



FINANCE POLICIES AND PROCEDURES



These Policies and Regulations take account of the laws prevailing in all the GL countries of operation. Should there be a contradiction between the Policies and Regulations and the national laws, the later will take precedence except where, in the interest of fairness policies have been standardised across countries – hence IFRS applies.

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ABBREVIATIONS

AGM	-	Annual General Meeting
CEO	-	Chief Executive Officer
CM	-	Country Manager
CO	-	Country Offices
CPO	-	Country Programme Officer
CFO	-	Country Finance Officer
DOO	-	Director of Operations
DOP	-	Director of Programmes
DSA	-	Daily Subsistence Allowance
EC	-	Executive Committee
FO	-	Finance Officer
GAAP	-	Generally acceptable Accounting Practices
GL	-	General Ledger
GL	-	Gender Links
GLS	-	GL Services Manager
GM	-	Grants Manager
GO	-	Finance & Grants Officer
GP	-	General Payroll
IAP	-	Internal Audit Process
IATI	-	International Aid Transparency Initiative
IFRS	-	International Financial Reporting Standards
JEV	-	Journal Entry Voucher
MOU	-	Memorandum of Understanding
OEM	-	Operations and Events Manager
MOV	-	Means of Verification
PAYE	-	Pay As You Earn
PBO	-	Public Benefit Organisation
PCV	-	Petty Cash Voucher
SFO	-	Senior Finance Officer
TOR	-	Terms of Reference
UIF	-	Unemployment Insurance Fund
VAT	-	Value Added Tax
VFM	-	Value for Money

INTRODUCTION

The purpose of this Financial and Administration Policies and Procedures document is to systemise operations and to provide staff with a ready reference to the organisation's administrative and financial policies and/or procedures.

Gender Links' success is dependent on its ability to manage and safeguard the resources entrusted to us by the donors. Central to this are sound financial management control and administrative structures. This manual describes the processes and procedures for ensuring the efficient use of resources in the diverse settings Gender Links operates in, for observance by staff in their day to day operations of programs. The acceptance and application of these Policies and Procedures by all staff is key in making Gender Links transparent, effective and efficient in its service of target beneficiaries.



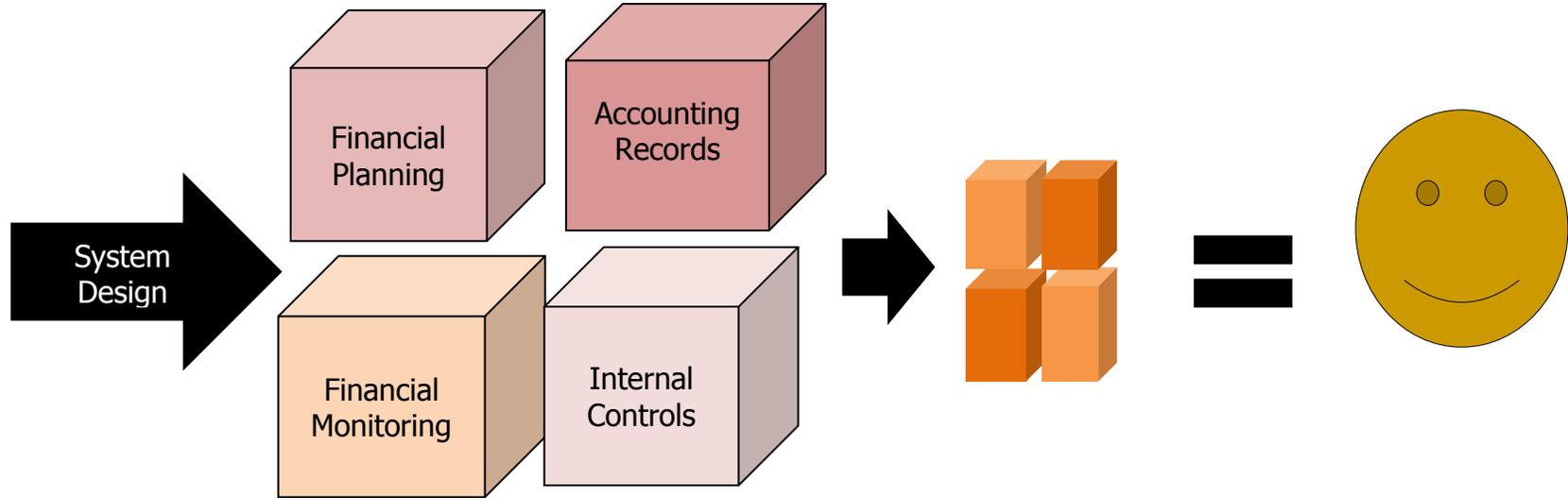
Application and interpretation

The contents of the document shall apply to all persons employed by Gender Links and are compiled for the guidance and instructions to staff. Any difficulties encountered in the interpretation of the policies/procedures shall be referred to the Director of Operations (DOO). The Gender Links Board, through the Executive Committee, reserves its right to modify, amend contents of the manual as and when necessary, such amendments shall be communicated to the employees. It is important that any amendments that may be issued are inserted in all copies of the manual immediately upon receipt. The DOO shall be responsible for effecting such amendments. Each Gender Links office shall keep a copy of the handbook. The Policies and Procedures are also available in modularised format in the Intranet. All members of staff must be aware of the Policies and Procedures as outlined in the manual.

General responsibilities

Staff, consultants and programme partners and their employees that interact with Gender Links, must conduct activities morally, ethically, and in the spirit of public accountability and transparency, and in conformity with applicable laws and regulations and practices common with responsible entities (public or private).

The Building blocks for Financial Management



BUILDING BLOCKS

INTERNAL CONTROL

ACCOUNTABILITY

I. STRUCTURE AND RESPONSIBILITIES

Audit Committee

1. The Company shall elect an audit committee at each AGM comprising at least three members, who satisfy requirements of section 94 (4) or 94(5) of the Act.
2. The Audit Committee shall meet annually just before the annual board meeting.
3. The Audit Committee shall be chaired by an independent person with accounting qualifications.
4. The role of the Audit Committee and benefits, (Refer: ANNEX A: INTERNAL AUDIT CHARTER)

Internal Audit Process (IAP)

5. The Internal Audit process provides monthly oversight of all financial-related transactions; checks monthly reconciliations, checks quarterly reports for presentation to the EC; This is conducted by the DOO through a combination of review of Pastel and SharePoint filed documents by Countries.
6. The process render objective quality assurance for Gender Links to adhere to statutory laws, GL policies and principles of good corporate governance through and HQ visibility to country finances.
7. The process ensures:
 - adherence to all approved systems and processes.
 - Strengthen internal controls and governance processes.
 - value for money (VFM) in all institutional and programmatic activities.
 - compliance to donor budget, regulations and reporting timeliness in accordance with donor contracts and log frame.
 - provision of learning opportunities for all GL staff to ensure continuous improvement.
 - timeous detection of risks and weaknesses and support administering of proactive corrections.

Chief Executive Officer

8. Oversees and supports all programme requirements, including guidance on procurement needs, authorising procurement requests, tender adverts and ToRs. The CEO acts as GL's representative and Principal Accounting Officer in contract negotiations and conclusions.
9. The CEO shall be responsible for the final sign off on all procurement and all payments. The CEO is the accounting officer of GL and reports to the Executive Committee (EC) each quarter and to the Board annually, on the financial status of the organisation.

Director of Programmes

10. Overseas programmes of GL and the work of the ten country offices.
11. He/she ensures the preparation and adherence to donor budgets from a programme perspective.

Director of Operations

12. The Director of Operations (DOO), responsible for preparing budgets, payments, annual accounts and day to day financial management under the supervision of the CEO. He/she is the focal person on all external Audit. The DOO verifies all payment requisitions prepared by the Finance Officers (FO) and checked by Regional Finance Officer (SFO) before these are presented to the CEO.

Senior Finance Officer

13. The Senior Finance Officer (SFO) is responsible for:
 - Ensuring that all procedures for each threshold level have been followed and is responsible for the vetting of all contracts.
 - Ensuring that all acquisition matters are dealt with in accordance with the set out principles.
 - Program Budgets and advise on variances reported.
 - Ensuring that tender procedures are adhered to at all times.
 - Taking part in the tender committee.
 - Ensuring that all GL creditors are paid timeously once advised by the relevant responsibility manager that the services have been rendered and after receipt of a certified invoice by the relevant responsibility manager.
 - Together with Programme staff, monitoring the services rendered to GL by the suppliers and reconsidering their engagement in the event that they cease to provide expected benefits

