year to the Operation Plan and Budget Committee at least sixty (60) days prior to the Coral Triangle Initiative Council of Minister (CTI COM) or Coral Triangle Initiative Committee of Senior Officials (CTI CSO) Meeting. The Operation Plan and Budget Committee shall evaluate and prepare a report to the CTI COM or CTI CSO on the budget proposed by the Executive Director.
- vii. The CTI COM or CTI CSO shall decide upon the annual budget of the Secretariat after considering the report of the Budget Committee.
- viii. Supplementary budget proposals may be prepared by the Executive Director if exceptional circumstances make this necessary. Supplementary budget proposals shall be prepared in a form consistent with the approved budget and shall be reviewed by the Budget Committee. Such supplementary budget only allowed to be submitted during the second half of the financial year. Exemption can be given by CTI CSO depending on the urgency and case by case basis. The provisions of these Regulations shall be applicable to the proposed supplementary budget to the extent possible.
- ix. The draft annual budget and the projected and forecast budgets shall be presented in United States Dollars (USD).
- x. If the CTI COM is unable to adopt a decision on the annual budget, the level of contribution to the administrative budget of the Secretariat shall be determined in accordance with the annual budget for the preceding year for the purpose of meeting the administrative expenses of the Secretariat for the following year until such time as a new annual budget can be adopted by consensus.

## **6.3 Procedures and Processes**

### **6.3.1 General Procedures**

- i. Executive Director and Deputy Executive Director for Corporate Services coordinate the entire budget process, define and issue guideline, parameters, standard format and template of the budget.
- ii. Executive Director, Deputy Executive Director for Program Services and Corporate Services determines the strategic objectives, goals and activities of the ensuing financial year for their respective area of responsibility.

- iii. The finance team prepares the standard template of budget in a format with prepopulated formula and values to simplify the budget entry and reduce the margin for user error.
- iv. The Deputy Executive Director for Corporate Services shall consolidate the detail budgets into a draft budget for the Secretariat. The budget shall also include a comparison of the budget and actual performance to the previous year.

### **6.3.2 Budget Process for Expenses and Activities Funded by Country Contributions**

#### **6.3.2.1 Budgeting Process for Operating Expenses**

- i. An operating expenses budget template shall be prepared by financial department in a format that can be readily analyzed, compared and is comprehensive in nature (i.e. include detail of actual period-to-date expenses of the current year, forecast for the balance expenses until the end of the year of the current year and the budget for the subsequent year).
- ii. Deputy Executive Director for Corporate Services, in consultancy with Executive Director and other related Staff, shall develop the detail budget for operating expenses, including forecast for the balance expenses until the end of the year of the current year and the budget for the subsequent year.
- iii. The calculation of the budget will take into account the trends of expenses for the current period, the changes of operation and price parameters, as well as the expected increment or reduction of activities or expenses.
- iv. The budget for Staff Travel and Meeting shall also be calculated simultaneously during this process.

#### **6.3.2.2 Budgeting Process for Salary, Allowances and Benefits**

- i. The budget for salaries, allowances and salaries-related benefits shall be separately prepared.
- ii. The Executive Director and Deputy Executive Director for Corporate Services shall prepare the budget for salary, allowances and benefit for Staff of the Secretariat based on the proposed organization structure developed for the ensuing year.
- iii. The budget for benefits should include all mandatory benefits regulated in host country law.
- iv. The budget should also include allowances specifically set up by the Secretariat, e.g. housing allowances, home leave allowance, etc.
- v. The budget for staff recruitment shall also be calculated simultaneously during this process.

### **6.3.2.3 Budgeting Process for Programs and Events**

- i. The Executive Director and Deputy Executive Director for Program Services shall prepare the budget for programmatic and events for the ensuing year.
- ii. Generally, budgets are formulated by each primary activity on all levels of the program classification structure.
- iii. The Deputy Executive Director for Program Services shall work together with Finance and Accounting Unit to develop the budget calculation using the financial parameter set by Finance and Accounting Unit.
- iv. The budget for Senior Officials Meeting (SOM) and Ministerial Meeting (MM) shall also be calculated simultaneously during this process.

### **6.3.2.4 Budgeting Process for Capital Expenditure**

- i. Executive Director, Deputy Executive Director for Program Services and Corporate Services shall prepare the budget for the capital expenditure of the Secretariat.
- ii. The budget for capital expenditure should balance in both the short-term (annual needs) and the long-term needs.
- iii. The budgeted cost for capital expenditures should be identified by project and contain of a detail breakdown of costs.
- iv. For capital projects that extend over more than one budget year should be clearly annotated with cost projections included for each subsequent year.
- v. The budget calculation for capital expenditures should include purchasing price and all costs necessary to put the asset into the existing use and location.

### **6.3.2.5 Budgeting Process for Appropriation**

- i. The Executive Director, Deputy Executive Director for Corporate Services shall develop the budget for appropriation.
- ii. The appropriation of the Secretariat currently includes, but not limited to, all mandatory benefits related to retrenchment and repatriation of staffs. Other appropriation shall be set up whenever needed.
- iii. CTI-CFF Financial Regulations 9 on Appropriation stipulates that appropriations shall be available for the financial year to which they relate. At the end of the financial year all appropriations for that financial year shall lapse. Commitments remaining undischarged against previous appropriations at the end of a financial year shall be carried over and be included in the budget for the next financial year, unless the CTI COM or CTI CSO decides otherwise. Therefore, the continuing/standing appropriation (See Section 15 – Appropriation), if any, shall be carried over and included in the budget.
- iv. As stipulated in the Financial Regulations of CTI-CFF regarding Budget, the

draft budget shall be divided into parts and sections. It shall be accompanied by such information, annexes and explanatory statements as may be required by the CTI COM or CTI CSO, including a statement on the main changes in comparison with the budget of the previous year, and such further annexes or statements as the Executive Director may deem necessary and useful.

### **6.3.3 Budget Process for Expenses and Activities Funded by Grant(s) from Partner(s)**

- i. All budgeted grant-funded expenditures must meet the guidelines specified in each of the individual grant agreements, as prescribed by the Donor. The budget for each grant must not exceed the actual grant amount awarded.
- ii. For each grant, matching requirements, if any, must be identified and budgeted, and where applicable, the use of program income must be fully budgeted. For each grant, the budgeting processes should maximize the recovery of indirect costs. Prior to submission to Donor, all grant budgets, including multi-year grants, must be submitted to and reviewed by the Executive Director to ensure conformance with the Secretariat goals and objectives.
- iii. For multi-year grants, only planned expenditures for each fiscal year should be budgeted. Each subsequent fiscal year grant budget should not exceed the balance of the grant from the prior year carry-over. Projected carry-over of grant funding should be budgeted and submitted by the program services division prior to the new fiscal year.
- iv. All grant-funded positions will be eliminated upon expiration of the grant unless otherwise approved by the Executive Director.

## **6.4 Revision History**

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
1.0		Section 6 – Initial Release	



# 7. COUNTRY CONTRIBUTIONS

## 7.1 Overview

Country Contribution is the amount of funds calculated to be paid by the member states to Regional Secretariat (“Secretariat”) to support the operations of the Secretariat as well as its approved activities. The timeliness of paying country contribution is critical given that the operations and implementation of activities are very much dependent on prompt payments. The country contribution is determined by Coral Triangle Initiative Council of Minister (CTI COM) based on the draft budget provided by the Secretariat calculated with reference to Schedule 1 of the CTI-CFF Financial Regulations.

## 7.2 Definitions

- i. Invoice: A document issued by the Secretariat to CT6 countries member and other party stating the sum of money due.
- ii. Parties: States who have deposited instruments of acceptance or approval or ratification with the depository.

## 7.3 Policies as per CTI-CFF Financial Regulation 4

- i. Each Party shall contribute to the budget in accordance with the formula prescribed in Schedule 1 of CTI-CFF Financial Regulations.
- ii. On approval of the budget for a financial year, the Executive Director shall send a copy thereof to all Parties informing them of their contributions and requesting them to remit their contributions due.
- iii. Annual contributions shall be considered as due and payable in full within sixty (60) days of the receipt of the communication of the Executive Director referred to in Paragraph 2 of this Regulation, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1st of January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears, and may be subject to consequences to be determined by the CTI COM.
- iv. Annual contributions shall be assessed in terms of a value calculated based on the Special Drawing Rate (SDR) of the International Monetary Fund and paid in United States dollars.
- v. The Executive Director shall submit to each CTI COM Meeting a report on the collection of annual assessed contributions from Parties, any voluntary

contributions received including contributions from CTI Partners, any investment income and other income received.

- vi. Annual contribution of a new party of the CTI-CFF shall be on prorated basis effective from the joining date as agreed by the parties concerned.
- vii. The CTI COM may develop a policy to assist in the calculation of the value of in-kind contributions.
- viii. Voluntary contributions above and beyond Parties' budget contributions may be accepted by the Executive Director provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Secretariat which shall be credited to the General Fund.
- ix. Voluntary contributions offered by CTI Partners and other non-Parties and entities may be accepted, subject to agreement by the Secretariat with prior authorization from CTI COM or Coral Triangle Initiative Committee of Senior Officials (CSO) in accordance with Article 3 of The Agreement on the Establishment of the Regional Secretariat of the CTI-CFF, that the purposes of the contribution are consistent with the policies, aims and activities of the Secretariat which shall be treated as Restricted Funds under the policies of Section 9 – Fund Accounting.

#### **7.4 Roles, Authorities and Accountabilities**

- i. Finance and Operation Manager: Calculates the country contribution based on the approved budget.
- ii. Executive Director: Sends the invoice to CT6 country.
- iii. Finance Assistant: Records the invoice as revenue on the Secretariat book.

#### **7.5 Procedures and Processes**

##### **7.5.1 Calculation of Contributions**

Parties will contribute to the General Fund of the Secretariat on the following basis:

- i. The total amount to be contributed will be determined by the CTI COM based on the draft annual budget provided by the Secretariat.
- ii. Sixty percent (60%) of the amount identified in item (i) above shall be contributed by each of the Parties in equal shares.
- iii. The remainder of the total amount identified in in item (i) above shall be divided between the Parties based upon the relative size of their gross domestic product (GDP) as calculated by the most recent year for which GDP figures are available for all Parties.
- iv. The Secretariat shall also develop forecast contribution for the next two (2) consecutive years after the ensuing year based on the projected and forecast budget in accordance with Section 6 point 6.2 (i).

### 7.5.2 Invoice Preparation

- i. On approval of the budget for a financial year, the Finance and Operation Manager shall make calculation on the country contributions prepare invoices for each country to be submitted to the Executive Director for his/her approval (See Attachment 7.1 – Invoice Template).
- ii. The Executive Director shall send invoice to all Parties informing them of their contributions and requesting them to remit their contributions due.

### 7.5.3 Recording/Recognizing Country Contributions

- i. Under the accrual basis, once the invoices are sent to the CT6 countries, it has to be recorded in General Ledger as a revenue against the receivable by the 1st of January of the particular year. The journal will be as follows:  

<i>Dr.</i>	<i>Country Contribution Receivable</i>	<i>XXXXX USD</i>
<i>Cr.</i>	<i>Revenue – Country Contribution</i>	<i>XXXXX USD</i>
- ii. The record of revenue shall be made by invoice.

### 7.6 Appendixes and Attachments

- i. Attachment 7.1 – Invoice Template

### 7.7 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 7 – Initial Release	

# 8. ACCOUNTING FOR RECEIPTS OF FUNDS

## 8.1 Overview

- i. The purpose of this policy and procedure is to provide guideline to develop a standardized process related to receipts to be followed by the Secretariat.
- ii. This chapter describes the policies, accounting treatment and procedures in relation to all of receipts of fund in the Regional Secretariat (“Secretariat”).
- iii. The policies include both general policies for receipts and accounting policies.
- iv. The accounting treatment details the records which need to be maintained for complete and accurate recording of receipts and the appropriate double entries for recording the transactions in General Ledger.
- v. The procedures cover the collection, recording, and consolidation of receipts. Additionally, there are further procedures for specific classes of receipt. The objective of the procedures is to ensure the proper application for control of receipts, and the provision for reliable and complete revenue information and monitoring purposes.

## 8.2 Policies

### 8.2.1 General Policies

- i. The Secretariat shall establish fund as follows:
  - a. General Fund – For the purpose of accounting for the income and expenditure of the Secretariat.
    1. Contributions paid by Parties and miscellaneous income to finance general expenditure;
    2. Advances made by Parties shall be carried to the credit of the Parties which have made such advances.
  - b. Temporary Restricted Fund
    1. The CTI-CFF Funds – Grants/Donations from CTI Development Partners.
    2. The Special Funds – Grants/Donations from donors other than CTI Development Partners.
    3. The Surplus Funds – Any cash surplus at the close of a financial year that is not required to meet undischarged commitments.
- ii. The Secretariat shall make separate bank accounts for each type of fund.

### **8.2.2 Receipt of Fund**

- i. All funds received as revenue of the CTI-CFF, must be banked into the designated bank account in the name of the CTI-CFF without delay.
- ii. All receipts should be identified in accordance with the Chart of Accounts specification (See Section 5 – General Ledger).
- iii. Receipts shall be recorded on a gross basis, that is, at the full amount received from the payer. Receipts will not be recorded net of any related costs, such as commissions or fees. Such costs are to be recorded separately as expenditures, under the relevant expenditure account
- iv. Recognition of revenue occurs after the receipt of the money by the bank (or clearance of the check, if any). This will be reflected in the accounting records when the bank receipt slips or statement is received by the Secretariat.
- v. For control purposes, the Secretariat only accept the incoming transfer of fund through wire transfer/bank transfer method. The Finance and Operation Manager should clearly state the payment method on the invoices (See Attachment 7.1 – Invoice Template).
- vi. Amounts due to the CTI-CFF should only be tendered at branches of the bank where the bank account is opened, unless otherwise authorized by the CTI-CFF.

### **8.3 Procedures and Processes**

- i. Wire Transfer Receipt
  - a. The designated person in the Finance and Accounting Unit shall review the bank statement on regular basis. If internet banking statement is available, the review should be conducted daily. Whenever available, automatic electronic notification facility from the bank should be activated.
  - b. The Finance and Accounting Unit should identify any wired funds received, print the evidence of receipt and prepare the journal voucher to record the transaction in the ledger.
  - c. The Finance and Operation Manager should review the journal voucher of the receipt and make sure the transaction recorded correctly in the ledger.
  - d. All receipts of fund journal vouchers shall be approved by the Executive Director or the designated person before posting by the Finance and Operation Manager.
  - e. The receipt should be reconciled during the monthly bank statement reconciliation and the amounts are confirmed upon receipt and the transactions recorded appropriately in the accounting system.
- ii. Acknowledgment of Receipt
  - a. Upon the approval process of the receipt entry, the Executive Director shall also be notified on the receipt of fund.

- b. The Executive Director shall respond to each contribution/donation/grant with a letter thanking the countries or donors for their contribution/donation/grant with the detail confirmation on the amount and date of receipt.
- c. An acknowledgment letter may alert countries/donors whose amount is misstated to contact the Secretariat to correct the error.

#### 8.4 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 8 – Initial Release	

# 9. FUND ACCOUNTING

## 9.1 Overview

The purpose of this policy and procedure is to provide guideline in relation to the accounting of fund as a source of revenue of the Regional Secretariat (“Secretariat”), the Financial Regulations of CTI-CFF classified three (3) types of fund in the Secretariat: General Fund, CTI-CFF Fund, and Special Fund. With the variation on sources of revenue with varying nature of restriction, the Secretariat accounting systems should be organized and operated on a fund basis.

## 9.2 Definitions

- i. **Fund:** As a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Fund accounting, therefore, is used as a control device to separate financial resources and ensure that they are used for their intended purposes with the fund as the basic recording entity for reporting specified assets and liabilities and related transactional movements of its resources.
- ii. **Fund Accounting:** The method of classifying fund resources into categories according to the purpose of use. Each fund is self-balancing and has separate assets, liabilities and a fund balance.
- iii. **Temporarily Restricted Funds:** Items that were received with a donor-imposed restriction that will be satisfied in the future. The donor’s restriction may be for a particular purpose or program or for use in a specified time period.
- iv. **Unrestricted Funds:** Items that have no donor-imposed restrictions.

## 9.3 Policies

### 9.3.1 The Secretariat Fund Types

- i. CTI-CFF Financial Regulation 6 on Establishment of Funds stipulates that the Secretariat shall establish fund as follows:
  - a. **General Fund** – For the purpose of accounting for the income and expenditure of the Secretariat
    1. Contributions paid by Parties and miscellaneous income to finance general expenditure.

2. Advances made by Parties shall be carried to the credit of the Parties which have made such advances.

**b. Temporary Restricted Fund**

1. The **CTI-CFF Funds** – Grants/Donations from CTI Development Partners.
  2. The **Special Funds** – Grants/Donations from donors other than CTI Development Partners.
  3. The **Surplus Funds** – Any cash surplus at the close of a financial year that is not required to meet undischarged commitments in terms of regulations of Appropriation.
- ii. The **CTI-CFF Funds** and **Special Funds** may be established by the Secretariat for the purpose of receiving funds and making payments for purposes not covered by the regular budget of the Secretariat. The CTI-CFF Funds and Special Funds shall only be used in accordance with the purposes for which and any conditions under which such Funds have been provided. The CTI-CFF Funds will be those funds where there are on-going monitoring and reporting obligations to the donors of the funds. The Special Funds will be any other funds provided for specific purposes that are not CTI-CFF Funds or General Fund.
  - iii. Funds provided by CTI Partners or other donors, unless provided for allocation to the General Fund, shall be designated as CTI-CFF Funds. The Coral Triangle Initiative Council of Ministers (CTI COM) may establish such procedures as it thinks fit to provide for the receipt, reporting and appropriation of Special or CTI-CFF Funds. The Executive Director shall comply with any such procedures established by the CTI COM and ensure that all on-going monitoring and reporting obligations sought by the donors of the Funds are met.
  - iv. The revenue classification of funds in the Secretariat is primarily by source and purpose and can be summarized as follow:



Table 9.1 – Revenue Classification of Funds

<b>Fund Type</b>	<b>Source</b>	<b>Purpose</b>	<b>Restriction</b>
<b>General Fund</b>	<ol style="list-style-type: none"> <li>1. Contribution by CT6 Countries</li> <li>2. Miscellaneous Income</li> <li>3. Advances made by Parties</li> </ol>	To finance general expenditure of the Secretariat	<ul style="list-style-type: none"> <li>• Unrestricted</li> <li>• Can be used for any purposes, usually go toward the operating expenses; or</li> <li>• Temporary Restricted</li> <li>• If imposed by donor to provide resources on specific activities within the general expenditures</li> </ul>
<b>CTI-CFF Fund</b>	<ol style="list-style-type: none"> <li>1. Donor(s) or Development Partners</li> </ol>	To finance activities as per proposal/grant agreement	<ul style="list-style-type: none"> <li>• Temporary Restricted</li> <li>• Can be used for a particular purpose for a specified period or it must support a specific program</li> </ul>
<b>Special Fund</b>	<ol style="list-style-type: none"> <li>1. Any type of sources</li> <li>2. Grant/Donor other than CTI Development Partners</li> </ol>	Specific purpose other than the General Fund and CTI-CFF Fund	<ul style="list-style-type: none"> <li>• Temporary Restricted</li> <li>• Can be used for a particular purpose for a specified period or it must support a specific program</li> </ul>
<b>Surplus Fund</b>	<ol style="list-style-type: none"> <li>1. Any cash surplus at the closing of financial year</li> </ol>	Specific purpose as defined by CTI COM/SOM	<ul style="list-style-type: none"> <li>• Temporary Restricted</li> <li>• Can be used for a particular purpose for a specified period or it must support a specific program</li> </ul>

## **9.3.2 Accounting of Fund**

### **9.3.2.1 Overview**

- i. This classification of fund shall be adopted in the accounting of the Secretariat and the structure shall be laid out in the chart of accounts structure and the additional segment of account for the accounting and reporting purposes (See Section 5 – General Ledger and Section 16 - Financial Reporting).
- ii. The classification of the fund in accounting system of the Secretariat shall be designed to record and report the transaction to level of detail which can facilitate the reporting by source of funding, therefore, sub-fund code may need to be added on the account structure or additional segment of the chart of account in the accounting system.
- iii. For control purposes, each of temporary restricted fund need to be kept in separate bank account as it may also imposed by the funding agencies.
- iv. The Secretariat fund accounting uses the accrual basis of accounting. The emphasis is on determining the financial flow of operating revenues and expenditures, rather than net income. Consequently, the statement of revenues, expenditures, and changes in fund balance is one of the primary Secretariat fund operating statements. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.
- v. Expenditures and related accruals (current liabilities) are recognized in the accounting period in which the fund liability is incurred.

