GOVERNANCE · POLICY 11

Finance and Procurement Policy

How CYEF receives, authorises, spends, records and accounts for money and how it buys goods and services.

Document	Finance and Procurement Policy
Version	1.0
Owner	Finance Director, reporting to the CYEF Board of Directors
Date adopted	**pending board adoption**
Review cycle	Reviewed every two years. Thresholds reviewed annually
Note	Monetary thresholds are proposed and must be confirmed by the board against CYEF's actual turnover

1. Principles

- Every shilling is accounted for, and can be traced from receipt to use
- Restricted funds are spent only on the purpose agreed with the funder
- No individual controls a transaction from start to finish
- Value for money is sought, and is not confused with lowest price
- Records are complete, current and available for audit

> The thresholds in this document are a starting proposal based on the scale CYEF appears to operate at. The board should confirm or adjust them against actual annual turnover before adoption. A threshold set too high provides no control. Set too low, it stops the work.

2. Roles

Role	Responsibility
Board of Directors	Approves the annual budget, reviews management accounts at every meeting, appoints the auditor, sets thresholds
Finance Director	Day-to-day financial management, records, reconciliation, reporting, payroll and statutory returns
Executive Director	Authorises spend within delegated limits, accountable for budget delivery
Programme leads	Prepare budgets, raise requisitions, confirm goods and services were received
Signatories	At least three appointed, with any two required for payments above the single-signature limit

The person who requests a payment is never the person who authorises it, and never the person who reconciles the account it came from.

3. Income

3.1 Receiving money

- All income goes to official CYEF bank or mobile money accounts held in the Foundation's registered name
- No income is received into a personal account, at any time, for any reason

- A receipt is issued for every payment, and a copy retained
- Cash collected at events is counted by two people, recorded and signed on the spot, then banked at the earliest opportunity
- In-kind donations are recorded on receipt at estimated value, and again when distributed

3.2 Donations CYEF will not accept

- Funds whose source cannot be identified, or where there is reason to think they derive from crime
- Donations conditional on a decision that would compromise CYEF's independence, or on access to children
- Donations from a party, candidate or campaign or any gift that would present CYEF as politically aligned
- Anything that would breach a funder agreement or bring the Foundation into disrepute

The Board Chair decides in doubtful cases, and the decision is recorded.

3.3 Restricted funds

- Grant funds are tracked separately, so that spend against each award can be reported
- Restricted money is never used to cover an unrelated shortfall, even temporarily
- Where the agreed purpose becomes impossible, CYEF tells the funder before reallocating anything
- Reporting deadlines in funder agreements are diarised and met

4. Expenditure

4.1 Authorisation limits

Proposed thresholds, in Kenya shillings, for board confirmation

Value	Authorisation required
Up to 10,000	Programme lead, within an approved budget line
10,001 to 50,000	Executive Director
50,001 to 250,000	Executive Director and Finance Director, two signatories
Above 250,000	Board approval in advance, recorded in the minutes
Anything outside the approved budget	Board approval, regardless of value

4.2 Making payments

- Every payment is supported by an invoice, receipt or signed record before it is made
- Payments go to the supplier's own account, never to an individual's account on their behalf

- A change to a supplier's bank or mobile money details is verified by phoning a known number, never by replying to the email that requested the change
- Cash payments are avoided. Where unavoidable, they are signed for by the recipient
- Advances are reconciled with receipts within seven days of the activity
- Staff do not use personal funds and claim back, except for small approved expenses supported by receipts

4.3 Payroll and statutory obligations

- Staff are engaged on written contracts under the Employment Act, 2007
- Statutory deductions and returns are made on time
- Payroll is reviewed annually against the staff list to confirm every person paid is genuinely engaged
- Volunteers are not paid a salary. Reimbursement of actual, receipted expenses is permitted and recorded

5. Procurement

5.1 Thresholds

Proposed procurement route, in Kenya shillings

Value	Route
Up to 20,000	Single quotation, with value for money justified in the requisition
20,001 to 100,000	At least three written quotations, compared and retained
Above 100,000	Competitive tender, evaluated against criteria set before bids are opened, board approval

5.2 Rules

- Interests in a bidding supplier are declared, and the person takes no part in the decision
- Specifications are written before quotations are sought, and are not tailored to a preferred supplier
- Awards are made on documented criteria, and the comparison is retained
- Splitting a purchase to stay below a threshold is a disciplinary matter
- Goods and services are confirmed as received by someone other than the person who ordered them
- Suppliers working near children sign the Code of Conduct and are supervised
- Where only one supplier can realistically provide something, the reasoning is documented and approved by the board

6. Assets

- An asset register records equipment, kit, IT and vehicles with date, cost, location and person responsible
- Assets are verified physically at least annually and the register updated
- CYEF assets are not used for personal or commercial benefit
- Disposal above nominal value requires board approval, and proceeds return to CYEF
- Loss or theft is reported immediately and recorded

7. Records, reporting and audit

- Accounting records are maintained continuously, not reconstructed at year end
- Bank and mobile money accounts are reconciled monthly by someone who did not make the payments
- Management accounts go to every board meeting, with variances against budget explained
- Annual financial statements are prepared and independently examined or audited
- Financial records are retained for **seven years**
- The annual budget is approved by the board before the start of the financial year

8. Breach

Failure to follow this policy is a disciplinary matter. Where it involves dishonesty, the Anti-Fraud, Bribery and Corruption Policy applies and the matter is reported to the authorities.

Read alongside the Anti-Fraud, Bribery and Corruption Policy, the Conflict of Interest Policy and the Whistleblowing and Protected Disclosure Policy. Thresholds in this document require board confirmation before adoption.