Finance Officer

14. Is responsible for:

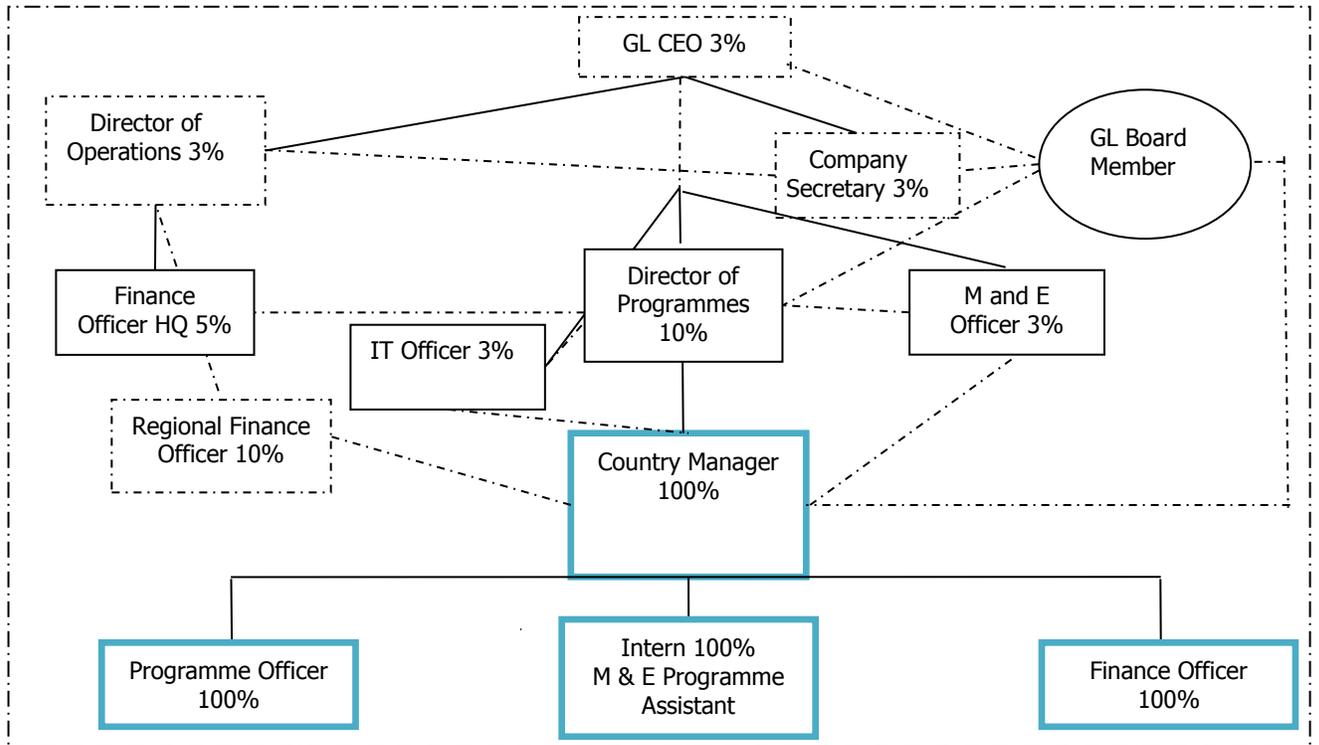
- Purchasing, this includes technical and specialized procurement of supplies, equipment and services.
- Assisting departments with specification development and serves on evaluation Committee.
- Reviewing and analysing all purchases which have not been awarded to the lowest bidder by ensuring that justification exists.
- Ensuring correct budget allocations and attachments are submitted with all requests for orders.
- Ensuring that requisitions are signed by responsible managers or delegated persons.
- Maintaining and updating the prospective list of suppliers (database). Management and administration and correct E and physical filing of contracts. Monitors supplier performance ensuring value for money delivery.
- Ensuring that all cancelled orders for goods and services are in writing. In case of flights, ensuring that unused tickets are submitted for refund before their expiry days.

Programme Managers

15. Programme Managers (PM) are responsible for:

- Ensuring that VFM is achieved and all procurement is within the prescribed programme budget.
- Timely submission of requests for required products or services for carrying out their programme work with detailed product specifications or service deliverables.
- Acting as an adviser to the tender committee.
- Approving service level agreements or motivation for the selection of specific suppliers or service providers after quote comparisons.
- Submitting and approving payment requisitions made to suppliers or service providers as per specifications and service level agreements.
- any tickets submitted for refund to ensure that funds are recovered from the travel agent.

Country operations



GL Country Board Member (CBM)

16. The Country Board Members (CBMs):

- Provide Strategic support to work at country level; to enhance the organisations public standing by articulating the organisations vision, mission and values in all the program work for Gender Links.
- Provide leadership and guidance in high level matters.
- Provide financial Oversight, and act as a residual or active signatory to the Gender Links Bank Account in small offices to ensure segregation of duties.
- Accompany the country manager to some donor meetings.
- Assist in strengthening partner relations.
- Assist in fund raising efforts and meeting with Donors

Country Managers (CM)

17. The CM provide overall leadership to the country offices and is responsible for:

- Ensuring that all activities are implemented according to the work plan and budget; Budget oversight and budget tracking;
- Preparing narrative and financial reports;

- Ensuring donor compliance; Leading and coordinating project reviews and evaluations;
- Serving as principal signatory to the GL Ban account
- Liaison and cooperation with partners;
- Maintaining relations at district, local council level.

Country Programme Officers (CPO)

18. The Country Programme Officer (CPO) is the implementer of the project with direct link to the councils/implementing partners. S/he be responsible for:

- Getting political buy-in from the council management;
- Carrying out needs assessments;
- Organising training;
- Preparing field reports;
- Undertaking monitoring and evaluation;
- Making follow-up with the councils and provide support; and represents Field Coordinator in meetings, etc.
- Serving as a second signatory to the Bank account.

Country Finance Officers (CFO)

19. They are responsible for procurement, requisitions, Bank statements, financial reports budget tracking donor compliance. The CFOs are responsible for the day to day processing of payments, cheque requisitions and cashing of cheques; management of petty cash; reconciling all cash payments; ensuring that all creditors include the GL VAT numbers; issuing and reconciling of order numbers.

II. FINANCIAL PLANNING, BUDGETING AND REPORTING

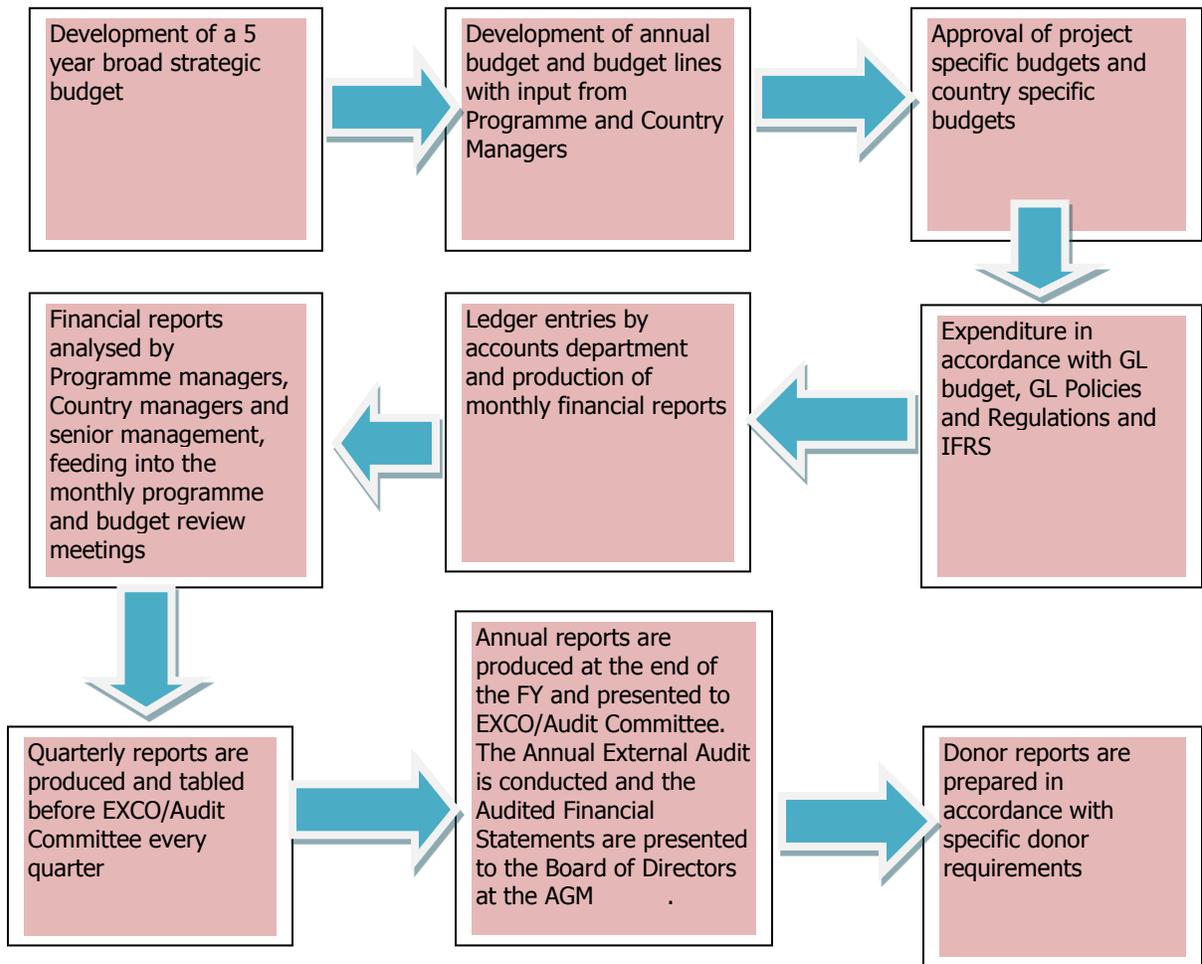
Financial Year End

20. GL's financial year closes at the end of December each year.

Funding

21. GL is a non-profit organisation that receives the bulk of its funding from external donors, including bilateral donors and foundations. Much of GL's funding is in the form of short term project funding. To strengthen its financial position GL is shifting wherever possible to multi-year funding that covers operational, capital and core staff support and is aligned to GL's financial year. GL is also seeking to maximise internally generated resources through, for example, undertaking consultancy work from time to time; maximising interest; sale of publications and renting out its facilities.
22. Donor Funds are transferred through Telegraphic Transfers to GL operated accounts denominated either in South African Rands (ZAR), European Union (EURO), Great Britain Pound (GBP), United States Dollar (USD) and Country local currencies where donors transfer funds direct to the country offices.
23. Funds are then converted through bank exchange rate deals into ZAR or other country local currencies from which transactions are carried out. Some transactions are conducted in other currencies from the respective accounts where appropriate.
24. GL subscribes to and complies with the requirements of the International Aid Transparency Initiative (IATI). GL commits to publish its data in line with the IATI standards to enable access to the development community.