## **9.4 Procedures and Processes**

### **9.4.1 Recording the Revenue**

- i. Revenues and related receivables are recorded in the accounting period in which they are earned, available, and measurable unless otherwise specified. “Available” means collectible in the fiscal year accrued or soon enough thereafter to be used to pay liabilities of the fiscal year in which accrued.
- ii. The Finance Staff shall code the credit of the revenue account specified to the sources of fund and add the segment of fund into the ledger. The detail structure of account by revenue sources and segment of fund can be found in the Section 5 – General Ledger.

### **9.4.2 Recording the Expenditure and Liabilities**

- i. Expenditures and related accruals (current liabilities) are recognized in the accounting period in which the fund liability is incurred.
- ii. The Finance staff shall code the debit of the expenses account specified to the sources of fund, but the segment of fund should be “Unrestricted”.

### 9.4.3 Release the Temporary Restricted Fund to Cover the Expenses

- i. At the end of the year or when the project is ended, whenever come first, a journal entry needs to be made to transfer the fund of this particular project from Temporary Restriction Fund to Unrestricted Fund for the total expenditures spent in this particular project.
- ii. The transfer made on the fund restriction is an internal transfer and for the booking and reporting purpose only. No physical transfer of fund is needed to release of fund to cover the expenses funded by the temporary restricted funding.

### 9.5 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 9 – Initial Release	

# 10. EXPENDITURES

## 10.1 Overview

- i. The purpose of this policy and procedure is to provide guideline to develop a standardized process of expenditures to be followed by the Regional Secretariat ("Secretariat").
- ii. This chapter describes the policies, accounting treatment and procedures to be applied for expenditures.
- iii. The policies include both general policies and accounting policies which apply to all forms of expenditure and payment processes.
- iv. The accounting treatment details the records which need to be maintained for complete and accurate recording of expenditures and the appropriate double entries for recording the transactions in the general ledger.
- v. Based on these policies, the Detailed Procedures for expenditure transactions are then set out.
- vi. This section shall not include expenditures relating fixed assets, which will be covered separately in Section 13 – Fixed Assets.

## 10.2 Definitions

- i. *Expenditure*: A term used to describe the consumption of economic resources within the Secretariat. Expenditure shall be accounted for on an accrual basis.
- ii. *Petty Cash*: An accessible store of money kept for expenditure on small purchases.

## 10.3 Policies

### 10.3.1 Overview

The following key steps are required to be followed in all expenditure transactions:

- i. Authorization of expenditure
- ii. Preparation of payment voucher/bill (except for salaries and wages)
- iii. Authorization of payment
- iv. Issue of payment
- v. Recording of expenditure in the accounting records.

### **10.3.2 Authorization of Expenditure**

- i. Every expenditure must be authorized by staff of the Secretariat who has the authority to approve proposals to incur expenditures (including enter into commitments) on behalf of the Secretariat and who shall be deemed to be the Authorization Officer. The Authorization Officer's authorities are set out in Section 3 - Delegation of Financial and Signing Authority.
- ii. Officers holding authority to approve proposed expenditure must be held responsible for the exercise of due care and diligence; and should not incur expenditure (or enter into commitment) in excess of the amount set up in Section 3 – Delegation of Financial and Signing Authority.
- iii. For small purchases and payment of regular expenses such as internet bills, purchase of office supplies, etc., the authorization of the expenditure can be carried out together with the authorization of payment processes described in sub-section 10.3.4 below.

### **10.3.3 Preparation of Payment Voucher**

- i. Every claim voucher/bill must be certified by the certifying officer in the Secretariat and who shall be deemed to be the certifying officer. The certifying officer shall be the staff from Finance and Accounting Unit.
- ii. The certification/pre-audit process comprises:
  - a. The certifying officer ensuring that the claim voucher has been duly approved by a delegated approving officer in the Secretariat.
  - b. The certifying officer verifying the validity of the claim voucher and ensure it correctly identifies the account code to which payment will be charged
  - c. Scrutinizing of the claim voucher to identify possible fraud and irregularities.

### **10.3.4 Authorization of Payment**

- i. Once certified/pre-audited, the claim voucher/bill may then be authorized for payment, by a certifying officer set out in Section 3 – Delegation of Financial and Signing Authority.
- ii. The functions of the Certifying Officer and the Authorizing Officer cannot be performed by the same person unless approved by the Executive Director.

### **10.3.5 Issue of Payment**

- i. Payment must only be made for those claims that have been duly approved, certified and authorized.
- ii. All expenditures must be classified in accordance with the Chart of Accounts.

- iii. Payment of approved claims must be made only to the designated person and/or bank account as indicated on the claim voucher.
- iv. All check/bank transfer/other bank payment method must be signed by Authorized Officer set in Section 3 – Delegation of Financial and Signing Authority.
- v. Every officer authorized to draw checks/bank transfer slip/other bank payment method or sign or countersign checks/bank transfer/other bank payment method, must send a specimen of his/her signature to the designated bank branch.

#### **10.3.6 Use of Impress Account (For expenditures below the specified limit)**

- i. Petty cash fund shall be established in the Secretariat office to improve the efficiency of operations, considering that the Secretariat office is located in Manado City and is involved with minor purchases in many instances.
- ii. All expenditures below the specified limit should be made through an impress account/petty cash account. A petty cash book must be maintained by a delegated officer in the Secretariat responsible for the petty cash account.
- iii. The delegated officer should maintain an impress account by replenish the petty cash account, whenever is needed, of the amount required to re-establish the original impress.
- iv. This account must always balance at any point in time i.e. totals of all valid petty cash vouchers plus amount left in the impress account should equal the value of the original impress limit.

#### **10.3.7 Stop Payment and Replacement Check**

- i. When payment made by check, a stop payment notice is a specific direction given by the check signatory officer to the bank on which that check was drawn requiring it to refuse to pay the check when presented. This mechanism may be used to protect the interests of both the Secretariat and the payee; for example, where a check is not received by the payee, or is lost or stolen.
- ii. A replacement check will only be issued to the concerned payee if the original check has been stopped by the check signatory officer (by giving stop payment notice to the bank) and the bank's written acknowledgement has been obtained.

#### **10.3.8 Unclaimed and Stale Checks**

- i. If a check has not been claimed or has not been presented and paid within the valid period, it is stale and may not be negotiated.
- ii. A new check shall only be issued when the stale check is returned (deposited) by the payee of the check to the Secretariat. The old check shall be marked "CANCELLED" and a new check shall be issued.

- iii. After the validity period has expired, the amount in the unclaimed check must be transferred into General Fund.

## **10.4 Accounting Policies**

### **10.4.1 Recognition of Expenditure**

- i. Where payment is made by check, expenditure will be recognized and recorded in accounts of the Secretariat on the date the check is issued.
- ii. The financial year to which a payment should be charged is determined by the date on which a check or payment advice is issued.
- iii. In the case of bank transfers, expenditure will be recognized on the date the transfer is made.
- iv. For direct payments into the Secretariat Staff's bank account, expenditure will be recognized on the date the payment advice is issued by the Secretariat to the bank.
- v. In the case of payments made from impress fund, the expenditure will be recognized when the required claim vouchers are submitted, and the impress account reimbursed.

### **10.4.2 Deductions Against Payment**

Deductions made against claim (e.g. withholding tax, security, adjustment of advances, penalties etc.) shall be carried out at the time of making the payment in accordance with amount as identified on the claim voucher and as per relevant rules.

### **10.4.3 Refunds Received**

- i. All refunds shall be treated as reduction of the relevant receipt and expenditures.
- ii. If a refund received relates to a prior financial year, it shall be recognized as an income in the current financial year.

## **10.5 Accounting for Expenditures**

### **10.5.1 Accounting Entries for Expenditure (General Ledger)**

- i. The journal entries in this section will be made to record expenditure related transactions in the General Ledger.
- ii. Expenditure - the following double entries will be made for expenditures:
  - a. Payment with Check
    - Dr. Expenditure account*
    - Cr. Check clearing account*

- b. Payment with Bank Transfer Order

*Dr. Expenditure account*

*Cr. Relevant bank account*

- c. Payment with Impress Fund

*Dr. Expenditure account*

*Cr. Petty cash account*

To record the amount charged to the relevant expenditure account. This entry shall be recorded in the General Ledger on the date the check is issued for payment with check, the bank transfer order executed by the bank for payment with bank transfer order, and impress fund being paid for payment with impress fund.

*Dr. Check clearing account*

*Cr. Relevant bank account*

To record the amount cleared from the bank account. This will be the date as per the Bank Statement.

- iii. Cancellation of Expenditure - where an issued check has been stopped and cancelled by the check issuing authority, the following double entry shall be made:

*Dr. Check clearing account*

*Cr. Expenditure account*

To record cancellation of expenditure.

- iv. Petty Cash Expenditure - The double entries shall be:

*Dr. Petty cash account*

*Cr. Check clearing account/relevant bank account*

To establish the petty cash floating amount or to reimburse the original petty cash floating amount using a Check/bank transfer order.

*Dr. Check clearing account*

*Cr. Bank account*

To record the amount cleared from the bank account using a check. This will be the date as per the Bank Statement.

*Dr. Expenditure account*

*Cr. Petty cash account*

To record expenditure on receipts of petty cash vouchers made simultaneously with next entry.

## **10.6 Procedures and Processes**

### **10.6.1 Introduction**

- i. This section describes the key controls and associated responsibilities for



expenditure processing. The processing of expenditures must comply with the directions laid down in previous sections of this chapter.

- ii. This section sets out the procedures to be followed in relation to general expenditures of the Organization.
- iii. The following key internal controls must be observed in expenditure processing:
  - a. A sequentially numbered contract/purchase order shall be raised for all contingent expenditures to be incurred.
  - b. All claim vouchers/bills shall be approved by a delegated officer within the Organization.
  - c. All claim vouchers/bills shall be certified by a certifying officer from Finance and Accounting Unit and authorized for payment by an Authorized Officer in the Secretariat.
  - d. All checks and bank transfer orders shall be made out only to the same person as indicated on the claim voucher/bill.
  - e. A regular bank reconciliation must be performed.

#### **10.6.2 Voucher Preparation**

- i. All officers making an expenditure claim above the petty cash transaction limit shall complete the bank voucher form. All sections of the claim voucher form shall be completed in full.
- ii. All claim vouchers shall be issued with a unique sequential voucher number.
- iii. The officer making the claim shall provide a statement that the supplies have been received in good order/condition and/or the services have been satisfactorily carried out, as provided for in the contract or purchase order. This shall not apply in circumstances when a deposit or payment in advance as a condition of fulfilling a contract, is unavoidable. Unavoidable payments in advance include travel tickets, subscriptions and various application fees and deposits which are normally prepaid.
- iv. Where a duplicate claim voucher is issued, it shall have the word "DUPLICATE" written or stamped prominently upon the face of the voucher. The duplicate claim voucher shall also have reference to the original claim voucher. Where a duplicate claim voucher is issued, the officer shall state the reasons for its issue.
- v. Particulars entered on all claim vouchers shall be typed or written in ink and be free from erasures. Where an alteration is found to be necessary, the word or figure shall be ruled through and the correction made. All such alterations shall be signed by the officer making the claim. Where there are numerous alterations a fresh claim voucher shall be prepared, and the original claim voucher shall be cancelled and filed by the officer.
- vi. The claim voucher shall then be presented to a delegated officer for approval.

### **10.6.3 Authorization of Expenditure**

- i. The approving officer shall approve the claim voucher (bill) if he/she is satisfied that payment can be made under his/her delegated financial authority.
- ii. The approving officer shall review the claim voucher and all relevant supporting documents, including the copy of authorized purchase order/contract.
- iii. The approving officer shall ensure that the account to which the voucher is to be charged is correct and is shown on the face of each voucher.
- iv. The approving officer shall ensure that the service or supply has been performed or received, or, where it is necessary to pay in advance, the payment is properly due.
- v. If the approving officer is not satisfied with the claim, he/she shall not approve the expenditure and return the claim voucher and any supporting documents to the officer who prepared the claim, with written reasons for refusal.
- vi. Once the officer who prepared the claim rectifies the reasons for refusal, he/she can re-present the claim to the approving officer for approval.
- vii. If the approving officer is satisfied with the claim, he/she shall sign the original claim voucher. This shall indicate the capacity in which the approving officer has signed and the date of signing.

### **10.6.4 Verification of Payment Voucher**

- i. The certifying officer shall ensure that:
  - a. the claims submitted to his/her office are valid claims that have been duly approved;
  - b. the claim voucher (bill) is complete, duly approved and signed by the delegated officer of the Secretariat;
  - c. the claim voucher (bill) has, whenever it is applicable, the proper official stamp on it;
  - d. supporting documents accompanying the claim are valid, duly approved and signed by the delegated officer;
  - e. the delegated officer who has approved and signed the voucher and supporting documents, is an officer authorized to approve such claims within that the Secretariat and has not exceeded his/her authority;
  - f. the claim must not have been previously paid (especially in respect of claims issued on a duplicate voucher);
  - g. the claim must identify the account of expenditure to which the amount is chargeable.
- ii. If the certifying officer requires additional information or documents, he/she shall obtain them from the related department/person.
- iii. Where the certifying officer is not satisfied with the claim, the officer shall not approve it and refer the claim to his/her next higher authority along with his/

her specific observations.

- iv. On rejection, the officer shall return the claim voucher and all supporting documents to the concern department/person, with written reasons for refusal. The claim voucher shall be endorsed as rejected.
- v. The certifying officer shall only entertain such rejected claims where the approving officer provides written explanation in support of the claim.
- vi. Once the certifying officer is satisfied with the claim, he/she shall sign and date the claim voucher and pass on the claim to the authorizing officer.

### **10.6.5 Authorization of Payment**

- i. The authorizing officer shall ensure that the claim voucher/bill bears valid evidence that preparation, approval and certification have been properly carried out.
- ii. If the authorizing officer is not satisfied with the claim, he/she shall not authorize the payment and return the claim voucher and all supporting documents to the certifying officer who certified the claim, with written reasons for refusal. The claim voucher shall be endorsed as rejected.
- iii. If the certifying officer is able to rectify the reasons for refusal, the officer shall rectify it and resubmit to the authorized officer. If the certifying officer is not in the position to rectify the reasons for refusal, he/she shall return the claim voucher and all supporting documents to the officer who originally submitted the claim to the office, with written reasons for refusal.
- iv. Once the related person rectifies the reasons for refusal, the officer shall re-submit the claim to Secretariat. The claim voucher shall be given a new claim number.
- v. Where the authorizing officer is satisfied with the claim voucher, he/she shall authorize the claim voucher for payment, sign and date pass on the claim voucher to the relevant officer for the issue of a check or bank transfer order.

### **10.6.6 Special Payment (Payroll)**

#### **10.6.6.1 Host-Country Staff**

##### **10.6.6.1.1 Determination of Pay**

The salaries and other remunerations shall be paid by the CTI-CFF Secretariat through bank transfer to Staff in United States Dollar and shall be paid in Indonesian Rupiah at the spot rate on the payment day. Bank charges for salary and benefits payment shall be borne by the Secretariat.

##### **10.6.6.1.2 Timing**

Payment for salaries shall be made between the 25th to the end of the month, and both

dates are inclusive. In the event that those dates are public holidays, the payments shall be made on the last working day of the month.

#### **10.6.6.1.3 Personal Income Tax**

All host-host country staff's salary and allowance or benefits is subject to Indonesia income tax and shall be deducted when the amount is paid.

#### **10.6.6.1.4 Overtime**

Only Assistant level or below is entitled to receive payment of overtime. The payment shall be calculated based on the timesheet for the working hour(s) beyond the specified normal working hours. The overtime calculation shall follow the rules and regulation of the host country.

#### **10.6.6.1.5 Salary Slip**

As a proof of salary payment, salary slip shall be issued on a monthly basis at the same time with salary payment.

### **10.6.6.2 Non-Host Country Staff**

#### **10.6.6.2.1 Determination of Pay**

Salaries and other remuneration payments made by CTI-CFF Secretariat will be paid through bank transfers in US Dollar denomination. Bank charges for salary and benefits payment shall be borne by the Secretariat.

#### **10.6.6.2.2 Timing**

Payment for salaries shall be made between the 25th to the end of the month, and both dates are inclusive. In the event that those dates are public holidays, the payments shall be made on the last working day of the month.

#### **10.6.6.2.3 Personal Income Tax**

The Host Country Agreement between the Government of Indonesia and the CTI-CFF Secretariat states that all non-host country personnel are exempted from the Indonesian taxation laws. However, non-host country staff is required to provide copies of its tax filling for the Secretarial files to prove that the non-host country staff of the Secretariat comply with the tax regulations in their home country. The tax-free rules are also applied for benefits or allowances received by the non-host country staff.

#### **10.6.6.2.4 Salary Slip**

As a proof of salary payment, salary slip shall be issued on a monthly basis at the same time with salary payment.

**10.7 Revision History**

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
1.0		Section 10 – Initial Release	

# 11. TRAVEL MANAGEMENT

## 11.1 Overview

- i. The objective of this travel policy and procedures is to provide clear direction of the processes for all travel in CTI-CFF.
- ii. This travel policy and procedures applies to all CTI-CFF Staff, individuals and/or officials who are eligible in the Organization’s activities and events, who incur expenses while engaged in official Organization travels (hereinafter referred to as “traveler”). The travels may include the following, but not limited to:
  - a. Attendance in meetings, conferences, forums, workshops, seminars, etc.
  - b. Participation in capacity building (e.g. training courses)
  - c. Official consultations (e.g. consultation between the Regional Secretariat and National Coordination Committee)
  - d. Project site visits.
- iii. The travel policies and procedures shall apply to all staff and those travel expenditures are remunerated by the CTI-CFF Regional Secretariat (“Secretariat”), those who officially assigned by National Coordination Committee (NCC) and other parties who assigned by CTI-CFF Secretariat or designated person who is affiliated officially under CTI-CFF partnerships.
- iv. The support for travel extended to NCC representative to attend certain events/meetings shall be defined based on budget allocation for the respective events/meetings.
- v. In terms of travel expenditures supported by CTI-CFF Partners, the CTI-CFF Secretariat shall adhere to the CTI-CFF Partners’ rules and regulations along with its precautionary principles including all travel related expenditures.
- vi. Only those expenses which are reasonable and necessary that have been incurred while on Organization activities and/or events will be reimbursed. Expenses that conform to this policy are not reported as taxable income to the individual. Certain expenditures that do not conform to this policy will not be considered reimbursable. Items of a personal nature incurred while traveling shall be carefully segregated from Organization expenses and are not reimbursable.
- vii. This policy does not cover the procedure for non-duty-travel, such as family visit, home leave, etc.
- viii. All travel related expenses must be made within the ethical and legal limits as defined by the Organization.

- ix. The purpose of this policies and procedures is to provide broad guidelines for CTI-CFF official travel in accordance with applicable regulations. In case any issue not covered by this policy, it shall be addressed to the Finance and Accounting Unit, who will review and make recommendation to the Deputy Executive Director for Corporate Services and/or Executive Director for further decision on a case-by-case basis. The decision shall be made and guided by the policies and procedures set out in this Manual.

## 11.2 Definitions

- i. *Affiliated Person*: An official from CT6 member countries who is mandated to become a representative in activities related to CTI-CFF partnership activities.
- ii. *Domestic Traveling*: An official travel inside the territory of the Host Country of CTI-CFF (i.e. Indonesia), or the country in which the Staff stationed in order to carry out the task of the Secretariat.
- iii. *Duty travel*: Duty travel is considered as official when staff carries out duties assigned by the Secretariat.
- iv. *International Travelling*: Official travel outside the territory of the Host Country of CTI-CFF (i.e. Indonesia), or the country in which the Staff stationed in order to carry out the task of the Secretariat.
- v. *Non-Representing Assignment Traveling*: An official assignment traveling in order to work both in the Manado headquarters office or Jakarta representative office. In this case, he/she is not representing the Secretariat in official matters. An exception may be applied to the prior approval of the Executive Director.
- vi. *Official Travel Assignment (OTA) Form*: A form consisting details of assignments and official travel plans which is approved by Deputy Executive Directors or Executive Director.
- vii. *Per Diem Allowance*: A daily payment instead of reimbursement for actual expenses for meals, and related incidental expenses including taxes and service charges.
- viii. *Receipt*: A valid written document which proves it was a legitimate transaction for the payment of an activity.
- ix. *Staff*: Individuals holding a contract with the Council of Minister (i.e. Executive Director, Deputy Executive Director) and contract with the Secretariat.
- x. *The Official Travel for Duty*: An official assignment traveling in order to representing the Secretariat at national, regional and international level or to carry out the tasks in Host Country (i.e. Indonesia) area or abroad.
- xi. *Traveler*: A Staff who has assignment to represent Secretariat in events/activities.