THE FINANCIAL MANAGEMENT PROCESS



BUDGETS

25. A budget describes the amount of money that an organization plans to raise and spend for a set purpose over a given period of time. It is a financial plan that relates directly to the activities of the organization. The budget is the cornerstone of any financial management system. It fulfils several functions including fund raising, controlling and monitoring of funds, forecasting and planning.
26. Executive management shall provide the Strategic Implementation Plan indicating funds available for each activity by donor, project, country and function wherefrom the annual plans and budgets shall be drawn.
27. The CEO shall provide a timetable of when budgets shall be drawn and completed.

Budget lines and coding

28. Budget lines and coding shall be centrally established at HQ for each donor and for each project so that at any time reports can be generated for individual donors using the Pastel Evolution Report Writer function.
29. Budget codes shall be shared with all staff to facilitate correct coding which in turn facilitates correct budgeting.
30. Staff not sure of their budget codes must consult the DOO and/or his/her designee to clarify the codes.
31. For management purposes, any funds designated for capital costs, human resource costs or for office operations are assigned to the capital, staff salary/consultant fees and to the operational budget lines, leaving in the project budget direct, project- related costs (e.g. workshop or publication costs).

Strategic budgets

32. The 5 year strategic budget is developed to complement the 5 year Strategic Plan.
33. Detailed budgets are prepared for all programmes at the time that project proposals are submitted to funders, in accordance with the five year rolling strategic plan. Budgets are adjusted according to amounts agreed and received from donors.
34. Following the organisational evaluations in 2006 and 2010, GL is working towards greater alignment among key donors to GL's planning and financial cycle including the provision of core funding and creation of a basket fund.

Donor proposal budgets

35. All donor proposals are submitted with detailed budgets either in the donor stipulated format or the GL formats (see **F01**: GL Donor Budget Proposal Template).
36. The majority of GL's funding partners provide project funding. In addition to the Programme costs funding all efforts shall be made to negotiate for and ensure that proposals include staff costs proportionate to the Level of Effort Staff shall spend on the Project. Staff costs must include both Project and HQ staff such as, CEO, DOP, DOO and finance staff for their support to all projects.
37. The following proportions are recommended to guide all donor budgets:
- | | | |
|----------------------------|---|-----|
| a. Project Costs | - | 57% |
| b. Human Resources | - | 30% |
| c. Operational costs | - | 10% |
| d. Monitoring & Evaluation | - | 2% |
| e. Capital Expenditure | - | 1% |
- 38. All donor proposals must be checked and signed off by the CEO after being checked by the DOP for content correctness and DOO for budgets correctness before submission to the relevant donors.*

Detailed activity budget

39. Prior to any major activity of over R20,000, for example a workshop or summit, programme managers must prepare a detailed budget based on the budget lines in MS Project (see **F02**: Activity Budget Cash advance and retirement authorisation). This budget must be signed off by the CEO or DOP.

Annual budget

40. At the beginning of each financial year, the budgets from approved donor contracts are consolidated to form GL's annual budget in Sage Pastel categorised by project, function and branch.
41. Within their different teams, staff with budgetary responsibilities i.e. programmes and country managers shall meet to review budgets against the results framework to ensure alignment between objectives, outcomes and resources.
42. Under the guidance of the DOO, managers shall ensure that the donor allocations to staff, operations and capital costs are sufficient to meet the need, and if not make necessary adjustments.

Semester budgets

43. The CM, PM and DOP shall prepare a semester budget in line with the annual budget and the semester workplan. All country office expenditure shall be in line with the approved semester budget.
44. The CM shall submit a semester budget in line with the approved semester budget for transfers to be effected from Head Office where there are regional sums to be disbursed from the head office.

Budget revisions

45. Budgets are almost always tied to **restricted funds**. Necessary budget revisions shall be made at scheduled intervals. Formal updating periods, normally half yearly shall be established and communicated during the course of the year. Managers are encouraged to build reasonable stability and firmness into their budgets without being excessively rigid.
46. Revisions can also be made in the cases where deviations have become as great as to make the approved budget unrealistic e.g. inflation, exchange differences in excess of 15%.
47. Submissions for any budget reviews will be made through the DOP with reasons for such requests together with the 2nd quarter report. The report will be comparing results of the last half year against plans and budgets for the same period.
48. Reallocation of budgets is subject to donor conditions and the CEO approval subject to justification and reasonableness of the request for allocation.

Reporting and monitoring the budget

49. The budget for a specified period is compared to actual expenditure of the same period. Any resulting differences (variances) are explained to provide insight into how the activities/programmes have progressed.
 - In the the case of an overspend, the variance figure shall be negative.
 - in the case of an under spend, the variance figure shall be positive.
 - If budget and actual are the same, the result shall be zero.
50. The variance report will show deviations from original plan and allowing management to see whether the planned activities are going ahead in a timely and controlled manner.

51. Programme managers shall be held accountable for budget overruns and underspends that are not identified and managed properly.

Variance analysis

52. Variance analysis involves looking at the significant variation from the budget and seeking to explain why it exists and what could be done to remedy the situation. A variation **of 10%+ in any period must always be explained**. Differences in expenditure compared to budget could be caused by:-
 - A change in price – items cost more or much less than originally estimated
 - A change in quantity/volume – wherein more or fewer goods/services than planned were purchased.
 - A change in timing – wherein activities are either brought forward or delayed, causing or or less expenditure
 - A change of plan
 - Differences may also be due to errors in the budgeting process or account coding.
53. It is useful to clarify if a variance is temporary or a more permanent situation.
54. Permanent variances represent a lasting over-spend or saving on the budget and require close attention. For a permanent overspend, it must be shown where extra resources to cover additional costs have been sourced. Permanent savings may be called in to offset any over-spends within the donor, subject to the donor rules.

Action on budget variances

	TEMPORARY	PERMANENT
FAVOURABLE	Monitor Progress Plan when to spend if activities are delayed	Increase scale of operation Re-allocate funds taking into account donor rules
ADVERSE	Delay future budgeted costs Consider Cash flow implications	Raise more funds Cut other costs Reduce operations

Compliance with funding agreements

55. The DOO is responsible for compiling a register of all donor contracts with all specific requirements and report dates and ensuring that these are met.
56. The DOO is responsible for liaising with donors on the timely transfer of funds.
57. PMs are responsible for preparing detailed budgets for their work and ensuring that these budgets are complied with; that any variances are explained and are within the accepted limits of specific donors; and for initiating any changes in budget lines in a timely fashion. While programme managers will be assisted in identifying potential problems by the CEO, DOP and DOO during the monthly budget and programme review meetings, it is the primary responsibility of programme managers to manage and monitor their budgets; to initiate donor reports and to draft all narrative reports.
58. Budgets shall be informed by the activities as outlined in the project proposals. Expenditure is tracked vigilantly. At any given point in time the Programme Manager must know how much is already spent on the project, the funds still available and whether the planned activities can be covered.
59. If a programme manager suspects any major deviations from the budgets, this shall be communicated to the DOP and she/he must help with compiling the actual expenditure together with projected expenditure by converting the accounting report to excel and comparing with the estimated expenditure. If it is confirmed there may be an over expenditure, the programme manager must take appropriate steps for seeking approval for amendments to the budget lines from the donors.

60. The DOO and managers are responsible for preparing donor financial reports per specification in contracts and ensuring that these are submitted (together with narrative reports by programme managers) at the correct times.
61. The DOO/PM shall check all reports to donors before these are sent and furnish explanatory notes on any variances.
62. The DOO/PM shall ensure that any queries raised by donors are attended to immediately and to the satisfaction of GL's donors.

III. INTERNAL CONTROLS

Internal control is the integration of the activities, plans, attitudes, policies, and efforts of the people of an organization working together to provide reasonable assurance that the organization will achieve its objectives and mission.

Internal controls

- Affect every aspect of an organization;
- incorporates the qualities of good management;
- Is dependent upon people and will succeed or fail depending on the attention people give to it;
- Is effective when all of the people work together;
- Provides a level of comfort regarding the likelihood of achieving organizational objectives;
- And helps an organization achieve its mission.

Financial responsibility and segregation of duties

63. No one person should handle a financial administration tasks from the beginning to the end. This is so that an error in the work of one should emerge in the work of another or a situation where the work of officer is checked by another in order to limit the opportunity for error and fraud as shown in the table below:

Person who:	Should not:
Prepares vouchers	Approve vouchers
Prepares cheques	Sign cheques
Has access to blank cheques	Post payments to the ledger
Receives cash	Record cash receipts
Prepares bank deposits or records cash receipts	Prepare bank reconciliation
Is responsible for the physical security of assets	PeSFOrm the physical inventory of assets
Maintains driver logs	Monitor fuel usage

The tables summarises the segregation controls for both HQ and country levels. An audit of GL Bank Accounts is attached at **Annex A**.

GL Headquarters

64. The table summarises financial responsibilities at HQ.

Responsibility	Regional office
Budgeting	Programme Managers (PM), Director of Programmes (DOP) Director of Operations (DOO) sign off by CEO
Requesting payments	Finance officers (FO), Programme officers
Checking payments	SFO, DOO, Programme Managers
Approving payments	DOP, DOO,
Authorising payments	CEO
Signatories to the bank accounts	CEO, DOP and Media Manager
Required signatures per payment	Two signing together
Checking cash reconciliations	SFO/DOO/Country Manager

Country offices

65. The table summarises financial responsibilities in country offices.

Activity	Country Finance Officer	Country Programme Officer¹	Country Manager²
Bank Account	Banking Prepare bank reconciliations	Bank signatory	Review and sign off bank reconciliation
Payments	Make payments Enter transactions on accounting system	Authorise payments in line with scheme of delegation	Check/ certify payment vouchers
Cash Management	Prepare top up requests, peSForm cash reconciliations	Maintain overview, conduct spot check cash counts Authorise cash reconciliations	Monitor cash flow, regular review of cash reconciliations conduct spot check cash counts

¹ In small offices this function is performed by the CM

² In small offices this task is performed by the CBM

Monthly Accounts	Prepare reconciliations and monthly financial reports.	Authorise monthly accounts and monthly financial review	Approve monthly accounts and prepare monthly financial review
Payroll	Prepare payroll	Check/ certify payroll	Authorise payroll
Adjustments	Register adjustments	Check/ certify and post adjustments	Identify and approve adjustments

66. Where there are constraints limiting measures for segregation of duties, other compensatory controls shall be employed to ensure reduction of risk exposure for GL.

Management checks

67. All managerial staff should, as part of their routine activities, sample check the work of their staff, for example, checking a few receipts at random each month. Such checks not only demonstrate management's commitment to maintaining sound financial control but also help ensure that managerial staff fully understands financial processes and the returns they are sign.

Country Support

68. HQ finance shall provide support to countries as part of strengthening accountability and capacity building for country offices. This shall be done through organised group coaching exercises and one on one sessions over the web or telephone.

Transaction Requirements

69. A record of all financial transactions shall be kept by all GL offices. The accounting records shall cover two categories namely:

- **Books of accounts** i.e. cash books, ledgers etc. where financial transactions are recorded and summarised.
- **Supporting documents** i.e. paperwork such as receipts and invoices which provide evidence or proof that a transaction took place filed by date and transaction order in Pastel/hard copies.
- Accounting records shall be maintained using Sage Pastel Evolution accounting system.

70. GL transactions shall meet 4 basic costs principles tests which should always be applied to all GL transactions i.e. accuracy, completeness, measurement and validity as explained in the table below.

Accuracy	All details relating to the transaction must be correct and charges clearly recorded <ul style="list-style-type: none"> • Is the amount recorded as received or disbursed correct? • Are all relevant charges recorded? • Is the transaction coded to the correct code and funding source
Completeness	Full details of transactions and any supporting computations and documents must be supplied with each element of the transaction documented and recorded? e.g. If petty cash shows that 10 transactions have been made, then <ul style="list-style-type: none"> • 10 petty cash receipts must be posted to the petty cash register. • 10 petty cash vouchers, supported by relevant receipts and approval by an authorised individual must be available. An advance paid to an employee requires the employee's signature as evidence of receipt. Whenever cash is received a cash receipt must be issued ore receiver signs
Maintenance	After a payment has been approved and recorded, there should be no room to alter the documents by adding another zero to the amount, or changing the payee name on a cheque.
Validity	All payments shall be made to a verifiable person or company. The payment requisition supplied as supporting documentation should provide details like physical location, name of vendor, contact number and an invoice/receipt number as per minimum requirements. <ul style="list-style-type: none"> • Is the disbursement made to a verifiable supplier, partner or employee? • Was it for the benefit of the organization? • Is there proof such as supplier invoice, receipt or report for the purchase written in English to confirm that the item was received or the service peSFOrmed?
Allowable	Only expenses allowable by Gender Links policies and donors shall be paid. Staff shall make every effort to know these requirements before they procure goods or services.

Security and controls

71. All financial records, petty cash and cheque books shall be kept in a secure lockable location.
- All cancelled cheques shall be marked cancelled.
 - All staff records shall be stored on the HR drive to which only the CEO, DOO and the HRA have access.
72. Financial records shall be kept for seven (7) years or as required by the law.
73. All documents supporting financial transactions processed through the Sage Pastel Procurement module shall be maintained in Sage Pastel Document Storage and organised sequentially according to each transaction serial number allocated by the system.

74. All shared finance records shall be stored on the Finance folder on sharepoint that is accessible to all Corporate Services staff.
75. All electronic records are backed up on site and off site.
76. All contracts whether received or issued by GL are scanned and filed electronically on the P drive as well as in hard copy. The hard copy file shall be kept in a steel cupboard by the Procurement Officer.
77. Computer passwords to financial records shall be issued only to the CEO, DOO, DOO, FOs and IA and are regularly changed.

E Signatures

78. All E signatures shall be pass-worded and only the owner of the signature shall be able to use it. No one is authorised to use anyone's e-signature without their knowledge or approval. In the event of any amendments to the document carrying an e-signature, the signatory shall be informed first and their approval shall be sought before such amendments can be effected.
79. All contracts issued by GL shall carry the original signature of the CEO or the person assigned the authority to sign such contracts.
80. GL shall not honour any contracts that carry the e-signatures without the express written consent of the responsible signatory.

Filing

81. Vouchers and their supporting documents should be filed in ascending numerical order.
82. All files must be clearly labelled in ink with subject, period and file reference if applicable.
83. GL strongly discourages the removal of files or documents from the finance department. If it is necessary then ensure that a note is left in the space where the file is kept to say who took it and when.

Document retention

84. Original documentation will be kept in HQ for HQ expensiture and the Country office (CO), with a copy at HQ keeping keeping a copy. Following such a practice will ensure that all original documentation is kept in one place and is easily accessible; this is particularly useful for audits.
85. All original documentation shall be kept for at least five years.

E filing of finance documentation

86. All payment requisitions are scanned and saved in Sage Pastel through the Procurement Module.
87. Sage Pastel shall is hosted in the Cloud by an IT service provider who will manage all back ups in liaison with the IT department.

Other finance back-ups

88. Offices shall back up other information – finance documents, excel and word documents etc in SharePoint in Office 365. This has a virus protected cloud back up.

Accounts and External Audit

89. The Directors (Board Members) shall cause all such books of accounts as prescribed by the laws in all countries of operation to be kept.
90. The books of accounts shall be kept at the registered offices of the non profit company, or at such other place or places as the Directors deem appropriate, and must always be open to the inspection of the Directors.
91. The Directors must, from time to time in accordance with the Act, cause to be prepared and laid before the non profit company in the AGM such annual financial statements as required by the Act.
92. A copy of the annual financial statements that is to be laid before the non profit company in the AGM, must not less than twenty-one (21) days before the date of the meeting be sent to every member of the company, provided that this regulation does not require a copy of those documents to be sent to any person whose address the Association is not aware.
93. Auditors shall be appointed and their duties regulated. Auditors must be rotated every 5 years unless partners are rotated i.e. the same individual should not audit the GL accounts for more than 5 years.

IV. REVENUE, BANKING, ACCOUNTING AND CASH

Revenue

94. All income is recognised and allocated to revenue on receipt within the bank account. No provisions and no accounts receivables are raised for future revenue except in the close-out process where donors provide for in the agreement. Income is allocated per donor per project within the accounting system.

Donor Income

95. All programme funds received shall be accompanied by signed donor/grant agreements showing the nature of donation and reporting requirements and/or invoice/receipt from GL stating the nature of service agreed and provided. Exchange rates are calculated against actual income received.

96. Deferred Income shall be determined at the end of the year during Annual Financial Statements Preparation (AFS) by recognising income as equivalent to donor expenditure recorded. This is disclosed as Donations in Advance in the AFS.

Interest received

97. All monies are managed in such a way that maximise interest and the interest is invested back in the organisation.

Value added tax (VAT)

98. Where possible, value added tax shall be claimed back from the tax authorities and allocated to a provision account for investment back into GL programmes.

99. Where GL charges for any of its services, a VAT charge is levied and this is paid over to the Receiver of Revenue accordingly. This shall include GL NPC, GL Cottages and GL Training Services.

Sale of publications - cash receipts

100. All cash receipts are controlled by invoices and/or pre-numbered receipts forms. The SFO shall verify all cash against receipt forms. The SFO shall ensure the immediate deposit of any cash receipts.

Reserve Fund

101. The Directors may establish any reserve fund or funds for the purpose of meeting contingencies or for the furtherance of any of the objects of the Association, and such fund or funds may be invested, as the Directors may deem appropriate, including the creation of an endowment fund.

Endowment Fund

102. This fund generally comprises of surpluses generated by the Association through consulting work; interest earned; office and conference facilities rented out and publications sold.
103. The endowment fund shall be managed by a reputable financial advisor approved by the Board and the funds must be invested with a reputable financial institution. A report on the performance of this fund must be presented at the AGM.