## **11.3 Policies**

### **11.3.1 General Provision**

#### **11.3.1.1 Codes of Conduct**

Travelers are considered representatives of the Organization while traveling on duty travel for activities and events. As such, good personal behavior must be conducted so that others do not interpret negative impressions.

#### **11.3.1.2 Scheme of Duty**

The scheme of duty travel is categorized into two (2) parts, as follows:

- i. The Official Travel for Duty
- ii. Non-Representing Assignment Traveling.

#### **11.3.1.3 Area of Duty Travel**

The official assignment traveling is covering the following:

- i. Domestic traveling; and
- ii. International travelling.

#### **13.3.1.4 Travel Plans**

- i. The traveler must prepare and submit the Official Travel Assignment (OTA) Form (See Attachment 11.1).
- ii. The OTA Form approval follows the authority levels as per Appendix 3.1 – Signing Authority Limits regulated in Section 3 – Delegation of Financial and Signing Authority.
- iii. In the case of an authorized officer is absent or in urgent circumstances, the OTA Form can be signed by representative officer who have been assigned.
- iv. For traveling period exceeding the approved time period specified in OTA Form, an additional application (e.g. supporting official document) which contains such reason for extension period of official duty travel is required.

### **11.3.2 Eligible Travel Expenses**

The following types of expenses, if reasonable and necessary, for organization purposes and if properly documented are examples of expenses that may be payable or reimbursable:

- i. Air and rail travel – all air and rail tickets for travelers are purchased by a designated person in the Secretariat. This cost category is also including changes or cancellation penalties imposed by the airline if due to demands made by the Secretariat and not personal reasons (supporting documentation must accompany to the Travel Reimbursement Request Form (See Attachment 11.2).



- ii. Lodging accommodation
- iii. Car rental and gasoline for rental vehicles, no mileage reimbursed with rental
- iv. Ground transportation including taxi and public transportation fares, mileage for personal vehicles, and parking fees
- v. Registration and fees for attendance at approved conferences and seminars with original receipts
- vi. Taxes associated with transportation, lodging and meals only
- vii. Telephone, facsimile and internet for official purposes only
- viii. Travel insurance, only if required
- ix. Cost related to issuing/renewing passport and visa
- x. Cost of photographs for travel documents
- xi. Necessary vaccination
- xii. Excess baggage for official matters.

### **11.3.3 Ineligible Travel Expenses**

The Organization will not reimburse the following expenses, but not limited to:

- i. Personal grooming services such as barbers, hairdressers and shoe shines
- ii. Childcare
- iii. Membership to private clubs
- iv. Fees for frequent flyer programs and other similar awards for hotels and car rentals
- v. Fitness and recreational fees, including massages and saunas
- vi. Laundry and dry-cleaning expenses
- vii. In-room movies
- viii. Theatre or other tourist attractions and sightseeing
- ix. Parking for personal trips (malls, restaurants, sporting events, etc.)
- x. Transportation for personal trips (shopping, sightseeing, restaurants, etc.)
- xi. Lost baggage
- xii. Lost or theft of personal funds, personal property or airline tickets
- xiii. Fine tickets or traffic violations
- xiv. Personal automobile repairs
- xv. Personal credit card annual or late fees
- xvi. Personal telephone charges

- xvii. Pet care
- xviii. Upgrades (air, hotel, rental car, etc.)
- xix. Spouse or guest travel
- xx. Liquor/Alcoholic beverages
- xxi. Pick-up service unless no other more cost-effective mode of transportation exists
- xxii. Retail purchases of supplies, book, etc. (items must be purchased with a purchase order)
- xxiii. Overweight baggage from personal reasons.

#### **11.3.4 Duration of Duty Time**

The following are the duration or length time for duty travel:

- i. Maximum of five (5) working days for domestic travels
- ii. Maximum of five (5) working days for international travels
- iii. Maximum of ten (10) working days for non-representing assignments
- iv. All duration of duty travels is excluding the departure and returning time to destination
- v. Any exceptions for maximum duration or changes in travel period may be applied to the prior approval of the Executive Director.

#### **11.4 Roles, Authorities and Accountabilities**

- i. Traveler:
  - a. The traveler should ensure the following responsibilities in order to complete the requirements for official travel for duty:
    - 1. Invitation letter
    - 2. National passport with at least six (6) months validity
    - 3. Valid visa (if required) to the country destination and transit visa (if applicable)
    - 4. Travel insurance (when applicable).
  - b. Must ensure that he/she is medically fit to travel.
  - c. Make own hotel reservation when it is necessary.
  - d. Cancel hotel reservations according to hotel's cancellation policy or make necessary changes if travel plans change.
  - e. Cancel registration according to agency's cancellation policy.
  - f. Notify staff of Finance and Accounting Unit of any change in travel plans.
  - g. Verify all travel arrangements are complete prior to departure date of trip.

- h. Verify that all expenses being paid or reimbursed are valid and conform to the provisions established in this Manual.
  - i. Ensure that expenses submitted for reimbursement have not been previously paid through a travel reimbursement request or by an outside organization.
  - j. Obtain appropriate approval signatures. A traveler shall not approve his/her own expenses.
  - k. Submit all preliminary travel-related requests at least five (5) working days prior to the actual travel date to the designated person in Finance and Accounting Unit. All requests shall be submitted complete.
  - l. Submit all reimbursement requests (with supporting documentation) related to his/her travel within thirty (30) working days of completion of travel. The Staff incurring expenses may delegate the responsibility for preparation of the appropriate forms but will always retain accountability for ensuring all travel expenses are in accordance with policies and procedures of the organization. Adjustments for per diem will not be made after check has been processed.
- ii. Designated person in the Finance and Accounting Unit who arrange the travel:
    - a. Ensure all expenses are reasonable, in support of activities/events goals, and in accordance with the organization policy.
    - b. Check expenditures for which he/she do not receive direct and indirect benefit (e.g. in attendance at the meeting).
    - c. Cost effective management of expenses.
- iii. Finance and Accounting Unit:
    - a. Return all expense reports requiring additional substantiation.
    - b. Submitted Travel Expense Report must be processed and delivered to the traveler no later than five (5) working days after submission.
    - c. Review expense reports for appropriate cost center codes, approving manager's signature and calculation accuracy.

## **11.5 Procedures and Processes**

### **11.5.1 Request for Administering Authorized Travel**

- i. Travel request (i.e. OTA) must be submitted in hardcopy version at least five (5) working days before the date of travel.
- ii. In urgent situation and with prior approval of the Executive Director, the travel request (i.e. OTA) can be submitted in hardcopy version at least one (1) working day before the date of travel. Please refer to Attachment 11.1 – Official Travel Assignment (OTA) Form.
- iii. The travel request (i.e. OTA) shall be accompanied by:
  - a. Approved Travel Plan or electronic communication (i.e. email) approving the ad-hoc travel;

- b. Invitation letter; and
- c. Event documents (i.e. Agenda, Terms of Reference (TOR)).

### **11.5.2 Mode of Travel**

- i. The main factors to consider in determining the mode of travel is that it must be safe and reliable, and the most economical mode of transportation that reasonably meets the Organization travel needs and/or direct route.
- ii. Travel by common carrier (e.g. air, rail, bus) is considered the most advantageous method to travel. Other methods of transportation may be advantageous only when the use of common carrier transportation would interfere with the performance of the organization activities or event, or impose an undue hardship upon the traveler, or when the total cost by common carrier exceeds the cost by another method of transportation.
- iii. Travel itinerary should always be discussed with direct supervisor prior to travel request.
- iv. In the event that there are specific circumstances related to mode of travel, it will be adhered to and alternative travel itinerary plans shall be made.

#### **11.5.2.1 Air Travel**

- i. Arrangement of Air Tickets
  - a. Air tickets must be purchased from the preferred travel agents and managed by designated staff in the Secretariat.
  - b. Reimbursements for air tickets bought in advance by traveler without a “Note to File” letter (see Attachment 11.5) signed by Deputy Executive Director for Corporate Services and/or Executive Director shall not be paid.
  - c. Preferred travel agents shall be reviewed annually.
  - d. The Deputy Executive Director for Corporate Services and/or Executive Director have the authority to approve, not approve or approve a portion of the ticket cost reimbursement based on reasonable professional judgment.
  - e. Request to purchase an airline ticket must be submitted on the OTA Form (See Attachment 11.1 – Official Travel Assignment (OTA) Form) at least five (5) working days prior to departure date. Desired flight times must be indicated on request along with any special instructions. The lowest available airfare and best available flight will be booked for all travelers.
  - f. The traveler must include a copy of his/her airline itinerary when submitting the Travel Reimbursement Request Form (See Attachment 11.2).
  - g. Request for any change in terms of time, date, seat class and airlines are subject to the interest of the Secretariat. Exceptions of personal request which create the excess from initial price of most direct route will be the responsibility of the traveler.

- h. In case of the Regional Secretariat is responsible to purchase air tickets for delegates from National Coordinating Committee (NCC) for attending any event (i.e. official meetings/Regional Exchange, etc.), the Secretariat will only purchase for those nominated by NCC only. Support for flight transportation to the delegates from NCCs is economic class and via the most economical route.
    - i. Frequent Flyer Credit as a result of the official travels undertaken by personnel and funded by CTI-CFF Regional Secretariat can be used for personal use.
  - ii. Class of Service
    - a. All domestic and international air travel must be in economy or equivalent class. Any upgrades are the sole financial obligations of the traveler. All tickets purchased by the Secretariat or reimbursed by the traveler to the Secretariat belongs to CTI-CFF.
    - b. The Executive Director shall be entitled to business class travel for international flights exceeding eight (8) hours from his/her last point of residences. All other Staff including the Deputy Executive Directors, and all dependents including the Executive Director’s dependents, will fly economy class unless provided for through arrangements not funded by the Secretariat.
    - c. All tickets are booked electronically by the designated person in the Secretariat.
    - d. “Note to File” letter must be submitted and approved by the Executive Director if these provisions are not met (see Attachment 11.5).
  - iii. Routing
    - a. Personal requests on stop-overs are only allowed with the approval from direct supervisor.
    - b. The traveler shall be responsible for any delays, penalties or additional expenses incurred as a result of taking a personal route arrangement.
  - iv. Travel Time and Stopovers
    - a. In calculating travel time for determining stopovers, a maximum six (6) hours shall be allowed for each necessary waiting period between connecting flights. In case stopovers between connecting flights are more than six (6) hours, the traveler is entitled for lodging accommodation.
    - b. Actual travel time spent by a Staff during a normal working day shall not be charged to annual leave.

### **11.5.3 Other Mode of Travel**

- i. Land Transportation
  - a. Wherever possible, travelers shall keep to the ground transportation arrangements prepared by the Secretariat. To maintain accountability of

fund disbursement, expenses incurred for land transportation, such as a taxi and train, written or official receipt and other supporting documents must be obtained.

- b. Reasonable car rental charges for economy and standard/midsize vehicles are allowed when renting would be more advantageous to the Secretariat than other means of commercial transportation. Additional charges for upgrades are not allowed unless there is a specified purpose for the upgrade, such as multiple Staff traveling together.
  - c. If the rental includes personal as well as official travel, the total cost should be divided by the number of total rental days and then multiplied by the number of business days to calculate the Organization expense allocation.
- ii. Boat/Ferry
    - a. In the event of travel by boat is authorized, the travelers shall be entitled to the standard of accommodation, provided that the rate is not be more than air travel rates.
  - iii. Personal Vehicle
    - a. A privately-owned vehicle may be used for duty travel provided the vehicle is insured by the private owner and the individual using such a vehicle has a valid operator's license. It is expressly understood that while using a privately-owned vehicle, the operator assumes all responsibility for accidents to the extent of the operator's insurance coverage.
    - b. In term of the use of personal vehicle, the Secretariat will reimburse the operating cost per kilometer/mileage. The reimbursement is paid according to the valid evidence of expenditure or official receipt.
    - c. In case of damage or loss arising from the use of a personal vehicle operation or such, then the administrative costs of handling insurance claims and loss cost third party are the responsibility of staff concerned.
  - iv. Use Office's Operational Vehicle
    - a. The use of operational vehicle should have prior approval from the designated person in the Secretariat and the traveler should also submit an OTA Form (See Attachment 11.1 – Official Travel Assignment (OTA) Form).

#### **11.5.4 Lodging Accommodation**

- i. Lodging accommodation including tax and service charge and shall be paid according to the evidence of expenditure or official receipt. The lodging accommodation is subject to the Secretariat arrangement.
- ii. The lodging facilities at the destination correspond to the provisions of official traveling expenses and it is the maximum facilities provided by the Secretariat.
- iii. Changes of room to higher level should have prior approval from the Executive Director.

- iv. Price difference above the standard provided by the Secretariat as a result from personal request shall be the responsibility of the requester.
- v. In case of the Secretariat acts as the organizer of an official activity or event under CTI-CFF, the traveler is entitled to have room at the hotel where the event to be held. In the event where the traveler is a participant, the classification rate for accommodations will be arranged separately.
- vi. The traveler who choose to accommodate his/her stay at family residence instead of hotel during the official mission or at stopover place during on his way back to the office, he/she is entitled for 40% of ceiling hotel rate provided by the Secretariat.
- vii. Travel under Non-Representing Assignment Traveling mission should adhere to the lodging accommodations arrangements as follow:
  - a. The traveler is entitled to have boarding house. The arrangement is subject to the Secretariat.
  - b. The Secretariat will not provide any compensation related to lodging accommodation to traveler who have boarding facility but for some personal reason does not want to use it.
  - c. Any change during the assignment, requires the consent or approval of Executive Director.
- viii. In the event that the mission is sponsored by the Organizer, the arrangements for lodging accommodation are as follow:
  - a. The Secretariat will not cover his/her lodging accommodation if lodging accommodation (i.e. hotel) is fully covered by the Organizer/other entity.
  - b. The exchange of lodging accommodation to family residence will not be covered by the Secretariat.
  - c. The Secretariat will not cover his/her lodging accommodation for any extension of the room while the official mission is completed.

### **11.5.5 Travel Advance and Per Diem Allowance Advance**

#### **11.5.5.1 Travel Advance**

- i. Travel Advance may be requested for those who will travel with prior approval of the Deputy Executive Director or the Executive Director no later than a week (seven (7) days) before the trip by completing a Travel Advance/Per Diem Allowance Form (See Attachment 11.3 – Travel Advance/Per Diem Allowance Form) from the Finance and Accounting Unit.
- ii. Good judgement of the applicant/traveler and Finance and Accounting Unit is required when requesting and providing the cash advance, taking into consideration the nature and length of the travel.
- iii. Travel advance will be transferred directly to the bank account of the traveler or given in cash as needed.

- iv. At the end of the month of travel, the traveler shall submit the final expense with all original receipts attached to the Travel Expenses Report (See Attachment 11.4 – Travel Expenses Report) to the direct supervisor (for Staff of the Secretariat) or the designated person in the Secretariat (for non-Staff of the Secretariat).
- v. A maximum of three (3) working days upon arrival back to the traveler's initial headquarter are given for the cash advance to be recorded, reported and approved. Any balance shall be transferred back to the CTI-CFF Regional Secretariat bank account.
- vi. No travel advance shall be given to those who have previous advance outstanding. With the approval of the Executive Director, any unsettled/unreturned outstanding cash advance amount which exceeds three (3) months will be deducted from the Staff's salary.

#### **11.5.5.2 Per Diem Allowance**

- i. All travelers are provided per diem for each night spent for duty travel as approved by the Secretariat, and only applies when overnight travel is involved.
- ii. The amount of per diem is defined in the Appendix 11.1 – Per Diem Allowance.
- iii. Per diem allowance will be reviewed once per year but whenever needed, the Executive Director have the authority to change it in the middle of the year.
- iv. The expenses covered under per diem allowance are:
  - a. personal transportation expenses and other personal miscellaneous expenses.
  - b. Meals are expenses for breakfast, lunch, dinner, and related tips and taxes, specifically excluded are alcoholic beverages and entertainment expenses and any expenses incurred for another person.
  - c. The following incidental expenses are included, but not limited to:
    - 1. Fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries.
    - 2. Laundry, cleaning and pressing of clothing.
    - 3. Local transportation between places of lodging or business and places where meals are taken at temporary of duty site.
- v. Applicability
  - a. Per diem is calculated based on the number of working days per trip.
  - b. Per diem will be calculated only as half a day during departure/return travel time.
  - c. If the traveler does a re-route or extends the visit, this will be at his/her own cost, the per diem will end when the traveler leaves the business venue for personal purposes or the last day of his/her work, whichever earlier.
  - d. In term of affiliated person i.e. any designated person who is affiliated



officially under CTI-CFF partnerships, except for NCC representatives, the per diem is not allowed.

- e. In the event that the Staff travels overnight, arrives in one place and continues to his/her destination on the same day, if stopover is more than 6 hours and entitled for hotel of stopover place/overnight at family residence, the per diem shall be paid.
- f. In case the mission is sponsored by the organizer, the following are arrangements for per diem:
  1. If per diem is not covered by the organizer/other entity, the Secretariat will cover per diem.
  2. If paid full per diem by the organizer/other entity, the traveler is not entitled to any per diem from the Secretariat.
  3. However, if the per diem provided by the organizer/other entity is less than the Secretariat's prescribed rate, then the Secretariat shall pay the difference to the traveler according the official receipt and other supporting documents.
  4. In the event per diem is provided by the organizer/other entity, the traveler shall not forward a claim to the Secretariat for the same purpose. Doing that, it shall be considered a serious offence, and subject to disciplinary.

### **11.5.5.3 Transportation Expenditure**

The following are transportation expenses, but not limited to:

- i. The cost of transportation from home/work to the airport vice versa is reimbursable with supported by official receipt.
- ii. Any cost incurred costs during travel and related to the official matters will be subject to reimbursement and paid based on the supporting documents of expenditure upon submission to the Secretariat.
- iii. In the event the staff is escorted by the official vehicle to the airport back and forth then he/she is not entitled to claim transport expenses.
- iv. Full transportation expenditure will be covered for the staff who are on the duty travel scheme and there is no pick-up arrangement made from the hotel or other parties.
- v. Full reimbursement strictly for official travelling matters will be provided for the staff who are on the Non-Representing Assignment Travelling.

### **11.6 Appendixes and Attachments**

- i. Appendix 11.1 – Per Diem Allowance
- ii. Attachment 11.1 – Official Travel Assignment (OTA) Form
- iii. Attachment 11.2 – Travel Reimbursement Request Form

- iv. Attachment 11.3 – Travel Advance/Per Diem Allowance Form
- v. Attachment 11.4 – Travel Expenses Report
- vi. Attachment 11.5 – “Note-to-File” Letter

**11.7 Revision History**

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
1.0		Section 11 – Initial Release	

# 12. PROCUREMENT MANAGEMENT

## 12.1 Overview

Procurement procedures are in place and applies to CTI-CFF Regional Secretariat (“Secretariat”) to ensure that goods and/or services purchased qualifies as good purchases, appreciate the price competition and obtain the best price for the goods/ services. This is to assure the member countries or partners that all measures are taken to ensure that the funds are efficiently spent for purchases.

## 12.2 Policies

### 12.2.1 General Policy

- i. Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works.
- ii. All purchases of goods and services shall be made in accordance with the following rules of procurement:
  - a. Tenders – for purchases above 15,000 USD
  - b. Written Quotations – for purchases between 2,001 USD to 15,000 USD
  - c. Open Market Purchases – For amounts of 2,000 USD and below.
- iii. For Tenders, it should be posted on the website and published in a newspaper of general circulation nationwide and in any conspicuous place in the premises of the Procuring Entity. This is to ensure widest possible dissemination and adhere to the principle of transparency, accountability, efficiency, equity and economy in its procurement process.
- iv. The above, based on Financial Regulation 10, shall, however, not apply in the following cases:
  - a. Where it has been ascertained that only a single supplier/sole distributor exist, and that fact is supported by document and certified by the supplier/distributor.
  - b. Where voluntary contributions have been provided in the Memorandum of Understanding (MOU)/Memorandum of Agreement (MOA), specifying a particular project and/or supplier.
  - c. Where, on the Coral Triangle Initiative Council of Ministers (CTI COM) or Coral Triangle Initiative Committee of Senior Officials (CTI CSO), there are determined to be exceptional circumstances that require such deviation.
  - d. In case of emergency, or force majeure, or where, for any other reason,

the Financial Regulations would not be in the best financial interests of the Secretariat, and that fact is so certified by the Executive Director.

### 12.2.2 Basic Purchase Considerations

- i. Annual Procurement Plan (APP): Provide information on significant procurements entities plan to undertake over the next twelve (12) months. During the procurement planning process, the procurement method is assigned and the expectations for fulfilment of procurement requirements are determined. Developing APP would be beneficial for the Secretariat to manage procurements in effective and efficient manners. The APP for following year shall be drafted by the procurement panel during the ongoing year.
- ii. Value for Money: Means that the benefits of the goods/services purchased equal or even exceed the value of the goods, and if the benefits of the goods/services are less than the value of money spent, it is a loss for the Organization.
- iii. Encouraging Competition: All potential suppliers must be treated equally/ non-discriminative. Evaluations are based on legal terms, commercial, technical and financial capabilities and does not discriminate based on size of the business, ownership, location on the origin of the goods/ services.
- iv. Efficient, Effective, Economical and Ethical Procurement:
  - a. Efficient refers to the achievement of maximum value for the resources used.
  - b. Effective refers to the extent of the results or outcomes.
  - c. Economical refers to minimized costs.
  - d. Ethical refers to honesty, integrity, obedience, justice and consistent.
- v. Accountability and Transparency in Procurement: CTI-CFF Secretariat is committed to ensure accountability and transparency in all procurement transactions.
  - a. Accountability refers to the conduct of the responsible finance officials in making procurement decisions.
  - b. Transparent means that procurements are done openly to avoid misconception of special treatments to particular vendors.
- vi. Procurement Methodology: Based on value of the price of goods/services, CTI-CFF Secretariat maintains three (3) approaches:
  - a. Direct appointment;
  - b. Invitation to tender; and
  - c. Open tender.
- vii. Partners' Procurement Rules and Procedures: Internal procurement may differ when utilizing funds provided by Partners. Expenditures are undertaken

prudently and initial knowledge of specific Partners' rules and procedures in relation to procurement issues is a must. Therefore, Partners are required to provide the following information to the CTI-CFF Secretariat:

- a. Rule of Origin
- b. Rule of Nationality
- c. National air flag carrier (for air ticket)
- d. Tender Procedures.

### **12.2.3 Preferred Supplier**

- i. Preferred supplier may serve as a supplier of goods/services at the CTI-CFF Secretariat without any process of tender/bidding and is valid for one (1) year and they must re-bid if it is lapsed to be the preferred supplier again. The previous preferred supplier may be given the opportunity (if interested) to remain as the preferred supplier following evaluation process, similar to that of the other suppliers.
- ii. A procurement panel is established on an ad-hoc basis, including when assessment for preferred supplier is needed and disbanded after the appraisal has been carried out. This panel consists of at least three (3) officers from three (3) different division (e.g. from Finance & Accounting, Program Division and Communication & Information Division).
- iii. The procurement panel will also be established to draft the APP for the following year. With a view of having legal basis of the said panel, a letter of appointment along with its responsibilities and timeline will be issued by Corporate Services and will be signed by Deputy Executive Director for Corporate Services and/or the Executive Director.

## **12.3 Procedures and Processes**

### **12.3.1 Procurement Value of 2,000 USD or Below**

Procurement valued at 2,000 USD or less can be done through direct appointment by at least one of the Deputy Executive Director's approvals taking into account the market price for the type of goods and/or services purchased and follows the value for money principle. Purchase requests can be made and approved electronically. Refer to Attachment 12.1 – Purchase Request Form.

### **12.3.2 Procurement Value Between 2,001 USD and 15,000 USD**

Procurement valued between 2,001 USD to 15,000 USD can be undertaken through tender invitation. It can be submitted to the CTI-CFF Secretariat in writing, where vendors are invited to submit the bid in writing from at least three (3) vendors. Approval of the purchase must be made by the Executive Director based on further assessment procedures. See Attachment 12.2 – Bidding Analysis Form. Purchase Request must be made and approved by the Executive Director prior to evaluation of the tenders.

### 12.3.3 Procurement Value Above 15,000 USD

For purchases or contracts exceeding 15,000 USD, written tenders for equipment, supplies and other requirements shall be invited by advertisements, or by direct requests for quotation from at least three (3) persons or firms able to supply the equipment, supplies, or other requirements, if such exist. The bidding assessment must be approved by a panel of three (3) officers from different divisions within the CTI-CFF Secretariat. Purchase Requests must be made and approved by the Executive Director prior to successful evaluation of the bid.

### 12.4 Appendixes and Attachments

- i. Attachment 12.1 – Purchase Request Form
- ii. Attachment 12.2 – Bidding Analysis Form

### 12.5 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 12 – Initial Release	

# 13. FIXED ASSETS

## 13.1 Overview

This section sets out procedures to ensure fixed assets of the Regional Secretariat (“Secretariat”) are acquired, recorded, utilized, or disposed of within appropriate levels of authorization and approval.

## 13.2 Acquisition, Costing and Capitalization of Fixed Assets

### 13.2.1 Purpose

To establish written procedures that will ensure proper recording and accountability for fixed assets and to establish and implement controls necessary to safeguard the assets of the CTI-CFF.

### 13.2.2 Policies

- i. Fixed assets are tangible assets owned by the CTI-CFF and used in organization’s operations. The limit of initial estimated useful life and initial cost for an expenditure to be capitalized as a fixed asset is defined in Appendix 13.1 – Capitalization Rules of Fixed Asset.
- ii. With the exception of donated assets, fixed assets are accounted for at the original acquisition cost, which includes the purchase price and all costs necessary to put the asset into existing use and location. These costs include but are not limited to freight, insurance and installations (i.e. ancillary costs). The cost of an asset will be recorded at the historical cost of the asset.
- iii. When two (2) or more assets are obtained at the same time and their individual costs are not readily known, the individual costs are allocated to the assets based on their relative fair market values at the time of acquisition. These costs are simply the ratio of the initial acquisition cost versus their relative fair market values.
- iv. When the Organization receives donations of fixed assets, donations of capital assets should be recorded in the accounting records as revenue at the fair value at the date of receipt and capitalized in the accounting records. The methodology used for determining fair value should be documented.
- v. All of the documentation supporting the acquisition cost of an asset along with reports or information substantiating its existence and location should be maintained and made available for examination by the Internal and External Auditors.

- vi. All documentation supporting the relocation, improvement or betterment of an asset, including cost of such action and dates, should be maintained and made available for examination by the Internal and External Auditors.

### **13.2.3 Procedures and Processes**

#### **13.2.3.1 Acquisition of Fixed Assets**

- i. The Finance and Accounting Unit is responsible for the procurement of fixed assets.
- ii. The vendor's invoice should be received by the Finance and Accounting Unit.
- iii. The Finance and Accounting Staff should verify the invoice and attach it to the following:
  - a. Internal Purchase Request or other requisition documents
  - b. Original Official Vendor Invoice
  - c. Delivery Order and/or Receiving Report
  - d. Contract, when applicable.
- iv. The Finance and Operation Manager or equivalent position in Finance and Accounting Unit reviews the invoice with the supporting documents and puts his/her initial on the invoice to indicate his/her approval of recording the fixed assets and initiating the payment process.
- v. The Operation Assistant update the fixed assets register and prepare the identification tags, if applicable.
- vi. The Finance and Accounting Staff records the purchase of fixed assets in the accounting records.
- vii. The Finance Assistant should send the documents to the Finance and Operation Manager to review it and post into the accounting system.
- viii. The Finance Assistant initiates the payment process.
- ix. The Deputy Executive Director for Corporate Services should ensure that the purchased fixed assets are identified with specific tag numbers by Finance and Accounting Staff (See 13.5.3 – Fixed Assets Identification Procedures).
- x. The Deputy Executive Director for Corporate Services should ensure that the purchased fixed assets are recorded in the fixed assets register by Finance and Accounting Staff (See 13.6.3 – Fixed Assets Register and Records Procedures).
- xi. The Finance Assistant should send the documents to the Finance and Operation Manager to review it and post it to the accounting system.
- xii. Deputy Executive Director for Corporate Services should ensure that the donated fixed assets are identified with specific tag numbers by Finance and Accounting Staff (See 13.5.3 – Fixed Assets Identification Procedures).
- xiii. Deputy Executive Director for Corporate Services should ensure that the donated fixed assets are recorded in the fixed assets register by Finance and



Accounting Staff (See 13.6.3 – Fixed Assets Register and Records Procedures).

### 13.2.3.2 Receipt of Donated Fixed Assets

- i. The Finance and Accounting Unit is responsible for receiving donated fixed assets and should prepare a Receiving Report of the donated fixed assets.
- ii. The Finance and Operation Manager is responsible for determining the fair value of assets received before they are recorded.
- iii. The Finance and Operation Manager submits the Receiving Report with its fair value to the Finance Assistant to record it in the accounting system
- iv. A copy of the Receiving Report should be maintained by Finance and Accounting Unit in order to update the fixed assets register and prepare the identification tags.
- v. The Finance Assistant should record the donated assets in the accounting records. Those assets are recognized as revenues and should be recorded as follows:

<i>Dr. Fixed Assets</i>	<i>XXXXX</i>
<i>Cr. Other Revenues - Donations</i>	<i>XXXXX</i>
- vi. The Finance Assistant should send the documents to the Finance and Operation Manager to review it and post it into the accounting system.
- vii. Deputy Executive Director for Corporate Services should ensure that the donated fixed assets are identified with specific tag numbers by Finance and Accounting Staff (See 13.5 – Fixed Assets Identification Procedures).
- viii. Deputy Executive Director for Corporate Services should ensure that the donated fixed assets are recorded in the fixed assets register by Finance and Accounting Staff (See 13.6.3 – Fixed Assets Register and Records Procedures).

## 13.3 Depreciation of Fixed Assets

### 13.3.1 Purpose

To provide guidelines for the depreciation of the CTI-CFF fixed assets.

### 13.3.2 Policies

- i. The entire cost of an asset must be depreciated. Depreciation is allocated monthly over the estimated useful life of the capital asset, as detailed below.
- ii. Depreciation is to commence in the first month after the asset is placed into service.
- iii. Fixed assets will be depreciated on a straight-line method over their estimated useful life.
- iv. Guidelines for estimated useful life by capital asset category are defined in

## Appendix 13.2 – Guideline of Useful Life of Fixed Asset.

- v. Depreciation expense for a fixed asset begins in the month following the acquisition date of the asset and continues until the accumulated depreciation equals the original installed cost, or until the asset is retired from service.
- vi. A fully depreciated fixed asset will remain in the fixed asset sub-ledger until the fixed asset is retired from service.

### 13.3.3 Procedures and Processes

- i. The Finance Assistant is responsible for computing, recording, and posting of depreciation of fixed assets.
- ii. The Finance Assistant calculates the depreciation of fixed assets, at the last working day of each month, based on the following:
  - a. Capital assets category/item
  - b. Depreciation rate designated for the asset
  - c. Asset cost, as shown in the accounting records.
- iii. If the accounting software calculates depreciation automatically, the Finance Assistant should print out the depreciation calculation sheet, sign it and submit it to the Finance and Operation Manager for review and approval.
- iv. The Finance and Operation Manager should review the calculation sheet, sign it, and send it back to the Finance Assistant.
- v. The Finance Assistant prepares the depreciation journal voucher based on the calculation sheet and notifies the Finance and Operation Manager to review and post the journal voucher. If the accounting software prepares the journal automatically, the Finance Assistant should review the journal and ensure it matches the automatic calculation sheet and notify the Finance and Operation Manager to post the journal.
- vi. The Finance and Operation Manager reviews the journal voucher and ensures the following:
  - a. All fixed assets are included; and
  - b. The depreciation rates used are in compliance with the authorized rates;
- vii. The Finance Assistant should file the voucher in the journal vouchers file.

## 13.4 Disposal of Fixed Assets

### 13.4.1 Purpose

To provide guidelines for the disposal of the CTI-CFF fixed assets.

### 13.4.2 Policies

- i. The Finance and Accounting Unit is responsible for identifying the following:

- a. Obsolete assets
  - b. Damaged beyond repair assets
  - c. Completely used assets
  - d. Junk assets
  - e. Mysterious disappearance
  - f. Involuntary conversion.
- ii. Disposing of a fixed asset requires removing the asset's net book value from the accounting records. This involves removing the original cost and the accumulated depreciation of the asset.
  - iii. Any difference between the proceeds received and the net book value represents a gain or loss on the disposal of fixed assets.
  - iv. This gain or loss should be recognized in profit and loss for the year in which the asset was removed.

### **13.4.3 Procedures and Processes**

- i. The Finance and Accounting Unit is responsible for identifying the fixed assets that need to be disposed and should obtain the required approvals. The Finance and Accounting Unit should perform the following:
  - a. Complete Fixed Asset Disposal Form (See Attachment 13.1) to dispose the asset signed by the asset user.
  - b. Obtain the approval of the Executive Director to dispose the asset.
  - c. If the historical cost of the disposed asset exceeds 5,000 USD, the Executive Director should nominate a Committee, which should consist of the Deputy Executive Director for Corporate Services, the Finance and Operation Manager, Staff from the department of which the asset will be disposed and/or Operation Assistant and/or professional staff in the related subject. The Committee will recommend the Executive Director of the actions to be taken.
  - d. If the historical cost of the disposed asset exceeds 10,000 USD, the approval of the Coral Triangle Initiative Council of Ministers (CTI COM) or Coral Triangle Initiative Committee of Senior Officials (CTI CSO) is a must and should be obtained.
- ii. The Deputy Executive Director for Corporate Services will review the request and if approved, he/she will inform the Committee for further action.
- iii. The Committee should prepare and sign a report on the status and identification of the assets intended to be disposed, reason for disposal, the suggested disposal method, any prospected losses or gains that can result from the disposal transaction, and the Committee's recommendation.
- iv. The report will be submitted to the Executive Director for final review and approval.

- v. The Finance and Accounting Staff will be responsible for following up on disposing the assets based on the Committee’s recommendation report and the approval of the Executive Director and/or CTI COM or CTI CSO, if needed.
- vi. The Finance and Accounting Staff should prepare a fixed disposition report and submit it to the Finance and Operation Manager when the disposal transaction is complete.
- vii. The Finance and Operation Manager will review and approve the disposition report and will submit it to the Finance Assistant to record the disposition transaction.
- viii. The Finance Assistant should make the following journal entry to record the disposal transaction:

*Disposal through sale – Gain:*

<i>Dr. Cash</i>	<i>XXXXX</i>
<i>Dr. Accumulated Depreciation</i>	<i>XXXXX</i>
<i>Cr. Fixed Assets</i>	<i>XXXXX</i>
<i>Cr. Gain on sale of fixed assets</i>	<i>XXXXX</i>

*Disposal through sale – Loss*

<i>Dr. Cash</i>	<i>XXXXX</i>
<i>Dr. Accumulated Depreciation</i>	<i>XXXXX</i>
<i>Dr. Loss on sale of fixed assets</i>	<i>XXXXX</i>
<i>Cr. Fixed Assets</i>	<i>XXXXX</i>

*Disposal through – Non-cash transaction:*

<i>Dr. Accumulated Depreciation</i>	<i>XXXXX</i>
<i>Dr. Loss on Disposal of FA</i>	<i>XXXXX</i>
<i>Cr. Fixed Asset</i>	<i>XXXXX</i>

- ix. The Finance and Operation Manager should review and post into the journal.
- x. The Finance Assistant should attach the approved disposition report to the journal voucher and file it in the journal vouchers accounting file.
- xi. The Deputy Executive Director for Corporate Services should ensure that the disposal of the fixed assets is reflected in the fixed assets register by Finance and Accounting Staff (See 13.6.3 – Fixed Assets Register and Records Procedures).

## **13.5 Fixed Assets Identification**

### **13.5.1 Purpose**

To provide guidelines for the Identification of CTI-CFF fixed assets.

### **13.5.2 Policies**

- i. To ensure that each individual asset has a unique identification. An identification number should be assigned and tagged for all fixed assets (other than land, buildings). This tag must have a unique identification number that will be associated with the asset and becomes part of the asset's record.
- ii. The identification number will be comprised of four components:
  - a. Fiscal year of the original acquisition (4 digits)
  - b. Asset type (1-character letter)
  - c. Location (i.e. room number)
  - d. A sequential number.
- iii. The Finance and Accounting Staff will be responsible for tagging fixed assets.

### **13.5.3 Procedures and Processes**

- i. The Finance and Accounting Unit is responsible for identifying all CTI-CFF fixed assets with tag labels and should maintain a list of the used identification codes.
- ii. A copy of Receiving Reports of newly acquired fixed assets should be maintained by the Finance and Accounting Unit in order to tag the acquired assets and update the fixed assets register (See 13.2.3 – Acquisition, Costing & Capitalization of Fixed Assets procedures).
- iii. Immediately after receiving the fixed assets receiving report, the Finance and Accounting Unit should prepare tags and stick them to the acquired assets.
- iv. The Finance and Accounting Unit should update the fixed assets register, immediately after preparing the identification codes/labels (See 13.6.3 – Fixed Assets Register and Records procedures).
- v. The Deputy Executive Director for Corporate Services shall, on annual basis and on sample basis, shall compare between the fixed assets register and the existing fixed assets to ensure the existence of the assets and whether the assets are properly identified/tagged (See 13.6.3 – Fixed Assets Register and Records procedures and see also 13.7 – Fixed Assets Physical Count and Reconciliation).
- vi. The Deputy Executive Director for Corporate Services should report to the Executive Director on any variances between the register and the count performed.

## **13.6 Fixed Assets Register and Records**

### **13.6.1 Purpose**

To provide guidelines for the maintenance of fixed assets register and records.

### **13.6.2 Policies**

- i. The Finance and Accounting Unit should maintain updated fixed assets register that contains:
  - a. Description of the asset
  - b. Name of the asset
  - c. Identification number (tag number)
  - d. Cost of the asset
  - e. Date of acquisition
  - f. Location of use
  - g. Estimated life and mode of disposal.
- ii. The registering process should be computerized.

### **13.6.3 Procedures and Processes**

- i. The Finance and Accounting Unit is responsible for maintaining updated fixed assets register of the Organization's fixed assets.
- ii. The Receiving Reports of newly acquired fixed assets should be prepared and maintained by Finance and Accounting Staff (See 13.2.3 – Acquisition, Costing & Capitalization of Fixed Assets procedures).
- iii. Immediately after preparing the fixed assets receiving report and after preparing the necessary identification codes, Finance and Accounting Staff should update the fixed assets register and provide the Finance and Operation Manager with a copy for review and approval.
- iv. The Finance and Accounting Unit should file an updated and approved copy of the register.

## **13.7 Fixed Assets Physical Count and Reconciliation**

### **13.7.1 Purpose**

To provide guidelines for the periodic physical count and reconciliation of the Secretariat fixed assets.

### **13.7.2 Policies**

- i. The Finance and Accounting Unit are responsible for the periodic physical count of fixed assets.
- ii. Physical count of fixed assets should be performed annually by a special fixed assets physical count committee.
- iii. Fixed assets register should be checked and verified by the Deputy Executive Director for Corporate Services annually and on a sample basis.
- iv. Fixed assets recorded in the register should match those recorded in the

accounting system; and if any deviations, differences should be identified, investigated, properly reported, and resolved.

- v. In addition to locating, counting and recording fixed assets, details such as the identification codes/labels, location and status of the assets should be remarked.

### **13.7.3 Procedures and Processes**

#### **i. Annual Verifications:**

- a. The Deputy Executive Director for Corporate Services, on annual basis, should obtain updated copy of the fixed assets register from the Finance and Accounting Unit.
- b. The Deputy Executive Director for Corporate Services shall select a sample of 10%-15% fixed asset items and ensure that the selected fixed assets:
  - i. Exist and in use
  - ii. Properly maintained
  - iii. Fixed assets are properly recorded in the register.
- c. The Deputy Executive Director for Corporate Services should prepare and sign a brief report for the work performed and shall submit to the Executive Director for review and approval.
- d. The report should summarize the work performed by the Deputy Executive Director for Corporate Services and assess whether there are any deviations.
- e. The Finance and Operation Manager will be responsible to investigate and resolve any deviations.