Bank accounts

104. All organisational funds whether locally generated or donated shall be kept in reputable GL banks.
105. Bank accounts shall be maintained by each office in local and foreign currency. GL shall have Bank accounts denominated either in South African Rands (ZAR), European Union (EURO), Great Britain Pound (GBP), United States Dollar (USD) and Country local currencies for country offices.
106. All banks are/shall be mandated for 2 signatures for each payment. The CEO and Governance Manager and Alliance Manager form the principal signatories at HQ while the Country Manager and country board member are the principal signatures in countries – see Annex A for list of GL accounts and signatories.
107. Release of payments by the signatories is done within approved authority limits.
108. Authorised signatories shall not sign any cheque before full details of the payee and amount payable have been entered. Under no circumstances shall blank cheques be signed.
109. In the event of a signatory resigning, being temporarily unavailable or temporarily incapacitated for a significant period, their signature shall be removed immediately from the bank's list of authorised signatories. A letter to the bank, signed by the country manager and/or DOO to the bank instructing the bank to remove the signatory replacing it with another shall be written and delivered to the bank.
110. A separate cash book shall be maintained and updated on an on-going basis for each bank account.

111. All blank cheques shall be kept crossed under lock and key and shall be opened at the request of the payee.
112. All payments shall be entered in the cash book at cheque and date chronological order by the responsible finance officer on an on-going basis with a correct cost/budget code.
113. Cancelled cheque numbers must be included in the cash book, indicated as cancelled.
114. The Finance and Admin Officer shall reconcile the cash book to the bank account at the end of each month. The DOO at HQ and CM at country offices shall check the cash book and supporting documentation and sign off the bank reconciliation each month before submission.

Bank signatories

115. Bank/Cheque signatories have a responsibility to check the payment requested for correctness, accuracy and validity prior to committing their signatures to the cheque or releasing payments. This includes but is not limited to:-
 - Correct procurement process followed
 - Correct budget line/cost code quoted
 - Correct amounts as per invoices
 - Authorisation of activity by project manager or budget holder
 - Adequate supporting documents
 - Local payments must be made in local currency from a local currency account.
 - Cash payments shall follow the normal payment request procedure.

Business On Line / Internet Banking System Procedures

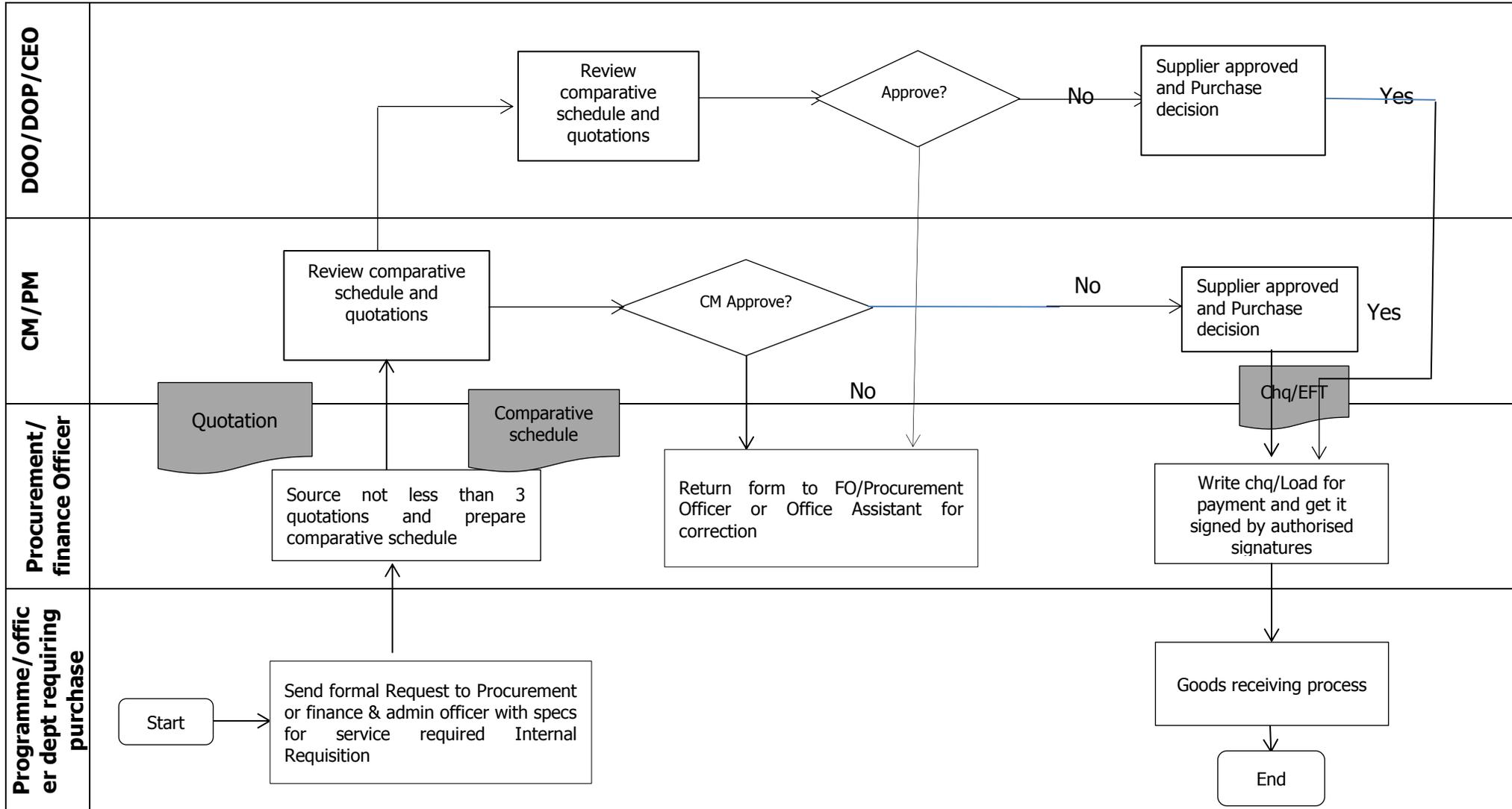
116. The following procedures apply:
 - The FO/CFO loads creditors/beneficiaries in the BOL / Internet Banking System
 - The FO/CFO loads payments
 - The SFO/DOO verifies payments
 - The CEO/DOP/CM/CBM release payments

V. PAYMENTS FOR GOODS AND SERVICES

117. Payments for goods and services shall be made from the bank accounts. Payments are made either by cheque and/or electronic funds transfer.
118. **Cash payments** are/shall only made in exceptional circumstances that include: several small payments to be made for out of town and/or out of country expenses, where GL does not have a bank account and the payments do not form part of the contract of the local consultant/network contracted.
119. All payments requests whether electronic funds transfer, cash or cheque shall be accompanied by an Online Pastel Evolution Requisition found in the Evolution Procurement Module indicating the budget line/cost code and project to be charged.
120. Adequate supporting third party documentation such as original invoices bearing the GL VAT number; contracts; purchase orders, publication form etc. indicating
- When (date of acquisition for goods/services)
 - How much
 - What goods/services were supplied with proof of delivery
 - Who is being paid the supplier/creditor is?
 - Why - purpose of the goods matching GL business?
 - Original third party documentation
121. Payments for goods and services shall comply with the provisions of work plans and budgets. Only allowable costs in line with GL policies and donor contracts must be processed.
122. Staff charged with checking payments shall verify that all requisitions are supported by original invoices bearing the GL VAT number; contracts; purchase orders, publication form etc. and that the payments have been assigned to the correct budget line.
123. Staff charged with checking payments check all invoices to ensure that calculations are correct; raising queries and correcting these where they are not.
124. The DOO at secretariat and country managers in countries where GL has bank accounts are responsible for checking all salary payments to ensure that they comply with contracts, tax, labour and all other statutory requirements.
125. The DOP shall approve all programme-related payments.

126. The DOO shall approve Corporate Services, GL Services and Cottages payments and presenting the payments to CEO for authorisation and release of electronic or cheque payment or bank draft at secretariat. Country Managers and country board members will approve and release the payments within their limits of authority as set in the Pastel Evolution System.
127. The head office managers responsible for country work shall approve all payments within the R20,000 to R100,000 range.
128. The CEO shall authorise all GL HQ payments and payments above R50,000. Such authorisation shall be done either through signing of hard copy requisitions or through Sage Pastel Procurement module.
- The CEO is the accounting officer of GL and reports to the Executive Committee (EC) each quarter and to the Board annually, on the financial status of the organisation.
129. All payments processed in the CEO's absence at secretariat must be presented to the CEO in the next payments meeting at secretariat.
130. Only the CEO, DOO and DOP may override payments above budget limits.
131. The finance officers shall still maintain hard copy files of all payments made duly signed. As soon as the payments process is finalised, the FOs shall stamp all payment documentation with the "PAID" stamp,
132. As soon as the transactions are entered in the accounting system, the FOs shall stamp the documents with a "CAPTURCEO" stamp.
133. The FOs shall ensure that all those to whom payments have been made are notified **within two days of the date and purpose of payments** made and for following up with the bank on any glitches relating to payments. Bank electronic funds transfers provide notification of payment facilities please ensure these are activated.
134. Expenses are allocated according to the budget lines and monitored on a monthly basis by the SFO, DOO and CEO to ensure that all expenditure is within budget and to institute negotiations with donors where adjustments to budget lines might be required.
135. Where documentation is not available immediately on payment (i.e.) advance payments for out-of-town expenses, the requisition shall be accompanied by a quotation , budget for the project and approval from the relevant Head of Department. The requisition is retained and reconciliation completed together with all the necessary documentation prior to allocation to the relevant expense within the accounting system.

Procure to Pay – Purchase Order to payment process for Goods



Process Name	Responsible Person	Process
Ordering goods or services	Finance and Admin/Procurement Officer and programme officers at HQ	<ol style="list-style-type: none"> 1. Sources quotations and prepares a quote comparison. 2. At country office, the Program Officer checks the comparative schedule and the Country Manager approves the purchase of goods. 3. At HQ the HOD Finance/Programme managers check the quote comparisons, the DOO/DOP checks and approves and the DOP/CEO checks and authorises the payment within the provisions of their authorisation limits.
Receiving goods or services	Procurement/office Assistant	The Office Assistant and or Officer who requested the goods receive and inspect the goods.
Transaction recording	Financer officer	Transactions are recorded in the Pastel cash book.
Payment of goods and services:	Finance Officer	<ol style="list-style-type: none"> 1. All payments vouchers are prepared by the Finance Officer through the Pastel Evolution system, checked by the Program officer/ountry Manager and local board member approves the payments. 2. At HQ requesting officer prepares payment voucher, finance officer checks the supporting documentation, Manager checks, DOO checks and approves for Corporate Services/DOP checks and approves for programmes, hands over to CEO for final approval and release of payment
Sending all schedules to HQ	Finance Officer	All payment vouchers are uploaded using CRM for HQ finance review and updating accounting system.

Cash requisitions (advances) and reconciliations

136. Cash payments shall be minimised to reduce risk exposure. However, in some instances such as conducting work away from GL bases, payment by electronic funds transfer or bank drafts may not be possible.
137. Cash advances will only be considered in the following circumstances
- International travel
 - Business expenses for workshops/meetings i.e. for a group consisting of two or more individuals' per diem needs, for team travel small amounts to be paid to several individuals (for example reimbursement of travel expenses); or the exact amount being unknown until after the event
 - lack of transfer facilities;
 - Staff requesting a cash advance must specify valid reasons for the advance of funds needed.
138. Members of staff requesting cash advances remain personally liable for such advances until full retirement of the cash advanced with official third party documentation is complete.
139. Programme managers shall prepare a budget using the activity budget form (see **F02**: Activity Budget Cash advance and retirement authorisation). This budget must indicate whether payments are in the form of cash, electronic transfer, credit card or cheque.
140. All requisitions shall be made through the Pastel Evolution online requisition module with the relevant supporting documentation.
141. In the case of travel the necessary supporting documentation comprises an individual travel advance request (see **F03**: Individual Travel Advance request Form). This form should be read together with Per Diem rates for each country at Annex B.
142. For reimbursement of participants travel or any other **unavoidable** cash amount for which receipts can only be obtained after the event (for example catering or a venue in a rural area) the activity budget shall form the supporting documentation.
143. Cash cheques must be cashed at the bank as close to the day of departure as possible so as to reduce the amount of time in which the cash will be left in the office. If more than one person is travelling cash amounts must be split between

them to minimize chances of loss. Each person must sign a separate cash receipt form for the cash amount they are responsible for.

Workshop participants must sign for travel refunds on an expenses reimbursement form (see **F04** Workshop Expenses Reimbursement form) .

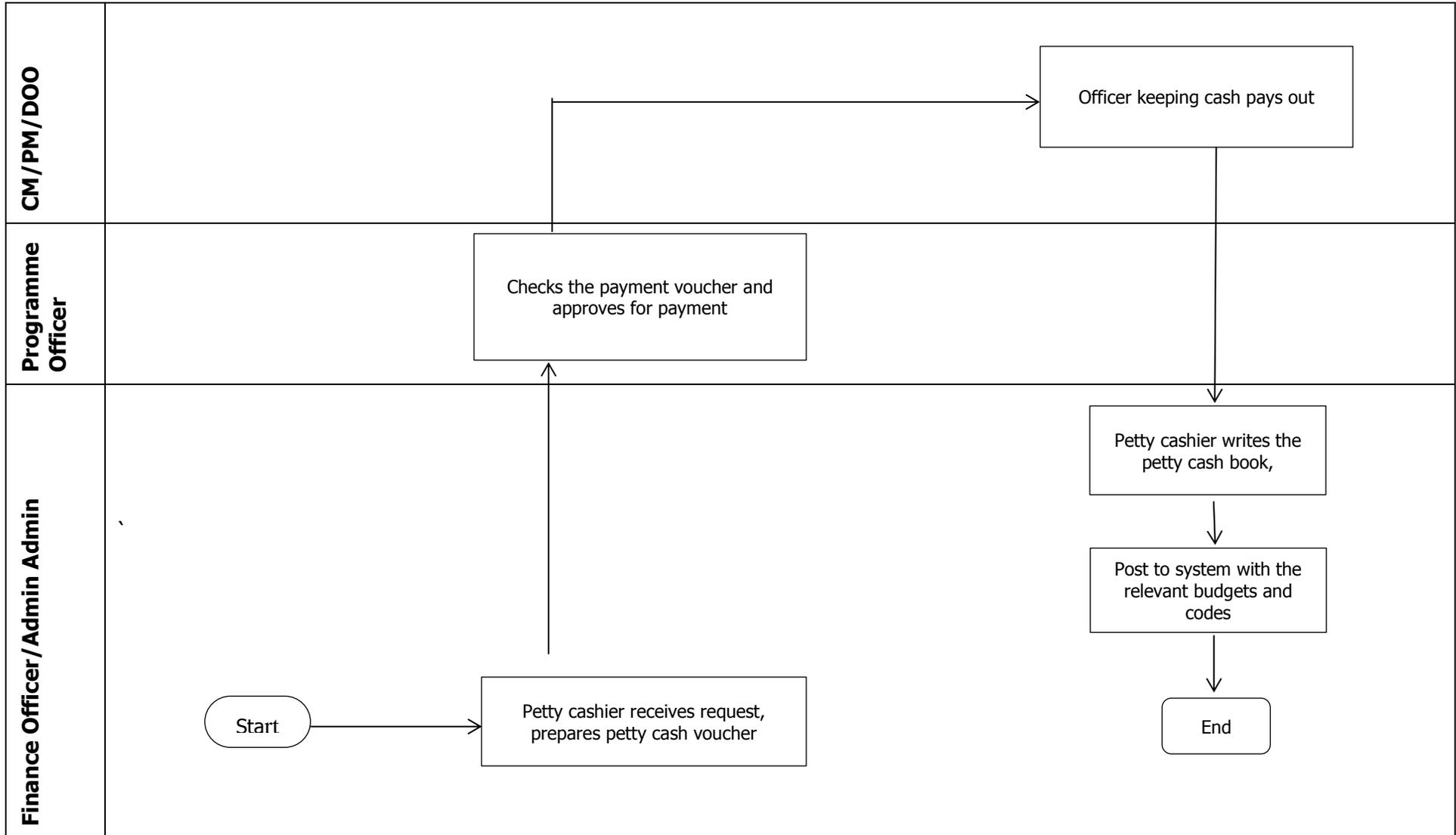
144. Cash advances shall be **retired within 4 workings days** using the Pastel Requisition Module. Failure to do so will result in such outstanding amounts being deducted from the individual's salaries without further reference. A second travel advance will not be issued prior to the retirement of any outstanding funds.
145. Original receipts from service providers must be attached to the reconciliation and numbered accordingly. Where GL provides cash for per diem the relevant section of the form must be completed by the recipient.
146. Should the receipts be in a foreign currency, the foreign currency amount must be entered in the appropriate column on the reconciliation, together with the exchange rate used and the resultant Rand amount. Documentation from the bank or an exchange bureau showing the exchange rate used must be attached to the reconciliation. The reconciliation together with all documentation must be forwarded to the FO and logged in the documents register for checking, final approval and filing with the original cheque requisition, budget and receipt form. All reconciliations are signed off by the SA.
147. Funds left over must be returned with the reconciliation to the FO for re-banking and a receipt obtained for funds handed over. Any monies owing to the applicant will be reimbursed to them via electronic transfer.

Petty Cash

148. The Fixed float or imprest method will be used for petty cash management. This means accounting for and requesting the exact spent amount i.e. Receipts + cash on hand should always be equal to the float. The layout shall be the same as that of the cash book used.
 - Petty cash is used to pay for small sundry items for the day to day running of an office like photocopies, stamps etc.
 - A limit for each country office shall be agreed with DOO.
 - Pre-numbered petty cash vouchers shall be maintained by the Petty cashier or designated accounts officer.
 - Petty cash shall be kept in a lockable cash box in a locked safe.
 - Segregation controls shall be applied to petty cash transactions e.g.

- Keys to the safe shall be kept by a different officer to the petty cash custodian while the petty cash custodian keeps the cash box keys.
 - Petty cash payments shall be authorized by a different officer from the petty cash custodian.
149. A recipient of petty cash shall sign on the voucher for the amount received (see **F05: Petty Cash Voucher**).
150. Receipts or cash vouchers shall support all petty cash payments.
151. The petty cash book should be written out daily and a reconciliation statement of cash in the safe with the actual balance reflected in the petty cash book shall be done on a regular basis the minimum being once a month.
152. Proper handover /takeover procedures should be followed when petty cash changes hands.
153. Spot checks on petty cash will be carried out on an irregular basis.
154. Petty cash will be balanced at the end of each month whether or not a reimbursement is due and documents submitted to the HQ Finance department together with other monthly finance documents.
155. The regional finance officer will verify all country petty cash reconciliations against receipts. Withdrawal of any further cash is subject to prior cash being reconciled.
156. Change from trips shall not be put on petty cash as this distorts the float but shall be re- banked.