#### **ii. Annual Physical Count:**

- a. During the month of December or before the end of each year, a fixed assets physical count committee should be officially formed by the Executive Director.
- b. The Committee should consist of the Finance and Operation Manager, a Staff from Finance and Accounting Unit, a Staff from the IT Department (if any), and Staff from other departments, if required, and, if possible, the External Auditor.
- c. In case available, official invitations for the attendance of the fixed assets physical count should be submitted to the External Auditor.
- d. The tasks of the Committee should be prepared by the Deputy Executive Director for Corporate Services and approved by the Executive Director.
- e. The Deputy Executive Director for Corporate Services should send a copy of the task description to every member of the Committee, for each member to know the details of the assignment and his/her role in the count.
- f. The Deputy Executive Director for Corporate Services should provide the physical count committee, the External Auditor with a copy of the fixed assets report.

- g. The report should include fixed assets items and the quantity of each item.
- h. The Committee should record the actual quantity of each fixed asset item, as revealed by the physical count.
- i. The Committee should prepare a physical count report, sign it and submit it to the Deputy Executive Director for Corporate Services for review and approval.
- j. The Deputy Executive Director for Corporate Services should provide the Executive Director with the fixed assets physical count report for review and approval.
- k. The Deputy Executive Director for Corporate Services should send the report, after being reviewed and approved by the Executive Director, to the Finance and Operation Manager to prepare necessary adjustments to the fixed assets ledger in the accounting software.
- l. The Finance and Operation Manager will prepare necessary adjusting journal vouchers and submit them to the Deputy Executive Director for Corporate Services.
- m. The Deputy Executive Director for Corporate Services should review the journal vouchers, ensure they were executed properly, and sign them.
- n. The Deputy Executive Director for Corporate Services should approve the adjusting journal entries.
- o. The approved report and the adjusting journal entries should be filed at the Finance and Accounting Unit in order to be reviewed by the External Auditor.

### **13.8 Appendixes and Attachments**

- i. Appendix 13.1 – Capitalization Rules of Fixed Asset
- i. Appendix 13.2 – Guideline of Useful Life of Fixed Asset
- i. Attachment 13.1 – Fixed Asset Disposal Form

### **13.9 Revision History**

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
1.0		Section 13 – Initial Release	



# 14. CASH AND BANK MANAGEMENT

## 14.1 Overview

The purpose of this section is to set policies and procedures for cash and bank accounts. These policies and procedures aim at ensuring that cash and bank transactions are based on proper authorization, as they are properly controlled and monitored, and that they are properly classified in accounting records.

## 14.2 Policies

### 14.2.1 Office Cash

Cash transactions must be treated with caution and those who are entrusted to safeguard the cash must be aware of the procedures for basic cash handling.

#### 14.2.1.1 Use of Safes

Safe-boxes are required to secure cash and it can also be used to place documents/securities. Several measures to consider in choosing safe boxes and store it are as follows:

- i. Whenever possible, choose products that are fire-resistant.
- ii. Safes that cannot easily be moved and if necessary bolted down.
- iii. Stow in a reasonably safe area.
- iv. Not placed against a wall that has access to outer area of the office.
- v. Use combination of numbers.
- vi. Assign officers who has access to the safe-box (i.e. Executive Director, Finance and Operation Manager).
- vii. Internal Auditor may be provided with combination numbers.
- viii. Lock other than cash held by custody also by the head of office.

#### 14.2.1.2 Establishing the Maximum Amount of Petty Cash

- i. Petty cash held in Indonesian Rupiah (IDR) currency.
- ii. The maximum amount of petty cash held is IDR 6 million (approximately 400 USD).

- iii. When cash drops to nearly nil, cash should be withdrawn from bank to replenish the level of maximum cash on hand. Refer to Attachment 14.1 – Petty Cash Replenishment Form.
- iv. For security reasons, cash balances should not be maintained above the maximum threshold.

#### **14.2.1.3 Minimizing Cash Transaction**

As a measure to minimize the risk of handling petty cash, as much as possible, payments or funds received should be in the form of check or bank transfer. The maximum value that can be paid using petty cash is IDR 1 million (approximately 70 USD) in a single transaction only.

#### **14.2.1.4 Evidence of Receipt by Payee**

To avoid double payments or claims which requires submission of original receipts, the custodian of the petty cash safe shall receive the original receipts and shall stamp, written as “PAID” on original receipts. Refer to Attachment 14.2 – Petty Cash Voucher Form.

#### **14.2.1.5 Periodic Cash Count**

Cash count should be conducted periodically to ensure that the physical amount corresponds with the cash balance in the ledger. In doing cash count, one must follow these instructions:

- i. Cash count should be done both periodically and arbitrarily. Periodical count should be done by once a month, which made immediately after the month ends. These reports must be attached together with the monthly financial statements. The random count will be conducted by the Finance and Operation Manager or higher level of management officers.
- ii. Cash count should be carried out by at least two (2) officers, preferably one (1) is the custodian of petty cash while the second is the Finance and Operation Manager or higher. The custodian of petty cash does the physical calculation and the other act as witness.
- iii. The calculation of the petty cash should be done in private, unknown and away from other personnel to avoid misunderstanding and temptations.
- iv. Cash count should be documented using Petty Cash Count Report (See Attachment 14.3 – Petty Cash Count Form) and signed by the custodian of petty cash and witnesses.
- v. Any difference over or under, must be recorded within the running month so that it will produce the same balance between the physical with the ledger balance.

#### **14.2.1.6 Currency Exchange Rate Based**

The Secretariat works with minimum of two (2) currencies; United States Dollar (USD) and Indonesian Rupiah (IDR) as the host country's currency. Reporting shall be prepared in USD. The currency exchange rate used for cash transaction is based on the latest actual currency exchange rates provided by the bank.

#### **14.2.1.7 Receipt of Cash by CTI-CFF**

In some cases, the custodian of petty cash receives funds in cash from a third party; for example, payment by staff on the use of phones for personal purposes etc. In such cases, the funds should not be combined in petty cash, but it should be deposited into CTI-CFF Regional Secretariat account no later than on the following working day.

#### **14.2.2 Bank Account**

In accordance to Financial Regulations 7 on Custody of Funds, it should be noted that four (4) bank accounts should be maintained in a government bank divided in two (2) currency denominations, USD and IDR with the detail as follows:

- i. US Dollar Account
  - a. General Fund
  - b. Restricted Fund
- ii. Indonesia Rupiah
  - a. General Fund
  - b. Restricted Fund

The function of each bank account is stipulated in Financial Regulation 6 and Section 9 (Fund Accounting) of this Manual.

##### **14.2.2.1 Payment by Check or Bank Transfer**

With a view of minimizing risks, payments are encouraged to be in the form of checks or bank transfers (including internet banking). In this regard, establishing check and balance procedures for procurement is imperative in order to control expenditures through proper and appropriate mechanism.

##### **14.2.2.2 Monthly Bank Reconciliation**

Monthly Bank Reconciliation for all bank accounts held by the CTI-CFF Regional Secretariat must be prepared on a monthly basis as a means of control, whether all bank transactions have been booked and to ensure that all transactions have been properly recorded by the bank in accordance with the ledger. In addition, bank reconciliation from the previous months should also be re-evaluated for any unresolved issues.

The Finance and Operation Manager is responsible to do bank reconciliation in a monthly basis. Subsequently, bank reconciliation to be reported to the Finance and

Operation Manager for further review and approval. The bank reconciliation will be produced by accounting software system used by the CTI-CFF Regional Secretariat.

### 14.3 Appendixes and Attachments

- i. Attachment 14.1 – Petty Cash Replenishment
- ii. Attachment 14.2 – Petty Cash Voucher Form
- iii. Attachment 14.3. – Petty Cash Count Form

### 14.4 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 14 – Initial Release	

# 15. APPROPRIATIONS

## 15.1 Overview

An appropriation is an authorization to undertake expenditures and incur obligations from a specific fund for specific purposes. The authorization is limited in amount and as specific to the time in which the expenditures can be made and obligations incurred.

### 15.1.1 Types of Appropriation

Types of appropriation is set to determine whether the appropriation budget is carried forward or lapsed at the end of a fiscal year. The Regional Secretariat (“Secretariat”) has the following types of appropriations:

- i. Annual Appropriation: An authorization that is expendable only up to the amount appropriated by the Secretariat and only for the fiscal year for which it is appropriated. Amounts appropriated but unexpended or unencumbered generally lapse to the fund from which they are appropriated at the end of each fiscal year.
- ii. Continuing/standing Appropriation: An authorization which is expendable until fully depleted or repealed by subsequent action of the Secretariat.

## 15.2 Policies

- i. The resolution for appropriations adopted by the Coral Triangle Initiative Council of Ministers (CTI COM) or Coral Triangle Initiative Committee of Senior Officials (CTI CSO) shall constitute an authorization for the Executive Director to incur obligations and make payments for the purposes for which the appropriations were adopted.
- ii. Future obligations may be paid by Executive Director out of the current budget subject to prior authority by the CTI CSO or CTI COM.
- iii. Appropriations shall be available for the financial year to which they relate. At the end of the financial year all appropriations for that financial year shall lapse. Commitments remaining undischarged against previous appropriations at the end of a financial year shall be carried over and be included in the budget for the next financial year, unless the CTI COM or CTI CSO decides otherwise.
- iv. The Executive Director may make transfers of up to ten (10) percent of budget between appropriations with prior approval by CTI CSO. All transfers must be

reported by the Executive Director in the annual financial report provided to the CTI COM and CTI CSO. This shall be done, provided there is no shortfall in the resources for the same financial year.

- v. Should the Executive Director anticipate a shortfall in resources over the financial period as a whole, the Executive Director shall consult in writing the CTI CSO, as to priorities for expenditure.
- vi. Unforeseen and extraordinary expenses may be incurred from within existing budget appropriations, or from voluntary contributions. Approval to incur such expenses must be obtained from the CTI CSO. All approvals with the corresponding expenses incurred following the format made by the CTI CSO must be reported and submitted to the SOM.
- vii. While amounts for budget expenditures is included in the appropriation, prior authorization for the utilization of funds must be obtained from the Chair of the CSO, as follows:
  - a. Official travel outside the official stations
  - b. Increments in the compensation and benefits of the staff
  - c. Other utilization that the CTI COM or CTI CSO approval may deem necessary.
- viii. For projects funded by the CTI Partners with unutilized funds for current financial year, the Executive Director may expend the funds in question in the subsequent financial year provided that there is a written consent from the CTI Partners. In the event that the project is completed, any unexpended funds shall be utilized in accordance with the provisions of the Memorandum of Agreement/Understanding.

### **15.3 Procedures and Processes**

#### **15.3.1 Setting Up Appropriation in the New Fiscal Year**

- i. To establish the appropriation as per approved budget in the accounting system, the Finance and Accounting Staff will then perform the following tasks:
  - a. Print the detailed appropriation as per approved budget;
  - b. Issue Journal voucher to transfer the revenue account with the journal entries as follows:
    - Dr. Net Asset*
    - Cr. Net Asset – Reversed for Appropriation*
- ii. Unless defined differently by CTI COM or CTI CSO, the appropriation shall come from the General Fund of the Secretariat.

#### **15.3.2 Incur Obligations and Make Payments for the purposes for which the appropriations were adopted**

The accounting entry for payments for the purpose for the appreciation will be similar

to normal journal entry for any expenditures:

*Dr. Expenses/Fixed Assets*  
*Cr. Cash/Bank/Account Payable*

**15.3.3 Closing the Appropriation at Year-End or Complete**

i. At the end of the year, entry should be made to reverse the appropriation.

*Dr. Net Asset – Reversed for Appropriation*  
*Cr. Net Asset*

ii. The Net Assets after the reversal entries express the balance as a result from the release of appropriation.

**15.4 Revision History**

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
1.0		Section 15 – Initial Release	

# 16. FINANCIAL REPORTING

## 16.1 Overview

The Executive Director is responsible for ensuring that the financial statements of the Regional Secretariat (“Secretariat”), as well as all financial reports produced by the Secretariat and provided to internal or external parties, are presented fairly in all material respects, and that they represent the financial position of the Organization and in conformity with generally accepted accounting principles in the Host Country and Financial Regulations of CTI-CFF. Finance and Accounting Staff are responsible for applying proper accounting principles which is the basis for accurate financial reporting.

The purpose of this section is to ensure that all financial reporting is:

- a. Completed in accordance with legal and ethical requirements and accepted accounting practices.
- b. Completed within the required time frame(s) and forwarded to required agencies.
- c. Reviewed and signed by Organization Staff who, by signing reports, attest to the reasonable accuracy of the information and effectiveness of internal controls, as required.
- d. Available for the Organization’s needs.

## 16.2 Definitions

- i. **Month-end Closing:** An accounting procedure undertaken at the end of the month to close out the current posting period. It is part of the Organization’s closing operations. Types of accounting procedures addressed in month-end closing can include depreciating fixed assets, reconciling advances payment, posting outstanding bill documents and payroll liabilities into accrual.
- ii. **Year-end Closing:** An accounting procedure undertaken at the end of the year to close out business from the previous year, carry forward balances from the previous year, and open posting operations, and is used to create the Organization’s financial statements.

## 16.3 Policies

- i. The Executive Director shall submit annual financial statements to the Coral Triangle Initiative Council of Ministers (CTI COM) and Coral Triangle Initiative Committee of Senior Officials (CTI CSO). The annual financial statements shall show, for the financial year to which they relate:



- a. The income and expenditure relating to all funds including donations from CTI Partners, Collaborators, and other source of funds and accounts.
  - b. The status with regard to budget/appropriations, including:
    - i. The approved budget/appropriations;
    - ii. The actual expenditure under or in excess of the approved budget/appropriations;
    - iii. Any other income; and
    - iv. Detailed amounts charged against these appropriations and other income.
  - c. The financial assets and liabilities of the Secretariat.
  - d. Investments, where such investments shall be restricted to securities and other investments issued by financial institutions or Government bodies with current ratings, provided by a rating body approved by the Secretariat's Auditor, indicating a strong capacity to pay.
  - e. Loss of assets and bad debts proposed in accordance with Regulations.
  - f. Provide such other information as may be appropriate to indicate the financial position of the Secretariat.
- ii. The annual financial statements shall be submitted by the Executive Director to the Auditor not later than thirty (30) days following the end of the financial year.
  - iii. The CTI CSO shall, following consideration of the audited annual financial statements and audit report submitted to it under Financial Regulation 14, signify its acceptance of the audited annual financial statements or take such other action as it may consider appropriate.
  - iv. The CTI CSO may direct the Executive Director to take such actions as it thinks fit based on the external Auditor's report. The Executive Director shall submit his/her compliance, along with the supporting documents, with the audit findings as required by CTI CSO not later than thirty (30) days after receipt.
  - v. The annual financial report of CTI-CFF shall consist of standard presentation of financial report as follow:
    - a. Statement of Financial Position
    - b. Statement of Activities
    - c. Statement of Cash Flows.
  - vi. The Financial Statement also requires classification of the Organization's net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of classes of net assets—restricted, temporarily restricted, and unrestricted—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

### **16.3.1 Internal Financial Reporting**

- i. Monthly financial reports will generally be issued to all departments on the 10th working day following the month-end. End of year financial reports will be issued internally for reviewed will be in accordance with the schedule released by the Finance and Operation Manager at the end of every fiscal year.
- ii. The person responsible for budgetary and financial matters in each department shall review their department's financial reports on a regular basis to ensure the completeness and accuracy of the financial data. Any corrections or adjustments shall be submitted in a timely manner to the Finance and Operation Manager.

### **16.3.2 Reporting to CTI Parties and CTI Partners**

- i. For the purpose of monitoring of funds, the Secretariat shall submit to the Operation Plan and Budget Committee on a quarterly basis, the financial reports on the 10th day of the month following the end of each quarter.
- ii. The Executive Director shall submit to each CTI COM or CTI CSO meeting a report on the collection of annual assessed contributions from Parties, any voluntary contributions received including contributions from CTI Partners, any investment income and other income received.
- iii. The Executive Director shall ensure reports on expenditure from funds donated by CTI Partners will be made to such CTI Partners within timeframes that meet the internal budgetary reporting cycle of those Partners.
- iv. Reports prepared for CTI Partners will be in a format that will meet the internal reporting requirements of the CTI Partner concerned.
- v. Copies of reports made for CTI Partners will also be provided to the CTI CSO.
- vi. For the purpose of monitoring of funds, the Secretariat shall submit on a quarterly basis financial reports to CTI CSO on the 10th day of the month following the end of each quarter.

### **16.4 Roles, Authorities and Accountabilities**

- i. Finance and Operation Manager: Responsible for creating and reviewing all period-end activities to ensure the period-end financial statements accurately reflect the results of the Secretariat's activities. The Finance and Operation Manager should be familiar with the specific software procedures for keeping the prior year open until all final closing adjustments have been made and approved by the Finance and Operation Manager.
- ii. Accounting Staff: Responsible for gathering all documentation required to complete the period-end closing and completing all ledger adjustments.

## 16.5 Procedures and Processes

### 16.5.1 Procedures for Month-End Closing

- i. The monthly, internal financial reports (see Appendix 16.1 – Matrix of Report Schedule) consist of the following:
  - a. Trial Balance;
  - b. Statement of Financial Position;
  - c. Statement of Support, Revenues and Expenses;
  - d. Budget Variance Reports;
  - e. Aged Accounts (Country Contribution) Receivable Report;
  - f. Aged Advance Accounts; and
  - g. Investment Report, if any.
- ii. CTI-CFF’s external monthly reporting requirements as set forth in the terms and conditions of grants shall be adhered to.
- iii. Monthly closing check-list
  - a. Cash and Bank
    1. Close Cash Receipts
    2. Download Bank Statements
    3. Reconcile Bank Statements
    4. All bank accounts are reconciled, and the reconciliations are printed and filed with original bank statements and reviewed by the Finance and Operation Manager
    5. All checks older than six (6) months, if any, are reviewed and investigated, and proposed for adjustment.
    6. Banking/cash permanent files are updated for all copies of checks deposited and deposit receipts, and for all wire payments/receipts.
    7. For all funds received, appropriate accounting is reviewed to ensure proper income recognition and receivables.
  - b. Prepays
    1. Prepays are updated, reconciled and reviewed.
    2. Expense Prepays. Amounts to be expensed are entered via a journal entry and posted once reviewed. Permanent files (e.g. insurance) are updated.
  - c. Fixed Assets
    1. Additions - Any fixed assets purchased are capitalized.
    2. The fixed asset schedule is reconciled and reviewed on a quarterly basis.

- d. Depreciation
  - 1. Review Depreciation Schedule
  - 2. Depreciation Entry - the depreciation expense posted.
- e. Revenue
  - 1. Income and receivable balances are reviewed and adjusted for changes in countries commitment, contracts, pledges and other gifts. This is reviewed with the Program Services and with reference to the contract files to ensure completeness.
- f. Accounts Receivable (A/R)
  - 1. Review of the A/R aging report balances
- g. Payroll
  - 1. Monthly Journal Payroll and tax payable booked
- h. Accounts Payable (A/P)
  - 1. Review vendors and contractors for possible accrual
- i. Balance Subsidiary with G/L Control Accounts
  - 1. A/R Reconciliation
  - 2. A/P Trial Balance
- j. Financial Statement Preview
  - 1. Run preliminary reports - budget-to-actual reports by department, program, and contract/grant/job
  - 2. Review and analyze month-end financial data
  - 3. Record adjustments
  - 4. Software Month End

### 16.5.2 Procedures for Year-End Closing

- i. **Prepare a closing schedule.** The first step in the closing process is to plan and develop a schedule of events. There are various due dates that must be met such as report deadlines, data processing deadlines at the Secretariat. A calendar combining all important events should be established by the Finance and Operation Manager and followed throughout the closing process.
- ii. **Review all asset accounts.** Various asset accounts must be reviewed at year-end. A reconciliation of all cash accounts must be prepared, and any adjusting entries must be recorded. Prepaid expenditures must be reviewed and analyzed to ensure that no adjustments are needed.
- iii. **Analyze and close out prior year receivable and payable accounts.** At year-end, the Secretariat must close out any amounts remaining in the prior year receivable or payable accounts. During the year, differences will occur between amounts actually received or paid versus what had been accrued. These adjustments should be made throughout the year as they occur, but a

final analysis must be made if a balance remains on these accounts.

- iv. **Accrue accounts receivable.** Various sources of revenues are due to the Organization at year-end. These amounts must be recorded as accounts receivable. This will record the revenue in the proper fiscal year.
- v. **Accrue accounts payable.** Any amounts due to others at year-end for receipt of goods or services must be recorded as accounts payable. This will record the expenditure in the proper fiscal year. There are common types of payables such as payroll, employee benefits, utilities, contracts and so forth.
- vi. **Adjust grants and entitlements.** Specific recognition policies must be followed in accounting for grants and entitlements. Each project must be reviewed separately, and appropriate entries must be made
- vii. **Ensure accurate accounting for fixed asset and depreciation.** The accounting entries relating to these must be recorded before or during the year-end closing process.
- viii. **Ensure that all inter-program and inter-fund transactions, if any, are reconciled.** Any transfers of expenditures between programs or funds must be reconciled.
- ix. **Review unique closing procedures for other funds and account groups.** Unique items must be considered at year-end regarding funds other than the general fund.
- x. **Properly identify the components of the ending fund balance.** Year-end entries are necessary to classify the components of the ending fund balance correctly. Amounts may be reserved, legally restricted, designated or undesignated.
- xi. **Ensure that the financial statements are accurate and ready for audit.**

## 16.6 Appendixes and Attachments

- i. Appendix 16.1 – Matrix of Report Schedule

## 16.7 Revision History

Version	Date	Description of Changes	Requested By
1.0		Section 16 – Initial Release	

# 17. EXTERNAL AUDIT

## 17.1 Overview

The Regional Secretariat (“Secretariat”) will maintain audit independence consistent with CTI-CFF Financial Regulation 14 with the objective to ensure that the Secretariat’s external financial reporting is accepted as reliable and credible.

## 17.2 Policies

### 17.2.1 General Policies

- i. The Coral Triangle Initiative Committee of Senior Officials (CTI CSO) chair shall appoint the External Auditor with consent of the Parties, who shall be the Auditor-General or equivalent statutory authority from a Party affiliated with internationally recognized independent auditor or an internationally recognized independent auditor with local office establish in Indonesia with experience in the audit of international organizations. The Auditor shall be appointed for a period of one year and may be reappointed. The Coral Triangle Initiative Council of Ministers (CTI COM) will ensure respect for the Auditor’s independence of the Secretariat and the Secretariat’s staff and shall make provision for appropriate funds to the Auditor. Regardless of estimated contract cost, the Tender/Invitation to bid shall be published in the public publication in Indonesia and at the same time at the CTI-CFF official website.
- ii. The Auditor shall be completely independent and solely responsible for the conduct of the audit.
- iii. The Auditor or its duly authorized Partner(s) or staff shall be entitled at all reasonable times to full and free access to all accounts and records of the Secretariat relating directly or indirectly to the receipt or disbursement of funds by the Secretariat or to the acquisition, receipt, custody or disposal of assets by the Secretariat and may make copies of, or take extracts from any such accounts or records.
- iv. The Auditor shall conduct their examination of the financial statements in conformity with generally accepted auditing standards and shall report on all relevant matters, including:
  - a. Whether, in their opinion, the statements are based on proper accounts and records.
  - b. Whether the statements are in agreement with the accounts and the records.
  - c. Whether, in their opinion, the income, expenditure and the acquisition

and disposal of assets by the Secretariat during the year have been in accordance with the Financial Regulations.

- d. Observations with respect to the efficiency and economy of the financial procedures.
- v. The Executive Director shall provide the Auditor with the facilities he/she may require in the performance of the audit.
- vi. The Auditor shall, within sixty (60) days of the date upon which the annual financial statements are submitted by the Executive Director, issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Auditor deems necessary with regard to matters referred to in Paragraph IV as appropriate. The Auditor shall provide two copies of the Audit Reports and Audited Financial Statements, one (1) copy to the Chair of the CTI CSO and another copy to the Secretariat upon completion of the audit as stated in the contract. The Secretariat shall be responsible to circulate the soft copy of Audit Report and the complete set of Audited Financial Statements to member parties within seven (7) working days.
- vii. The CTI CSO may request the Auditor to perform certain specific examinations and issue separate reports on the results as specified in the contract.

#### **17.2.2 Performance of External Auditors**

- i. The Executive Director shall review the performance of the External Auditor on an annual basis. In reviewing the performance of the External Auditor, the Executive Director will focus on quality and rigor of the audit, quality of service provided, the audit firm's internal quality control procedures, relationship with the Internal Auditor and the company, and independence of the Auditor.
- ii. Where the performance of the external auditor is assessed as being unsatisfactory, the Executive Director will consider an appropriate course of action, which may include:
  - a. Discussion with the external audit firm to resolve performance issues.
  - b. Replacement of members within the external audit team.
  - c. Commencement of a competitive tender process to select a new service provider. The Executive Director will make a recommendation to the CTI CSO as to the appropriate course.

#### **17.2.3 Auditor Independence**

- i. The External Auditor must be independent, as defined in the Statement of Auditing Practices:
  - a. Actual independence is the achievement of actual freedom from bias, personal interest, prior commitment to an interest, or susceptibility to undue influence or pressure.

- b. Perceived independence is the belief of financial report users that actual independence has been achieved.
- ii. This policy is guided by the following principles:
  - a. The external audit firm is not involved in the decision-making process at CTI-CFF.
  - b. The external audit firm assures that no direct or indirect financial, business, employment or other relationship exists which would cause an objective, reasonable and informed third party to conclude that the external audit firm's independence has been compromised.
  - c. The external audit firm assures that it complies with its internal rules regarding Auditor Independence.
- iii. The Executive Director shall review and assess the independence of the External Auditor, including but not limited to any relationships with the Secretariat or any other entity that may impair the External Auditor's judgment or independence in respect of the Secretariat.
- iv. To ensure that the auditors maintain their independence there are strict controls in place in relation to non-audit work performed by the External Auditors. That is, any non-audit assignments performed by the External Auditors for the Secretariat will require the prior approval of the Executive Director.

#### **17.2.4 External Audit Scope and Materiality**

- i. The external audit aims to provide reasonable assurance that the consolidated financial report of CTI-CFF is free from material error. The External Auditor must use their understanding of CTI-CFF and the major processes by which it conducts its activity to identify and address any key activities and financial statement risk areas.
- ii. Each year a materiality level which determines the scope of external audit procedures, is communicated by the External Auditors to the Executive Director. This figure is intended to serve as a threshold for considering the individual and cumulative effect of potential adjustments and accounting issues. Materiality is used to assist in determining when the external auditors would expect to involve the Executive Director, should it become necessary, in order to resolve an audit or accounting issue. It also affects the extent to which the External Auditors perform detailed procedures on smaller account balances in the financial records. As a matter of course, all audit differences in excess of a set limit each year are to be brought to the attention of the Executive Director for further consideration and action as appropriate.

#### **17.2.5 External Audit Plan**

Each year as part of the external audit assignment, the External Auditors, after discussions with Finance and Accounting Unit, will issue an external audit plan for review and discussion with the Executive Director. The audit plan should outline the



standard combination of control and substantive-based procedures to be completed. The plan should also include additional audit procedures, based on the External Auditor's analysis and understanding of developments during recent months, which require additional emphasis during the audit.

### 17.3 Procedures and Processes

The audit process is similar for most engagements and normally consists of the following phases:

**i. Appointment of Audit Firm:**

- a. In accordance with Regulation 14 on the Financial Regulations of CTI-CFF, CTI CSO, with consent of Parties, shall appoint an External Auditor who shall be the auditor of the Secretariat.
- b. With consent of Parties, the appointment process shall follow bidding procedures, as referred in Section 12 – Procurement Management, to select the best accounting firm as the External Auditor.

**ii. Opening Meeting:** The opening meeting includes management and administrative staff involved in the audit and is an opportunity to discuss the scope of the audit, available resources, and other concerns.

**iii. Fieldwork:** The Auditor may interview staff, review procedure manuals and processes, review statements and records, test compliance, and assess the adequacy of internal controls.

- a. Finance and Operation Manager or a designated person will schedule audit activities, monitor audit actions and resolve audit-related problems.
- b. The Finance and Accounting Unit should cooperate with the auditor to the extent requested. However, availability of records and responsible personnel and conflicts of scheduled activities should be negotiated as necessary where conflicts of priority arise. If problems occur which cannot be satisfactorily resolved, contact the Finance and Operation Manager.

**iv. Draft Report:** After all fieldwork is completed, the Auditor may prepare a draft report that documents objectives, procedures, conclusions, and recommendations.

- a. The Auditor, upon completion of work, will generally brief the Finance and Operation Manager of any recommendations, findings and/or problems noted during the course of the examination. At that time, the findings, recommendations and conclusions should be thoroughly discussed, and any factual or incorrect items clarified. Discrepancies noted by the auditor and subsequently corrected by the Finance staff may still be included in the final report.
- b. The Auditor will generally provide the Executive Director a draft report to review before a final report is issued. Any disagreements on the items noted in the draft report between the Finance and Accounting Unit and the Auditor should be thoroughly discussed and, if agreement cannot be

- reached, the Executive Director should be contacted for further actions.
- c. The Audit Coordinator, Deputy Director for Corporate Services, Finance and Operation Manager and/or a designee should attend the final briefing on the draft audit report. Depending upon the administrative unit, several review meetings may be held at appropriate supervisory levels. Attendance may vary depending on the type and scope of the audit.
  - d. After the last briefing on the draft audit report has been conducted, the report will be prepared in final format. If a final draft is made available by the Auditor, a copy should be presented to the Audit Coordinator, Audit Liaison Official or their designee for final review.
  - e. When items of a serious nature or a repetition of a previous comment requiring corrective action are to be included within an external audit report, the Finance and Operation Manager will review the items with appropriate members of executive management.
- v. Responses to Audit Reports:** The type of response that may be required by the Secretariat concerning the results of the audit will vary depending on the specific scope of the audit.
- a. The Finance and Operation Manager will prepare an initial draft response to any audit finding/problems noted in the draft report, indicating corrective action already taken or under review, and forward the draft response to the Executive Director or designee for review and inclusion in the formal audit response.
  - b. The Finance and Operation Manager will prepare the formal audit response to the auditors.
  - c. The formal audit response includes corrective actions to be taken by the Secretariat in response to any findings noted in the report.
- vi. Exit Meeting:** In the exit meeting, management and the auditor review and discuss the report, provide feedback on implementing recommendations, discuss any other issues related to the audit, and comment on the audit process.
- vii. Final Audit Report:** The final report issued by the auditors.
- a. The Executive Director shall receive a copy of the final audit report.
  - b. The Deputy Director for Corporate Services or designee coordinates the distribution of the final audit report to each CT6 countries.
- viii. Audit Recommendations and Corrective Action:** Recommendations for improvement provided by the auditors or actions identified in the final report to resolve audit findings.
- a. Actions are to be completed by the Finance and Operation Manager. Upon completion, notify the Deputy Executive Director for Corporate Services or designee.
  - b. Every effort should be made to take corrective action and implement recommendations within six months of the issue date of the report.

**17.4 Revision History**

<b>Version</b>	<b>Date</b>	<b>Description of Changes</b>	<b>Requested By</b>
1.0		Section 17 – Initial Release	

# APPENDIXES

Approved Date:	 <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AP</b>
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<b>Appendixes</b>
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**Appendix 1.1 – Formatting Requirements**

These are general guidelines for formatting the Manual.

- i. Use the existing files to revise these documents. Use the existing margin, orientation and page size.
  - a. Margin:
    - i. Top: 2.54 cm
    - ii. Bottom: 3.18 cm
    - iii. Left: 2.54 cm
    - iv. Right: 2.54 cm
  - b. Orientation: Portrait
  - c. Size: A4 (21 cm x 29.7 cm)
- ii. Basic Font: Arial Nova

**1.1.1 Header**

Formatting requirements for the contents of the header are as follows:

Approved Date: dd/mm/yyyy	 <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-X</b>
Effective Date: dd/mm/yyyy		Version: X.X

<b>Section X – Section Title</b>
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- i. Approved Date
  - a. Format: dd/mm/yyyy (e.g. 12/12/2018)
  - b. Alignment: Align Left
  - c. Font: Arial Nova
  - d. Font Size: 10
  - e. Spacing Before/After: 3/3
- ii. Effective Date
  - a. Format: dd/mm/yyyy (e.g. 12/12/2018)
  - b. Alignment: Align Left
  - c. Font: Arial Nova

Authorized By:	Authorization Date:
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- d. Font Size: 10
  - e. Spacing Before/After: 3/3
- iii. Organization Logo
  - a. Alignment: Align Center
- iv. Document Name
  - a. Alignment: Align Center
  - b. Font: Arial Nova (Bold)
  - c. Font Size: 11
- v. Section Code
  - a. Format: F-XX (e.g. F-4), for Appendixes use "F-AP" and for Attachments use "F-AT"
  - b. Alignment: Align Center
  - c. Font: Arial Nova (Bold)
  - d. Font Size: 26
  - e. Spacing Before/After: 3/3
- vi. Version
  - a. Format: X.X (e.g. 2.0, the latest version in the revision history)
  - b. Alignment: Align Left
  - c. Font: Arial Nova
  - d. Font Size: 10
  - e. Spacing Before/After: 3/3
- vii. Section Number
  - a. Format: Section X – (e.g. Section 2 –)
  - b. Alignment: Align Center (before Section Title)
  - c. Font: Arial Nova (Bold)
  - d. Font Size: 14
  - e. Spacing Before/After: 5/5
- viii. Section Title
  - a. Format: Section Title (e.g. General Ledger)
  - b. Alignment: Align Center (After Section Number)
  - c. Font: Arial Nova (Bold)
  - d. Font Size: 14
  - e. Spacing Before/After: 5/5

Authorized By:	Authorization Date:
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### 1.1.2 Footer

Formatting requirements for the contents of the header are as follows:

Authorized By: Signature	Authorization Date: dd/mm/yyyy	X
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- i. Signature shall be handwritten with black ink pen.
- ii. Authorization date format is "dd/mm/yyyy".

### 1.1.3 Contents

These are general guidelines for formatting the contents of this Manual. An example is presented below.

*Example:*

#### 8.1 Overview

This chapter describes policies, accounting treatment and procedures in relation to receipts. The policies include both general policies for receipts and accounting policies. The accounting treatment details the records which need to be maintained for complete and accurate recording.

- vi. This chapter describes policies, accounting treatment and procedures in relation to receipts.
  - a. The policies include both general policies for receipts and accounting policies.
    - i. The accounting treatment details the records which need to be maintained for complete and accurate recording.

*End of example.*

- i. Sub-section
  - a. Format: X.X Sub-Section
  - b. Alignment: Align Left
  - c. Font: Arial Nova (Bold)
  - d. Font Size: 12
  - e. Spacing Before/After: 0/7
- ii. Paragraph
  - a. Type: Blocked paragraph

Authorized By:	Authorization Date:	C
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- b. Alignment: Justify
- c. Font: Arial Nova
- d. Font Size: 11
- e. Spacing Before/After: 0/2
- iii. Numbering: See example below.
  - a. Level 1: i., ii., ...
  - b. Level 2: a., b., c., ...
  - c. Level 3: 1., 2., 3., ...
- iv. Spacing
  - a. Do add space between paragraphs of the same style
  - b. Do snap to grid when document grid is defined.

**1.1.4 Additional Guidelines**

- i. Pagination: Page numbers are restarted every section.
- ii. Language: English (United States)
- iii. Numeral: Arabic Numerals (0, 1, 2, 3, ...)
- iv. Do not use the space bar to align your text, use the tab key for any indentations (i.e. the beginning of each paragraph).

Authorized By:	Authorization Date:
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### Appendix 1.2 – Document Versioning

#### 1.2.1 Version Control

Some documents go through a number of revisions before they become the final document and it is often important to retain these different versions so as to ascertain the development of the final document. It is therefore important to be able to differentiate between these different versions by giving them each their own unique identifier. This is applied through the use of ‘Version Numbers’.

#### 1.2.2 Version Numbering

The version numbering system is applied using numbers with points reflecting the major and minor changes made, starting with the initial final document Version 1.0.

- i. Major Amendments: Recorded when big changes to the document are made that require the document to be re-approved. Major amendments to the document are reflected by incrementing the whole number by 1.0.
- ii. Minor Amendments: Recorded when small changes are made to the document such as spelling corrections, changes to contact numbers, etc. Minor amendments to the document are reflected by incrementing the decimal number by 0.1.

The version number should be recorded on every Revision History sub-section of the document and update the latest version number in the header of the respective section.

**Table 1.2.1 – Version Control Sample**

Amendment		
Major changes are indicated by whole numbers	Document Version 1.0	First approved version
	Document Version 2.0	Second approved version
	Document Version 3.0	Third approved version
Minor changes to approved documents* indicated by increasing the decimal figure	Document Version 1.0	First approved version
	Document Version 1.1	Minor revision of first approved version
	Document Version 2.4	Fourth minor revision of second approved version

\*That does not require re-approval of the amendments

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### 1.2.3 Revision History

Formatting requirements and an example for the revision history table are presented below:

**Table 1.2.2 – Example of Revision History**

Version	Date	Description of Changes	Requested By
<i>(x.x)</i>	<i>(dd/mm/yyyy)</i>	<i>(Section number – Description of changes/revision.)</i>	<i>(Requester name – Position)</i>
1.0	12/12/2018	Approved by Executive Director	
1.1	30/12/2018	Minor change to Table of Contents	Jane Doe – Finance and Operation Manager
1.2	31/12/2018	12.2.1 – Spelling corrections	John Doe – Finance and Accounting Staff
2.0	20/02/2019	13.1.2 – Added policy on Chart of Accounts and definitions	Jack Robert – Finance and Operation Manager

- i. Version
  - a. Following the guideline of Appendix 1.2.2 – Version Numbering.
  - b. Alignment: Align Center
  - c. Font: Arial Nova
  - d. Font Size: 10
  - e. Spacing Before/After: 0/2
- ii. Date
  - a. Date of revision recorded in “dd/mm/yyyy” format.
  - b. Alignment: Align Center
  - c. Font: Arial Nova
  - d. Font Size: 10
  - e. Spacing Before/After: 0/2
- iii. Description of Changes
  - a. Revised section/sub-section number followed by a brief description of the revision/improvement.
  - b. Alignment: Align Left
  - c. Font: Arial Nova

Authorized By:	Authorization Date:
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- d. Font Size: 10
- e. Spacing Before/After: 0/2
- iv. Requested By
  - a. Name and position of the Staff of the Organization who requested for revision/improvement.
  - b. Alignment: Align Left
  - c. Font: Arial Nova
  - d. Font Size: 10
  - e. Spacing Before/After; 0/2

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### Appendix 3.1 – Signing Authority Limits

Financial Commitments – Signing Authority Levels

**Table 1** (See Table 2 for Capital Commitments)

Note: All non-standard agreements require legal review. Transactions should be approved by all positions identifies up to the approval authority required for the particular transaction.