Petty Cash Payments



The Main Cash Book and Petty Cash accounts

157. At the end of each month the Finance Officers shall ensure that the entries in the Main Cash book are updated, correctly coded to the supplier as per the procurement purchase order.
158. Pastel Evolution Cashbooks books shall be maintained in Local currency and Rand to facilitate monthly bank reconciliations.
159. Cashbooks entries are maintained at payment order date. Cheques are issued in chronological order from the beginning of the cheque book to the end without skipping a cheque.
160. The difference between the Receipts and Payments represents cash on hand and in the bank which becomes the opening for the following month.
161. Cash on hand shall be counted and certified for correctness by the manager.

Bank Reconciliation Statement

162. At the end of every month the Finance Officers / Programme Administrators in all offices shall prepare the bank reconciliation Statement as follows:
 - Ensure that all receipts are entered in the cash book correctly.
 - Tick off all deposits entered in the cash book against deposits on the bank statement.
 - Take note of all deposits shown in the Bank statement but not recorded in the cash book, ensure a separate receipt is issued for each one.
 - Record all payments shown on the bank statement but not in the cash book
 - Ensure that all cheques/deposits in the cash book are properly recorded up to the last day of the month.
 - Record deposits in the cash book but not shown on your bank statement as a Bank reconciliation item.
 - Record cheques shown in the cash book but not on the bank statements as un-presented cheques.
163. When the above actions have been completed the bank reconciliation statement can then be prepared.
164. Un-cleared items older than six months shall be investigated and written back.
165. All monthly bank reconciliations must be reviewed by the DOO, presented to the DOO for approval.

166. A detailed monthly report must be printed from the accounting system per programme for the managers to monitor expenditure against budget.

Control Accounts Reconciliations

167. All clearing accounts are balanced prior to closure for month end. All inter-account and intercompany transactions shall be reconciled and funds transferred accordingly.

Pay As You Earn (PAYE) and Value added tax (VAT) Reconciliations

Value Added Tax (VAT) Reconciliation

168. Identify what the actual VAT position for the accounting period is as per Pastel balance on the VAT account, which will be equivalent to VAT on sales less the VAT on purchases less payments made to Revenue Authority equals closing balance.

169. The reconciliation is the task of proving or identifying otherwise that the amount declared to Revenue Authorities, e.g. SARS on VAT returns for the period equals the closing balance figure above. If there is a variance, identify where the variances arose and arrange for the amending the next VAT return accordingly.

Pay As You Earn (PAYE) Reconciliation

170. Sum up all the PAYE deducted per employee and compare with the PAYE total submitted to Revenue Authorities per month for the EMP201 reconciliation and per year for the EMP501 reconciliation. All differences to be investigated and rectified before submission.

Supplementary Declaration (IT14SD)

171. When the "Reconciling difference" field on any of the following schedules exceeds R100, then it is mandatory for Gender Links to provide the detail(s) of the reconciliation differences in the Reconciling Items section of the IT14SD:

- PAYE Reconciliation Schedule
- Income Tax Reconciliation Schedule
- VAT Reconciliation Schedule
- Output VAT declared for tax periods falling within the year of assessment
- Input VAT claimed for tax periods falling within the year of assessment

172. The Supplementary Declaration (IT14SD) form is a structured Adobe form that is intended to reconcile Value-Added Tax (VAT), Pay-AsYou-Earn (PAYE) and Customs declarations. SARS will issue the IT14SD to a Company or Close Corporation if the Return of Income: Companies and Close Corporations (IT14) return, that has been submitted by the Company/Close Corporation, has been identified for verification.

173. The following documentation will be required for the completion of the IT14SD form:

- i. Return of Income: Companies and Close Corporations (IT14)

- ii. Value-Added Tax Vendor Declarations (VAT201s) o Ensure that the following totals are added up from the VAT201s submitted for the relevant tax periods, relating to the particular year of assessment:
 - i. Total amount of output VAT as declared under Field 13
 - ii. Total zero rated supplies as declared per Fields 2 and 2A
 - iii. Total exempt and non-supplies as declared per Field 3
 - iv. Total VAT input claimed per (Field 19)
- iii. Employer Reconciliation Declaration (EMP201s and/or EMP501)
 - i. Ensure that the total amount for PAYE, calculated from all the EMP201s submitted for the year of assessment, are added up

Monthly Finance Reports

174. A trial balance become available for printing and review. All reports are available for the monthly management report. The monthly management report details the total income/expenditure per project, the amount of funds available per project and the amount of funds available within the provision accounts.
175. All monthly bank reconciliations must be reviewed, signed and dated by the DOO and presented to the CEO together with the monthly reports.
176. A detailed monthly report must be printed from the accounting system per programme for the managers to monitor expenditure against budget.

Statutory payments

177. All countries shall strictly adhere to the statutory deductions payment dates as gazetted by the country statutes. These include the remission of PAYE, Social Security Funds and related payments.
178. It is the responsibility of the Country Managers and HOD Finance to ensure that GL does not incur fines due to delayed submission of the returns and payments.
179. Internal Audit process at HQ will verify that all statutory requirements are complied with.

Cheque Book management

180. Upon receipt from the bank, the finance officer shall verify that all the cheque leafs are available. Should there be any missing leaf, this shall immediately be reported to the bank in writing by the sub regional manager.
181. The cheque book particulars shall be recorded in the security items register maintained by each office.
182. The cheque book shall be kept under lock and key and only taken out when it is being used.

183. Cancelled cheques shall be crossed cancelled in ink both on the actual cheque and on the stub. Remove any signatures on the cancelled cheque.

Receipt Book management

184. All offices shall maintain triplicate receipt books to record **any/all** money received whether by cash or bank transfer. The original receipt shall be given to the payee, a second receipt filed with supporting documents for the payment and the fast copy shall remain in the receipt.

185. Money received shall be banked promptly where possible on the date of receipt where not within 24hours of receipt.

186. Receipt book particulars shall be recorded in the security items register maintained by each office and be store under lock and key when not in use.

187. Receipts shall be issued on the receipt number and correct date basis taking care not to skip any receipt.

Value added tax

188. Wherever possible, GL claims back VAT from the tax authorities and invests back into the programme.

189. Where GL charges for any of its services, a VAT charge is levied and this is paid over to the Receiver of Revenue accordingly.

Accounts Payable (Creditors)

190. Purchase of goods and services shall follow the Pastel Evolution Purchase order system.

191. Managers must fill in the donor budget line for the service being procured and **MUST SIGN THAT THEY HAVE MADE THIS ORDER**. Should the order not be a legitimate GL requirement or not have a budget line from which it can be paid the managers who have signed for these services will be personally liable for the payment.

192. Individual invoices for such services shall be filed by the FO and reconciled at the end of the month.

193. The FO is responsible for verification of monthly creditor accounts to ensure that they are supported by order forms issued during the month.

194. Monthly reconciliations shall be checked by the Country Manager at country office and HOD Finance at HQ, and approved by the DOO and authorised by the CEO for all regular suppliers prior to payment.

195. All creditors are required by law to quote GL's VAT registration number.

Expenditure and ledger entry processes

196. Country offices are subject to the same financial rules and regulations as those of head office; in particular:

- Country offices shall establish a local GL bank account that shall have at least two signatories; the Board member resident in country, the Country Manager (CM) and or the Country Programme Officer (CPO).
- All capital items purchased shall be the property of GL and shall form part of the GL asset register.
- Accountable transfers for programme and running costs shall be made at the beginning of each month.
- The country office shall ensure that original receipts are kept for all expenditures.
- Country offices shall have the same financial year as GL head office, (1 January – 31 December)
- If necessary, Country office accounts shall be audited annually in February each year in accordance with the laws of each country in which they are registered.
- Running costs must be kept to a minimum.

Accounts receivable

197. The purpose of this policy is:

- To ensure GL's financial statements correctly reflect all amounts owed to the Organisation;
- To establish guidelines by which credit is extended to GL's customers on a consistent basis;
- To manage the extension of credit by GL's various departments;
- To minimize the cost of collecting accounts receivable; and
- To maximize cash flow.

GL Cottages Procedures

Booking Procedure

198. All bookings shall be confirmed through email or check-in confirmation form. After online booking through Nightsbridge booking system, customer engagement through email is done upto the stage of booking confirmation through email.

199. Unconfirmed bookings made through Nightsbridge are status updated to show as unconfirmed through marking as "**unavailable**" status and ensure these are deleted based on quotation validity time lapse. This will ensure there is no blocking of other prospective customers.

Invoicing

200. A proforma invoice shall be generated in Nightsbridge and sent to the customer to ensure agreement with terms of booking before the customer can be invoiced. The quotation shall be valid for seven days or up to 48 hours before activity/occupation, whichever ever comes first.
201. Once confirmation of the proforma invoice / quotation is received, a full tax invoice is raised in Nightsbridge and a 50% Pastel tax invoice raised with cross reference to the Nightsbridge invoice ID. Both the Nightsbridge detailed invoice and the summary Pastel invoice are sent to the customer for payment.
202. The final Pastel invoice shall be raised based on the actual activity for the remainder of the amount payable together with any adjustments made on check-out or end of an event. The final invoice is generated based on the actuals of the event including rooming, beverages, shuttle services and meals. The final Pastel Tax Invoice shall be cross referenced to the original Nightsbridge invoice number.
203. VAT shall be disclosed in each and every invoice at the rulling VAT rate.
204. All the final tax invoices shall be raised within 48 hours of service delivery and invoice immediately sent to the customer on the agreed channel of communication. All customers are given a maximum window period of 7 days to settle the final 50% invoice. The process for the final 50% payment settlement shall be done as per the table below;

Step	Days	Interest Charged	Status	Action
1	2		Check Out / Activity Ends	Serve invoice and collect final 50% from customer
2	7		Customer Default	Send 1st reminder to customer
3	14		Customer Default	Send 2nd reminder to customer
4	21		Customer Default	Send 3rd reminder to customer
5	30		Invoice Unpaid	Send first statement indicating interest.
6	60	10%	Invoice Unpaid after 30 days	Send second statement to customer indicating interest.
7	74	12%	Invoice unpaid after 60 days	Send a letter to customer requesting immediate payment.
8	75+	14%	Invoice unpaid after 74 days	Send a letter informing the customer that unless the past due payment is received within the next 15 days it will be necessary to refer the account to a collection agency.