Item	CTI COM/CSO	Executive Director	Deputy Executive Director	Manager	Assistant	Additional Requirements
<b>Budget</b> 1. Approval of annual operating and programmatic budget	Approval					
<b>Agreement</b> 2. Strategic agreements, including joint venture and partnership, collaboration agreements, affiliation agreements with other institutions		Approval				
3. Purchase requisition contracts and agreements for operating goods and services, excluding consulting services (covered below)		Up to USD 35K	Up to USD 35K			

Authorized By:  Authorization Date:

Approved Date:	Effective Date:	 CORAL TRIANGLE INITIATIVE ADVANCING SUSTAINABLE DEVELOPMENT AND ECONOMIC PROSPERITY	<b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AP</b>	Version: 1.0
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Item	CTI COM/CSO	Executive Director	Deputy Executive Director	Manager	Assistant	Additional Requirements
4. Purchase requisitions, contracts or agreements for consulting services when: i) A competitive procurement is used. ii) If a non-competitive procurement method is used a) Single Source* b) Sole Source*		Up to USD 35,000	Up to USD 35,000			
<b>Travel</b> 5. Approval of business, travel and other reimbursement expenses, including travel advances		Approval	Approval	Approval for their area of responsibilities		
<b>Payment</b> 6. Signing of payment requisition		Approval	Approval	Authorization		
7. Approval of payment for approved payment requisition through wire transfer and/or internet		Up to USD 35,000	Up to USD 35,000	Only in the absent of ED and DED Only in the absent of ED and DED		

Authorized By: \_\_\_\_\_ Authorization Date: \_\_\_\_\_

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Item	CTI COM/CSO	Executive Director	Deputy Executive Director	Manager	Assistant	Additional Requirements
banking and other banking mechanisms				≤ USD 20,000 Dual Signature with similar or higher position		
<b>Banking</b> 8. Request for bank statements/online access to bank statements		Whenever needed	Whenever needed	Only Finance and Operation Manager	Only Staff Finance	
9. Request for banking transaction approval and release of payment		Up to USD 35,000	Up to USD 35,000	Only in the absent of ED and DED Only in the absent of ED and DED ≤ USD 20,000 Dual Signature with similar or higher position		
<b>Investment</b> 10. Investment of surplus cash	Approval					
<b>Capital Expenditure</b> 11. Approval of capital annual budget	Approval					

Authorized By:  Authorization Date:

Approved Date:	Effective Date:	 CORAL TRIANGLE INITIATIVE A PARTNERSHIP BETWEEN THE UNIVERSITY OF FLORIDA AND THE STATE OF FLORIDA	<b>F-AP</b>	Version: 1.0
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Item	CTI COM/CSO	Executive Director	Deputy Executive Director	Manager	Assistant	Additional Requirements
12. Approval of capital expenditures approved in annual budget		Up to USD 35,000	Up to USD 35,000			
13. Approval of disposal capital equipment	Above USD 35,000	Up to USD 35,000	Up to USD 35,000			
<b>Business Development/Fundraising</b>						
14. New project development/proposals		Approval				
<b>Grant/Funding/Revenue</b>						
15. Grant/funding contracts/agreements and renewals		Approval				
16. Payment of refunds for over payments, returns		Approval				
<b>Salary and Benefits</b>						
17. Compensation and benefit plans related to professional and support staff		Approval				
18. Compensation and benefit plans related to ED and Deputy ED	Approval					

Authorized By:  Authorization Date:

Item	CTI COM/CSO	Executive Director	Deputy Executive Director	Manager	Assistant	Additional Requirements
19. Salary review/adjustment for professional and support staff		Approval				
20. Salary review/adjustment for ED and Deputy ED	Approval					
<b>Employment</b>						
21. New hires replacing an existing budgeted position		Approval				
22. New hires where there is no budgeted position	Approval					
23. Promotions, demotions and transfers of						
a. Support staff						
b. Manager and supervisory staff	Approval	Approval				
c. Director/s						
d. ED and Deputy ED						
24. Involuntarily terminations of						
a. Professional staff and Support staff	CTI COM/CSO approval	Approval				
b. ED and Deputy ED						

Authorized By:	Authorization Date:
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Approved Date:	Effective Date:	 CORAL TRIANGLE INITIATIVE OFFICE OF THE SECRETARY 1001 EAST OAKLAND AVENUE	FINANCIAL POLICIES AND PROCEDURES MANUAL	<b>F-AP</b>	Version: 1.0
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Item	CTI COM/CSO	Executive Director	Deputy Executive Director	Manager	Assistant	Additional Requirements
<b>Payroll</b> 25. Monthly payroll payment request submitted to the bank		Approval				
<b>Staff Relations</b> 26. Ratification of grievance settlements, negotiated staff settlements		Approval				
27. Approval of invoices for staff relations legal expenses		Approval				

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### Appendix 4.1 – Responsibilities of Finance and Operation Manager, and Finance and Accounting Staff

The responsibilities of Finance and Operation Manager are as follows:

- i. Provide required operational support to CTI-CFF staff working in the Secretariat and to enable smooth functioning of the Secretariat.
- ii. Perform staff's payroll and maintain staff records.
- iii. Oversee financial and budget activities.
- iv. Lead annual budgeting process, in cooperation with the Executive Director, Finance and Operational Unit, and Program Services team.
- v. Manage the CTI-CFF bank accounts.
- vi. Direct and coordinate Organization's financial and budget activities to fund operations, maximize outcomes, and increase efficiency.
- vii. Conduct financial reviews of program spending and revenue to minimize program risk of deficits or over-spending versus budget.
- viii. Prepare financial statements and activity reports, and other performance data to measure operational productivity and outcome achievement and to determine areas needing cost reduction and program improvement.
- ix. Work closely with individual project managers on an ongoing basis to ensure project grant financials and outcomes/deliverables are on track, and reporting adheres to CTI-CFF procedures and to Development Partners/Donors' procedures.
- x. Oversee external auditing activities (for the entity and projects), including negotiation of work and fees.
- xi. Ensure implementation and update process of the CTI-CFF Financial Policies and Procedures Manual and CTI-CFF Staff Policies and Procedures Manual and Administrative Procedures.
- xii. Oversee all the legal aspects of the CTI-CFF with external lawyers on fiscal, statutory and labor aspects, including liabilities.
- xiii. Coordinate legal and strategic aspects of the CTI-CFF, and with its CSO and COM.
- xiv. Oversee compliance, controls, financial and legal flows and synergies between the Secretariat and CT6 member countries.
- xv. Assist with CTI-CFF recruitment activities, salary, mandatory and fringe benefits and HR matters to maintain coherence with other similar intergovernmental entities in the region.
- xvi. Encourage staff access to professional training and development opportunities.

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- xvii. Ensure onboarding process for new team members is completed on a timely basis.
- xviii. Act as point of contact for IT-related matters.
- xix. Confer with the Outsourced IT support team and project personnel to identify and resolve problems.

Below are the responsibilities of Finance and Accounting Staff, but not limited to:

- i. Prepare and maintain accounting system in accordance with rules and procedures.
- ii. Organize and archive all the required financial documents.
- iii. Monitor and manage financial records such as payroll, receipts, payments, and petty cash.
- iv. Make financial transactions and vouchers for daily journal and make sure the code of each transaction costs in the right accounts.
- v. Make payments in accordance with the prior contract or agreement.
- vi. Implement the financial compliances in the Secretariat.
- vii. Monitor and ensure the cash balance available funds for the daily operational needs of the Secretariat
- viii. Assist the Secretariat in preparing the audit management process periodically (annually).
- ix. Maintain financial administration processes.
- x. Prepare financial statements on a regular basis to a monthly, quarterly, semester and yearly.
- xi. Helping reporting and payment of tax administration as an individual or institution.
- xii. Assist in the procurement process in the office, e.g. booking tickets, hotels, purchase, or if the office monthly bills.
- xiii. Supervising and monitoring office supplies and other necessary requirements.
- xiv. Provide support in all contracts such as insurance, rent contracts, rental cars, etc.
- xv. Taken together with the Staff Office Management supervise in the maintenance of furniture, vehicles and other equipment necessary.
- xvi. Perform special assignments which consigned by Executive Director of CTI-CFF including but not limited to planning, meetings, conference calls, correspondence, internal and external communication, documentation, report, etc.
- xvii. Directly report to the FASM in the daily implementation and completion of the services and deliverables as previous required.

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**Appendix 4.2 – Translation of Functional Currency to Reporting Currency**

Reporting currency : USD

Functional currency for booking purposes : IDR

- i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- ii. Income and expenses for each income statement are translated at exchange rates at the dates of the transactions.
- iii. All resulting exchange differences are recognized in other income.
- iv. The translation rate should be obtained from spot rate of CTI-CFF bank.

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**Appendix 5.1 – Approval Matrix**

The table below lists key journal entry activities and the responsible parties.

Activity	Preparer	Approver
Prepare journal entry template and supporting documentation	√	
Save supporting documentation in assigned location	√	
Submit journal entry for approval	√	
Review journal entry template and supporting documentation		√
Approve journal entry		√
Submit journal entry to the General Ledger Coordinator	√	
Upload journal entry to general ledger		√
Email confirmation of the journal entry upload to preparer and approver		√
Add JEID to JE template	√	
Archive journal entry in assigned location	√	

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### Appendix 5.2 – Chart of Account Structure

Account Type	Account Cat.	Header	Detail 1 <sup>st</sup> Level	Detail 2 <sup>nd</sup> Level	Code	Account Description	Header/ Detail	Debit/ Credit
1	0	0	0	0	<b>10000</b>	<b>Assets</b>	Header	Debit
1	1	1	0	0	<b>11100</b>	<b>Liquid Assets</b>	Header	Debit
1	1	1	0	0	<b>11100</b>	<b>Cash and Equivalent</b>	Header	Debit
1	1	1	1	0	<b>11110</b>	<i>Petty Cash</i>	<i>Detail</i>	<i>Debit</i>
1	1	2	0	0	<b>11200</b>	<b>Bank</b>	Header	Debit
1	1	2	1	0	<b>11210</b>	Bank - USD General Fund	Header	Debit
1	1	2	1	1	<b>11211</b>	<i>Bank Mandiri USD Ac. No #</i>	<i>Detail</i>	<i>Debit</i>
1	1	2	2	0	<b>11220</b>	Bank - USD Restricted Fund	Header	Debit
1	1	2	2	1	<b>11221</b>	<i>Bank - USD Grant 1</i>	<i>Detail</i>	<i>Debit</i>
1	1	2	2	2	<b>11222</b>	<i>Bank - USD Grant 2</i>	<i>Detail</i>	<i>Debit</i>
1	1	2	5	0	<b>11250</b>	Bank - IDR General Fund	Header	Debit
1	1	2	5	1	<b>11251</b>	<i>Bank Mandiri IDR Ac. No #</i>	<i>Detail</i>	<i>Debit</i>
1	1	2	6	0	<b>11260</b>	Bank - IDR Restricted Fund	Header	Debit
1	1	2	6	1	<b>11261</b>	<i>Bank - IDR Grant 1</i>	<i>Detail</i>	<i>Debit</i>
1	1	2	6	2	<b>11262</b>	<i>Bank - IDR Grant 2</i>	<i>Detail</i>	<i>Debit</i>
1	1	3	0	0	<b>11300</b>	<b>Saving and Short-Term Investment</b>	Header	Debit
1	1	3	1	0	<b>11310</b>	<i>Deposits</i>	<i>Detail</i>	<i>Debit</i>
1	1	3	9	0	<b>11390</b>	<i>Other Short-term investment</i>	<i>Detail</i>	<i>Debit</i>
1	1	4	0	0	<b>11400</b>	<b>Account Receivables</b>	Header	Debit
1	1	4	1	0	<b>11410</b>	<i>Account Receivables - Contribution</i>	<i>Detail</i>	<i>Debit</i>
1	1	4	2	0	<b>11420</b>	<i>Account Receivables - Donation</i>	<i>Detail</i>	<i>Debit</i>
1	1	4	3	0	<b>11430</b>	<i>Account Receivables - Gov. Grant</i>	<i>Detail</i>	<i>Debit</i>
1	1	4	4	0	<b>11440</b>	<i>Account Receivables - Non-Gov. Grant</i>	<i>Detail</i>	<i>Debit</i>
1	1	5	0	0	<b>11500</b>	<b>Prepaid Expenses</b>	Header	Debit
1	1	5	1	0	<b>11510</b>	<i>Prepaid Expenses - Rent</i>	<i>Detail</i>	<i>Debit</i>
1	1	5	2	0	<b>11520</b>	<i>Prepaid Expenses - Tax</i>	<i>Detail</i>	<i>Debit</i>

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Account Type	Account Cat.	Header	Detail 1 <sup>st</sup> Level	Detail 2 <sup>nd</sup> Level	Code	Account Description	Header/Detail	Debit/Credit
1	1	5	9	0	<b>11590</b>	<i>Prepaid Expenses - Others</i>	<i>Detail</i>	<i>Debit</i>
1	1	6	0	0	<b>11600</b>	<b>Accrued Revenues</b>	Header	Debit
1	1	6	1	0	<b>11610</b>	<i>Accrued Revenues - Country Contribution</i>	<i>Detail</i>	<i>Debit</i>
1	1	6	2	0	<b>11620</b>	<i>Accrued Revenues - Grants</i>	<i>Detail</i>	<i>Debit</i>
1	5	0	0	0	<b>15000</b>	<b>Long-term Assets</b>	Header	Debit
1	5	1	0	0	<b>15100</b>	<b>Fixed Assets</b>	Header	Debit
1	5	1	1	1	<b>15111</b>	<i>Furnitures</i>	<i>Detail</i>	<i>Debit</i>
1	5	1	1	2	<b>15112</b>	<i>Vehicles</i>	<i>Detail</i>	<i>Debit</i>
1	5	1	1	3	<b>15113</b>	<i>Equipment</i>	<i>Detail</i>	<i>Debit</i>
1	5	1	1	4	<b>15114</b>	<i>Computer</i>	<i>Detail</i>	<i>Debit</i>
1	5	1	1	5	<b>15115</b>	<i>Software</i>	<i>Detail</i>	<i>Debit</i>
1	5	1	9	1	<b>15191</b>	<i>Acc. Dep Furnitures</i>	<i>Detail</i>	<i>Credit</i>
1	5	1	9	2	<b>15192</b>	<i>Acc. Dep Vehicles</i>	<i>Detail</i>	<i>Credit</i>
1	5	1	9	3	<b>15193</b>	<i>Acc. Dep Equipment</i>	<i>Detail</i>	<i>Credit</i>
1	5	1	9	4	<b>15194</b>	<i>Acc. Dep Computer</i>	<i>Detail</i>	<i>Credit</i>
1	5	1	9	5	<b>15195</b>	<i>Acc. Dep Software</i>	<i>Detail</i>	<i>Credit</i>
1	5	2	0	0	<b>15200</b>	<i>Leasehold Improvement</i>	<i>Detail</i>	<i>Debit</i>
1	9	0	0	0	<b>19000</b>	<b>Other Assets</b>	Header	Debit
1	9	1	0	0	<b>19100</b>	<i>Other Assets</i>	<i>Detail</i>	<i>Debit</i>
2	0	0	0	0	<b>20000</b>	<b>Liabilities</b>	Header	Credit
2	1	0	0	0	<b>21000</b>	<b>Short-term Liabilities</b>	Header	Credit
2	1	1	1	0	<b>21110</b>	<i>Current Liability</i>	Header	Credit
2	1	1	1	1	<b>21111</b>	<i>Tax Payable - Art. 21</i>	<i>Detail</i>	<i>Credit</i>
2	1	1	1	2	<b>21112</b>	<i>Tax Payable - Art. 23</i>	<i>Detail</i>	<i>Credit</i>
2	1	1	1	3	<b>21113</b>	<i>Tax Payable - Art. 26</i>	<i>Detail</i>	<i>Credit</i>
2	1	2	0	0	<b>21200</b>	<i>Accrued Expenses</i>	Header	Credit
2	1	2	1	0	<b>21210</b>	<i>Accrued Operation Cost</i>	<i>Detail</i>	<i>Credit</i>

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2	1	2	1	9	<b>21219</b>	<i>Accrued Others</i>	<i>Detail</i>	<i>Credit</i>
2	1	3	0	0	<b>21300</b>	<i>Deferred Revenue</i>	<i>Detail</i>	<i>Credit</i>
2	1	9	0	0	<b>21900</b>	<i>Short Term Liabilities - Other</i>	<i>Detail</i>	<i>Credit</i>
2	2	0	0	0	<b>22000</b>	<b>Long-term Liabilities</b>	Header	Credit
2	9	0	0	0	<b>29000</b>	<b>Other Liabilities</b>	Header	Credit
3	0	0	0	0	<b>30000</b>	<b>Net Assets</b>	Header	Credit
3	1	1	0	0	<b>31100</b>	<i>Net Assets - Unrestricted</i>	<i>Detail</i>	<i>Credit</i>
3	1	2	0	0	<b>31200</b>	<i>Net Assets - Temporary Restricted</i>	<i>Detail</i>	<i>Credit</i>
3	1	3	0	0	<b>31300</b>	<i>Net Assets - Permanently Restricted</i>	<i>Detail</i>	<i>Credit</i>
3	9	0	0	0	<b>39000</b>	<b>Net Assets - Reserved for Appropriation</b>	Header	Credit
3	9	1	0	0	<b>39100</b>	<i>Net Assets - Reserved for Appropriation - Staffs Benefits</i>	<i>Detail</i>	<i>Credit</i>
4	0	0	0	0	<b>40000</b>	<b>Revenue</b>	Header	Credit
4	1	0	0	0	<b>41000</b>	<i>Country Contribution</i>	<i>Detail</i>	<i>Credit</i>
4	2	0	0	0	<b>42000</b>	<b>Donation</b>	Header	Credit
4	2	1	0	0	<b>42100</b>	<i>Donation - Foundation</i>	<i>Detail</i>	<i>Credit</i>
4	2	2	0	0	<b>42200</b>	<i>Donation - Individual</i>	<i>Detail</i>	<i>Credit</i>
4	3	0	0	0	<b>43000</b>	<i>Government Grant</i>	<i>Detail</i>	<i>Credit</i>
4	4	0	0	0	<b>44000</b>	<i>Non-Government Grant</i>	<i>Detail</i>	<i>Credit</i>
4	5	0	0	0	<b>45000</b>	<i>Program Services Fee</i>	<i>Detail</i>	<i>Credit</i>
4	6	0	0	0	<b>46000</b>	<b>Fund Raising</b>	Header	Credit
4	6	1	0	0	<b>46100</b>	<i>Fund Raising - Domestic</i>	<i>Detail</i>	<i>Credit</i>
4	6	2	0	0	<b>46200</b>	<i>Fund Raising - Overseas</i>	<i>Detail</i>	<i>Credit</i>
4	9	0	0	0	<b>49000</b>	<i>Miscellaneous Revenue</i>	<i>Detail</i>	<i>Credit</i>
5	0	0	0	0	<b>50000</b>	<b>Expenses</b>	Header	Debit
5	1	1	0	0	<b>51100</b>	<b>Salary and Benefits</b>	Header	Debit
5	1	1	1	0	<b>51110</b>	<i>Salary</i>	Header	Debit
5	1	1	1	1	<b>51111</b>	<i>Salary - Local Staffs</i>	<i>Detail</i>	<i>Debit</i>

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5	1	1	1	2	<b>51112</b>	Salary - Expatriates	Detail	Debit
5	1	1	1	9	<b>51119</b>	Salary - Others	Detail	Debit
5	1	5	0	0	<b>51500</b>	Benefits	Header	Debit
5	1	5	1	0	<b>51510</b>	BPJS	Detail	Debit
5	1	5	2	0	<b>51520</b>	Health Insurance	Detail	Debit
5	1	5	2	0	<b>51520</b>	Housing Allowances	Detail	Debit
5	1	5	3	0	<b>51530</b>	Relocation Allowances	Detail	Debit
5	1	5	9	0	<b>51590</b>	Other Benefits	Detail	Debit
5	2	0	0	0	<b>52000</b>	<b>Consultants and Contractors</b>	Header	Debit
5	2	1	1	0	<b>52110</b>	Miscellaneous Consultancies	Detail	Debit
5	2	1	2	0	<b>52120</b>	Temporary contract	Detail	Debit
5	2	1	3	0	<b>52130</b>	Resources Persons	Detail	Debit
5	3	1	0	0	<b>53100</b>	<b>Travel and Meeting</b>	Header	Debit
5	3	1	1	0	<b>53110</b>	Airfare	Detail	Debit
5	3	1	2	0	<b>53120</b>	Accommodation	Detail	Debit
5	3	1	3	0	<b>53130</b>	Ground Transportation	Detail	Debit
5	3	1	4	0	<b>53140</b>	Per Diem	Detail	Debit
5	3	1	5	0	<b>53150</b>	Hosted Meeting Costs	Detail	Debit
5	3	1	6	0	<b>53160</b>	Workshop/Meeting/Seminar	Detail	Debit
5	3	1	9	0	<b>53190</b>	Other Travel Cost	Detail	Debit
5	4	1	0	0	<b>54100</b>	<b>Recruitment Cost</b>	Header	Debit
5	4	1	1	0	<b>54110</b>	Vacancy Advertising	Detail	Debit
5	4	1	2	0	<b>54120</b>	Recruitment Expenses	Detail	Debit
5	5	1	0	0	<b>55100</b>	<b>Operating Expenses</b>	Header	Debit
5	5	1	1	0	<b>55110</b>	Electricity, Water and other utilities	Detail	Debit
5	5	1	2	0	<b>55120</b>	Telecommunication	Header	Debit
5	5	1	2	1	<b>55121</b>	Communication/Telephone & Internet Connection	Detail	Debit

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5	5	1	2	2	<b>55122</b>	<i>Mobiles &amp; Telephone Systems</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	3	0	<b>55130</b>	<i>Supplies and 3rd parties' services</i>	Header	Debit
5	5	1	3	1	<b>55131</b>	<i>Office Supplies</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	3	2	<b>55132</b>	<i>Postage/Courier</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	3	3	<b>55133</b>	<i>Vehicle Fuel</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	3	4	<b>55134</b>	<i>Software and licenses</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	4	0	<b>55140</b>	<i>Communication</i>	Header	Debit
5	5	1	4	1	<b>55141</b>	<i>Publication and Printing</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	4	2	<b>55142</b>	<i>Website and Maintenance</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	4	9	<b>55149</b>	<i>Other Communication Materials</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	5	0	<b>55150</b>	<i>Maintenance and Repair</i>	Header	Debit
5	5	1	5	1	<b>55151</b>	<i>Repair and Maintenance Building</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	5	2	<b>55152</b>	<i>Repair and Maintenance Vehicle</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	5	3	<b>55153</b>	<i>Repair and Maintenance Computer/Equipment</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	6	0	<b>55160</b>	<i>Rental</i>	Header	Debit
5	5	1	6	1	<b>55161</b>	<i>Vehicle Rental</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	6	2	<b>55162</b>	<i>Machine Photocopy Rental</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	6	9	<b>55169</b>	<i>Other Rentals</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	7	0	<b>55170</b>	<i>Hospitality</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	8	0	<b>55180</b>	<i>Depreciation Expenses</i>	Header	Debit
5	5	1	8	1	<b>55181</b>	<i>Depreciation - Furnitures</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	8	2	<b>55182</b>	<i>Depreciation - Vehicles</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	8	3	<b>55183</b>	<i>Depreciation - Equipment</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	8	4	<b>55184</b>	<i>Depreciation - Computer</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	8	4	<b>55184</b>	<i>Depreciation - Software</i>	<i>Detail</i>	<i>Debit</i>
5	5	1	9	0	<b>55190</b>	<i>Others Miscellaneous Expenses</i>	<i>Detail</i>	<i>Debit</i>
9	0	0	0	0	<b>90000</b>	<b>Non-Operating Income and Expenses</b>	Header	Debit

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Account Type	Account Cat.	Header	Detail 1 <sup>st</sup> Level	Detail 2 <sup>nd</sup> Level	Code	Account Description	Header/ Detail	Debit/ Credit
9	1	0	0	0	<b>91000</b>	Non-Operating Income	Header	Credit
9	1	1	1	1	<b>91111</b>	Interest Income	Detail	Credit
9	1	1	1	2	<b>91112</b>	Gain on Currency Exchange	Detail	Credit
9	1	1	9	0	<b>91190</b>	Other Non-Operating Income	Detail	Debit
9	2	1	1	0	<b>92110</b>	Non-Operating Expenses	Header	Debit
9	2	1	1	1	<b>92111</b>	Loss on Currency Exchange	Detail	Debit
9	2	1	1	2	<b>92112</b>	Bank Service Charge	Detail	Debit
9	2	1	9	0	<b>92190</b>	Other Non-Operating Expenses	Detail	Debit

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**Appendix 5.3 – Standard Description in Bookkeeping Entries**

At the minimum, the bookkeeping entries shall consist standard description as follow:

- i. Detail of event of nature of activities or transactions
- ii. Date of event of activities or transactions
- iii. Type of expenses (if applicable)
- iv. Detail expenses

Sample:

Payment on speaker note on Ocean Talk, dated October 9-11, 2018

The description will be:

**Ocean Talk, 9-11 Oct 18, Speaker Note, Fee**

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### Appendix 11.1 – Per Diem Allowance

The following DSA Rates will apply for the staff on official travel:

Level	ID	MT	PG	PH	SB	TL
<b>Daily Subsistence Allowance (accommodation covered by RS)</b>						
<b>ED &amp; DED</b>	USD 80	USD 100	USD 125	USD 75	USD 125	USD 125
<b>Managers</b>	USD 70	USD 90	USD 100	USD 70	USD 100	USD 100
<b>Staff</b>	USD 60	USD 80	USD 60	USD 60	USD 80	USD 80
<b>Others</b>	USD 80	USD 100	USD 125	USD 75	USD 125	USD 125
<b>Daily Subsistence Allowance (accommodation not covered by RS)</b>						
<b>Manager above</b>	USD 211	USD 209	USD 290	USD 211	USD 290	USD 290
<b>Staff</b>	USD 200	USD 190	USD 260	USD 200	USD 260	USD 260

Note: For countries outside the CT6 Member Countries, the hotel and DSA shall follow the UN International Civil Servant Commission's Ceiling rate (<https://icsc.un.org/Home/DailySubsistence>)

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**Appendix 13.1 – Capitalization Rules of Fixed Asset**

A fixed asset is capitalized only if it meets all of the following conditions:

- i. Owned by the Organization.
- ii. Has a useful life that exceeds one (1) year.
- iii. Meets the capitalization threshold at 1,000 USD.

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**Appendix 13.2 – Guideline of Useful Life of Fixed Asset**

Capital Asset Category	Estimated Useful Life
Furniture	Ten (10) Years
Vehicles	Five (5) Years
Equipment	Five (5) Years
Computer	Three (3) Years
Software	Three (3) Years

The above useful life may be affected by changes in the business and technological environment or the use of the equipment.

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### Appendix 16.1 – Matrix of Report Schedule

No	Report	Time
<b>Monthly Report</b>		
1	Trial Balance	10 <sup>th</sup> working day of the following month
2	Statement of Financial Position	
3	Statement of Support, Revenues and Expenses	
4	Budget Variance Reports	
5	Aged Accounts (Country Contribution) Receivable Report	
6	Aged Advance Accounts	
7	Investment Report	
<b>Yearly Report</b>		
1	Statement of Financial Positions	No later than thirty (30) days following the end of the financial year
2	Statements of Activities	
3	Statement of Cash Flows	
4	Investment Report (if any)	
5	Budget vs Actual spending analysis	
6	Status of Appropriations	
7	Loss of assets and bad debts proposed in accordance with Regulation	
8	Provide such other information as may be appropriate to indicate the financial position of the Secretariat	

Authorized By:	Authorization Date:
----------------	---------------------




# ATTACHMENTS

Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>ON CORAL REEFS, FISHERIES AND FOOD SECURITY</small>	<b>F-AT</b>
Effective Date:		Version: 1.0

## Attachments

### Attachment 3.1 – Delegation of Authority Form



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES AND FOOD SECURITY  
**REGIONAL SECRETARIAT**

CTI-CFF Secretariat Building  
Jl. A.A. Maramba Kayuwatu, Kairagi II  
Manado, North Sulawesi 95254  
Indonesia  
Email: regional.secretariat@cticff.org  
<http://www.coraltriangleinitiative.org>

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### Delegation of Authority Letter

To Whom it May Concern:

By means of this letter, I, [name and position of delegating official], delegate the authority herein described to the [name and position of delegate], on the following terms and conditions:

1. The [position of delegate] may review and execute, on my behalf, contracts in an amount and duration not to exceed [dollar limit] and [period of time].
2. The contracts subject to this delegation are those relating to [describe nature of contracts].
3. The effective date of this delegation is [specify] and shall run [indicate time limit if any, if none, indicate that it shall run until revoked by delegating official or his/her successor].
4. The authority delegated not subject to sub-delegation without my prior and express written consent.
5. This delegation is made pursuant to the Delegation of Financial and Signing Authority in the Financial Policies and Procedures Manual and in subject thereto

[Signature]

\_\_\_\_\_

[Name and title of delegating official]

Date:

[Signature]

\_\_\_\_\_

[Name and title of delegating official]

Date:


Acknowledged and agreed:


\_\_\_\_\_


[Name and title of delegating official]

Date:

---

 [www.coraltriangleinitiative.org](http://www.coraltriangleinitiative.org)

 @CTICFF

 CTICFF

*"The Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) is a multilateral partnership of six countries working together to sustain extraordinary marine and coastal resources by addressing crucial issues such as food security, climate change and marine biodiversity."*


Authorized By:	Authorization Date:
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Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>ON CORAL REEF RESOURCES AND LOCAL SUSTAINABILITY</small>	<b>F-AT</b>
Effective Date:		Version: 1.0

**Attachments**

**Attachment 7.1 – Invoice Template**



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEF RESOURCES AND LOCAL SUSTAINABILITY

**REGIONAL SECRETARIAT**

CTI-CFF Secretariat Building,  
 J. A.A. Muzarnik Rayawatu, Kelinci II  
 Manado, North Sulawesi 95254  
 Indonesia  
 Email: regional.secretariat@cticff.org  
[www.coraltriangleinitiative.org](http://www.coraltriangleinitiative.org)

---

City, Month-Year-Date

**INVOICE**

**The Philippines Government**  
 Undersecretary for Policy, Planning and International Affairs  
 Department of Environment and Natural Resources of the Philippines  
 Quezon City, the Philippines

Organization Name : **Organization Name**

Purpose : **Purpose**

Invoice Amount : **Invoice Amount**




Bank Name : **Bank Mandiri**  
 Jl. Jend Sudirman No 47  
 Manado  
 Telp : (0431) 864077-864177  
 Fax : (0431) 851877  
 Email : 15007@Bankmandiri.co.id

Account Name : **CTI CFF Regional Secretariat**  
 Account Number : **1030006453407 (in US Dollar)**  
 SWIFT Code : **BMRIIDJA**

Sincerely,

Name Here  
 Executive Direktur,  
 CTI-CFF Regional Secretariat

---

 [www.coraltriangleinitiative.org](http://www.coraltriangleinitiative.org)
 @CTICFF
  CTICFF

\*The Coral Triangle Initiative on Coral Reefs, Fisheries, and Ecosystems (CTICFI) is a voluntary partnership of governments and stakeholders working to conserve and sustainably manage the Coral Triangle's biodiversity and resources.

Authorized By:	Authorization Date:
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Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>FOR LOCAL PEOPLE AND THE WIDER OCEAN ECOSYSTEM</small> <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AT</b>
Effective Date:		Version: 1.0

## Attachments

### Attachment 11.1 – Official Travel Assignment (OTA) Form



**CORAL TRIANGLE INITIATIVE**  
FOR LOCAL PEOPLE AND THE WIDER OCEAN ECOSYSTEM

Scheme of Duty:  
 The Official Travel for Duty  
 Non-representing Assignment Traveling

### OFFICIAL TRAVEL FOR ASSIGNMENT (OTA)

NO: HRD-OTD/RS/./18/...

On behalf of CTI-CFF Regional Secretariat, hereby assigned to:

Name	: Fill Here	Title	: Fill Here
ID Number	: Fill Here	Div./Dept.	: Fill Here
Destination	: Fill Here	Location	: Fill Here

Purpose : 1. Fill Here  
2. Fill Here

Participant	: Fill Here	to	: Fill Here
Date of Mission from	: Fill Here	Airplane	: Fill Here
Type of Transportation	: Fill Here		
Hotel	: Fill Here		
Luggage	: Fill Here		

Approved by,

Sign Here

Executive Director

Manado, 23 March 2018

Assigned by,

Sign Here

Executive Director

Recipient,

Sign Here

Tech. Programs Assistant

Acknowledged by,

Sign Here

HRD & Office Mgmt. Mgr.


Note:  
 Sheet 1 : HRD & Office Management  
 Sheet 2 : Finance & Administration  
 Sheet 3 : Recipient



Authorized By:	Authorization Date:
----------------	---------------------

Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>ON CORAL REEF ECOSYSTEMS AND TOURISM SECURITY</small> <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AT</b>
Effective Date:		Version: 1.0

**Attachments**




**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEF ECOSYSTEMS AND TOURISM SECURITY

### OFFICIAL TRAVEL ARRANGEMENT

Attachment of OTD No.: HRD-OTD/RS/./18/... Date: Fill Here

DATE	AGENDA	REMARKS
Date Here	Agenda Here	Remarks Here
Date Here	Agenda Here	Remarks Here
Date Here	Agenda Here	Remarks Here
Date Here	Agenda Here	Remarks Here
Date Here	Agenda Here	Remarks Here




Authorized By:	Authorization Date:
----------------	---------------------

Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>ON CORAL REEFS, FISHERIES AND FOOD SECURITY</small>	<b>F-AT</b>
Effective Date:		Version: 1.0

**Attachments**

**Attachment 11.2 – Travel Reimbursement Request Form**



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES AND FOOD SECURITY

**Travel Reimbursement Form**

Name:

Position/Div.:

Contact:

Receipt #	Date	Description	Currency	Cost	Note
Advances					
Total Reimbursement					


	Name	Position	Signature	Date
Requested by:				
Approved by:				

Authorized By:	Authorization Date:
----------------	---------------------

Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>THE CORAL REEF FOUNDATION</small> <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AT</b>
Effective Date:		Version: 1.0

## Attachments

### Attachment 11.3 – Travel, Allowance and Advance Request Form

	<b>CORAL TRIANGLE INITIATIVE</b> <small>THE CORAL REEF FOUNDATION</small>	<b>Travel, Allowance, and Advance Request Form</b> Form No.: <input style="width: 100px;" type="text"/>	
<b>A. Traveler</b>			
Name: _____			
Department: _____			
Destination(s): _____		ID# / Cost Center _____	
Purpose: _____			
Departure Date: _____		Return Date: _____	
<b>B. Air Ticket</b>			
Carrier(s): _____		Personal re-route/Stop-overs: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Routing: _____		If yes, list: _____	
Note: Additional quote showing cost difference must be attached.			
<b>Total Air Ticket Cost</b>		_____	
<b>C. Estimated Other Travel Costs</b>			
	# Days	Cost Per Day	Total
Local transport			
Lodging			
Meals			
Other			
<b>Total Estimated Other Travel Costs</b>		_____	
<b>D. Estimated Per Diem</b>			
Location	# Days	Rate per Day	Total
<b>Total Estimated Per Diem</b>		_____	
<b>E. TOTAL ESTIMATED TRIP COST</b>		Currency	_____
<b>F. ADVANCE REQUESTED</b>		Date Required	Currency
		Amount	_____
<b>Approvals</b>		<b>Submitted By:</b>	<b>Financial Review:</b>
Name:			
Date:			
Signature:			
Finance Assistant			
<b>Payment of Advance</b>		<b>Disbursed By:</b>	<b>Received By:</b>
Payment Office	Name:		
	Date:		
	Signed:		

Authorized By: _____	Authorization Date: _____
----------------------	---------------------------





Approved Date:	 <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AT</b>
Effective Date:		Version: 1.0

<b>Attachments</b>
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**Attachment 11.5 – “Note to File” Letter**

A Note to File should:

- i. Be generated on case-by-case basis.
- ii. Include the subject it refers to.
- iii. Be signed and dated by the individual who is writing it.
- iv. Be legible if handwritten.
- v. Explain clearly and specifically the reason it aims to address.

**Sample “Note To File” Letter:**

Date : December 12, 2019  
 Subject : Travel for a Meeting  
 From : Staff Name, Position  
 To : Finance and Operation Manager

[Letter Content]

Regards,

[Signature]


Staff Name

Authorized By:	Authorization Date:
----------------	---------------------

Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>FOR CORAL REEF, MARINE AND FOOD SECURITY</small>	<b>F-AT</b>
Effective Date:		Version: 1.0

Attachments

**Attachment 12.1 – Purchase Request Form**



**CORAL TRIANGLE INITIATIVE**  
FOR CORAL REEF, MARINE AND FOOD SECURITY

## Purchase Request

Preferred Supplier *(if applicable)* \_\_\_\_\_ Delivery Address: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_

Request Date	Required Date	Fund Source	Job Code	Account Code	


Item No	Qty	Unit	Description	Currency	Estimated Unit Cost	Estimated Total Cost
Total						

	Name	Position	Signature	Date
Originator:				
Reviewed by:				
Approved by:				

Notes:

Authorized By:	Authorization Date:
----------------	---------------------

## Attachment 12.2 – Bidding Analysis Form



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES AND FOOD SECURITY

# Bidding Analysis Form

Date:

Detail of Quotation	X Pty, Ltd	Y Pty, Ltd	Z Pty, Ltd	A Pty, Ltd

Decision (please mention the reason in detail)

Panel


Name, Position, Date
Name, Position, Date

Authorized By:  Authorization Date:





### Attachment 14.2 – Petty Cash Voucher Form


  
**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES AND FOOD SECURITY

## Petty Cash Voucher

**Date:**  **PCV #**

**Paid to**

Account	Jobs	Description	IDR Amount
		<b>Total (IDR)</b>	-

Prepared by : \_\_\_\_\_ Approved by : \_\_\_\_\_ Received by : \_\_\_\_\_

Authorized By:  Authorization Date:

Approved Date:	 <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AT</b>
Effective Date:		Version: 1.0

Attachments
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**Attachment 14.3 – Petty Cash Count Form**

Authorized By:	Authorization Date:
----------------	---------------------



Approved Date:	 <b>CORAL TRIANGLE INITIATIVE</b> <small>FOR TRIANGULAR ISLANDS</small> <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>F-AT</b>
Effective Date:		Version: 1.0

Attachments

	<b>CORAL TRIANGLE INITIATIVE</b> <small>FOR TRIANGULAR ISLANDS</small> <b>FINANCIAL POLICIES AND PROCEDURES MANUAL</b>	<b>Petty Cash Count Report</b>																																												
Currency: _____ G/L Account Code: _____ Date (dd/mm/yyyy): _____																																														
<b>A. Physical Cash Count</b>		Subtotal <span style="border: 1px solid black; padding: 2px;">0,00</span>																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Currency</th> <th style="width: 25%;">Denomination</th> <th style="width: 15%;">Quantity</th> <th style="width: 45%;">Amount</th> </tr> </thead> <tbody> <tr><td>IDR</td><td>100.000,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>50.000,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>20.000,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>10.000,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>5.000,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>2.000,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>1.000,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>500,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>100,00</td><td></td><td style="text-align: right;">0,00</td></tr> <tr><td>IDR</td><td>50,00</td><td></td><td style="text-align: right;">0,00</td></tr> </tbody> </table>			Currency	Denomination	Quantity	Amount	IDR	100.000,00		0,00	IDR	50.000,00		0,00	IDR	20.000,00		0,00	IDR	10.000,00		0,00	IDR	5.000,00		0,00	IDR	2.000,00		0,00	IDR	1.000,00		0,00	IDR	500,00		0,00	IDR	100,00		0,00	IDR	50,00		0,00
Currency	Denomination	Quantity	Amount																																											
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IDR	10.000,00		0,00																																											
IDR	5.000,00		0,00																																											
IDR	2.000,00		0,00																																											
IDR	1.000,00		0,00																																											
IDR	500,00		0,00																																											
IDR	100,00		0,00																																											
IDR	50,00		0,00																																											
<b>B. Outstanding Advances</b>		Subtotal <span style="border: 1px solid black; padding: 2px;">0,00</span>																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Advance No.</th> <th style="width: 50%;">Description</th> <th style="width: 30%;">Amount</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			Advance No.	Description	Amount																																									
Advance No.	Description	Amount																																												
<b>C. Other Reconciling Items</b> <i>(Itemize)</i>		Subtotal <span style="border: 1px solid black; padding: 2px;">0,00</span>																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Reference No.</th> <th style="width: 50%;">Description</th> <th style="width: 30%;">Amount</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			Reference No.	Description	Amount																																									
Reference No.	Description	Amount																																												
<b>D. Total Cash Balance (A+B+C)</b>		<span style="border: 1px solid black; padding: 2px;">0,00</span>																																												
<b>E. Month End Balance per Cash Journal (D = E)</b> <i>(Enter Cash Journal balance to confirm; any discrepancies must be resolved by month end)</i>		<span style="border: 1px solid black; padding: 2px;"> </span>																																												
<b>F. Difference Balance Physic vs GL</b>		<span style="border: 1px solid black; padding: 2px;">0,00</span>																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"> </th> <th style="width: 20%;">Counted By</th> <th style="width: 20%;">Witnessed By</th> <th style="width: 30%;">Approved By</th> </tr> </thead> <tbody> <tr> <td>Name:</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Date:</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Signature:</td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Counted By	Witnessed By	Approved By	Name:				Date:				Signature:																															
	Counted By	Witnessed By	Approved By																																											
Name:																																														
Date:																																														
Signature:																																														

Authorized By:	Authorization Date:
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**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



### **Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF)**

The CTI-CFF is a multilateral partnership of six countries; Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands and Timor-Leste - working together to sustain extraordinary marine and coastal resources by addressing crucial issues such as food security, climate change and marine biodiversity.

[coraltriangleinitiative.org](http://coraltriangleinitiative.org)



Coral Triangle Initiative



@cticff



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