205. Due to the magnitude of the debtors individually and collectively, GL deem it uneconomic to pursue debt collection through collection agencies for amounts less than R2,000.

206. Once all efforts as detailed above have failed, the debtor shall be presented to the Audit Committee and a decision made to be classified as doubtful and written off as bad debt.

Cash Payments Receipting

207. Receipts shall be issued promptly on receipt of funds for all payments made by cash and credit card payments by customers on Gender Links Cottages official receipt book. For EFT customers, receipt shall be issued only on request. For payments made based on a quotation issued, reference number for the quotation shall be indicated on the receipt and the cash stored in the safe when kept over night.

Banking of Cash

208. All cash received from customers shall be banked within 48 hours. The banking slip must always be reconciled with the receipt book for the cash receipts being banked. No cash shall be used before banking.

Cash Float

209. A cash float shall be established for the amount of R5,000 du

Donor Receivables

210. GL is authorised to spent donor funds in advance through contract agreement by provision of percentage advance spending. When GL so spend own funds, the donor is raised as a receivable until such time the contract close-out process is finalised and funds remitted by the donor.

Staff Salary Advances

211. Staff salary advance is covered under the HR Policy.

212. All staff advances shall be deducted from salary over a period of 12 months. In the event of a staff member leaving before the deduction is complete, the remainder of the salary advance shall be deducted from the final payment on termination of the employee.

VI. WORKSHOPS AND CONFERENCING

Planning and authorisation

213. Programme/country manager must prepare a concept note for the event/ workshop that they are planning, consistent with the overall GL work plan.
214. A budget for the total workshop expenses together with the list of participants must be drawn and must be approved by Head of unit before invitations are sent out. Budget must include all hotel costs, the DSAs, airport transfers, realistic airport taxes as well as estimated flight costs.
215. The Head of the unit must compare the budget with funds available for the workshop, this should indicate whether the budget is sufficient or not. Once this is done, participants can be invited and normal procurement procedures for travel bookings and the venue must be followed.
216. Programme/country managers shall make use of the conference and workshop checklist for ensuring effective planning of workshops and distribution of relevant GL publications.
217. Workshops/Conferences of over R20,000 must be authorised by the CEO through appropriate supervisors.

Workshops and meetings at GL and the GL Cottages

218. Projects are charged for workshops held at the GL conference centre at appropriate rates as stipulated in the GL Services Brochure. Projects are charged for workshops held at the GL cottages according to the GL Cottages rates.
219. Corporate unit and the programme staff responsible should make use of the Conference room and meetings checklist as part of the workshop preparation.

Financial accounting

220. Officers who receive cash advances for this purpose must sign a form taking responsibility within reason for disbursements and pledging to provide reconciliation within four working days of the workshop/conference completion.
221. Cost for phone, fax and photocopying must be accompanied by receipts. If print-outs for phone and fax are available, there should be a detailed statement of expenses incurred.
222. A detailed attendance register of all participants for each day, their addresses, duration of stay, meals eaten and phone/fax details has to be completed during the workshop/ conference.

VII. TRAVEL

Air travel

223. GL Board members and staff travel economy class at the most economical possible fares, except in extenuating circumstances such as an emergency trip for which only certain seats are available.
224. For trips of over nine hours duration GL shall make best efforts to upgrade economy tickets for Board Members and the CEO to business using air miles, provided air miles are available.

Surface travel

225. All travel within a 450 km radius of the duty station must be undertaken by surface transport except when air travel would be cheaper (for example if it is just one person travelling) or where travel time is a factor, as determined and authorised by the CEO.
226. Travel by a GL vehicle shall be authorised 3 days prior to travel by use of the local transport online request form ([LINK TO BE PROVIDED](#)).
227. Should staff use their own cars for long distance road travel, they will be reimbursed at the AA rate relevant to their countries. Should they elect not to use their cars they should present alternatives that may include renting a car; pooling transport with a partner; flying or taking a safe, comfortable bus. The DOP shall approve the most time and cost effective option and if not motivate why to the CEO who shall have the final say in the mode of transport used.
228. The employee shall ensure that such vehicle is adequately insured as GL shall not be liable for damages and/or theft of vehicle that may arise out of using a private motor vehicle for business purposes.

Accommodation

229. Accommodation on GL business is provided at a safe, clean and reasonable venue that is generally a three star hotel or bed and breakfast. Exceptions to this shall be authorised by the CEO with appropriate motivation.
230. Staff with booking responsibilities must inquire on the availability of breakfast at the time of booking to ensure that staff DSA is calculated appropriately.
231. GL provides a breakfast, lunch and dinner allowance per day as per prescribed DSA rates where these are not provided as part of a conference package.
232. Meals are not provided when these are catered for during flight, as stated on tickets.

Authorisation of travel for GL staff

233. All staff travelling on behalf of GL must seek approval from their supervisor using the online platform ([LINK to be provided](#)). This applies to both travel funded by Gender Links and travel funded by other organisations. Except in unforeseen circumstances, all travel and related bookings must be concluded 2 weeks before travel.
234. The staff member travelling will initiate the request attaching the relevant documentation such as a budget, through the info path within the travel module.
235. The OEM will source THREE QUOTES for the requested flights on the system, confirm with the traveller before sending for final authorisation.
236. The request with all relevant documentation which will include quotations for flights, budget, programme and trip approval signed by supervisor will then be forwarded to the DOP for all programme staff who report to her and DOO for non programme staff for approval and CEO for final authorisation. The DOO and DOP travel shall be approved and authorised by the CEO.
237. Once authorisation to issue ticket has been granted by the CEO, the Procurement Officer will request the travel agent to issue the ticket.
238. The Procurement Officer shall send the issued ticket with an administration note to the traveller with details of the travel, pick up, accommodation and other relevant information.
239. Travellers will communicate any amendments or changes to the ticket to the Procurement Officer who will seek the CEO's authorisation before requesting the travel agent to make the changes.
240. Except in exceptional circumstances, where an event is not organised by GL but has a particular relevance to its work, all invitations by other organisations must be sponsored by the host organisation.
241. As per HR policies time in lieu shall not be granted for travel.
242. Staff who arrive from trips before 1500Hours Monday – Friday, are expected to report for work except in exceptional circumstances as agreed with the supervisor.
243. Staff who arrive from overnight travel are expected to be in the office by 1300Hours.

Authorisation of travel for participants attending GL events

244. All programme managers must ensure that they draw up a detailed budget and list of participants against budget line together with a programme to be signed off by the DOP or DOO and presented to the OEM who will not issue tickets before CEO authorises.
245. The OEM shall make travel bookings with the travel agency, but can only issue order numbers, after the responsible manager has verified that these are indeed the most cost effective option, that they are within budget and that the travel times are appropriate. The responsible manager must sign off on each and every participant's travel.
246. Return journeys must be booked as close as possible to the ending of the event, and preferably on the same day. Should participants wish to extend their stay they must do so at their own costs.
247. The OEM must ensure that the travel confirmation and liability form is signed by all invited participants before the issue of tickets (see **F09**: Participant/Partner Travel Confirmation and Liability Form). The Procurement officer is the only authorised staff member who can give final go ahead for the issuing of tickets to the travel agent. This must be done in writing, and a record kept.
248. All participants shall receive a worksDOP administration note before the event detailing travel and administration arrangements.
249. The OEM shall make sure that all the travelling participants have acknowledged receipt of their electronic tickets by email, fax or phone.

Travel paid for by partners

250. Travel paid for by partners must be motivated with a programme, approved by managers and the CEO in the same way as travel paid by GL using the online platform (PROVIDE LINK).
251. The CEO reserves the right to decline invitations, whether paid for or not, that do not have a direct fit with GL programme work

Parking

252. All staff with cars are entitled to paid parking at their place of work. GL shall reimburse staff for parking charged while attending work related events upon production of an original receipt.

Claims

253. In order to claim for any travelling expenses, staff and Board members must complete the requisite travel claim forms. (see **F6**: GL Expenses Reimbursement form).
254. Use of personal car shall be reimbursed at the AA rate in each country.

255. In the case of accommodation, air travel, care hire and use of public transport, no payments will be made without the relevant **original receipts and invoices**.

VIII. VEHICLE POLICY

256. GL is committed to promoting safety and responsible driving for all of its employees. To ensure that this commitment is followed through, the Company has adopted a vehicle policy that requires all employees who operate company owned, leased/rented, or car allowance vehicles during the performance of their jobs, to do so in a lawful and safe manner.

257. Use of the aforementioned vehicles will be strictly for the business of the Company and will by no means be considered available for personal use in any way.

GL Vehicles

258. GL cars shall be registered in the name of the organisation and shall be branded with the GL logo. Where appropriate branding shall include logos of the funding partners.

259. GL vehicles shall be installed with a tracker, wheel lock nuts, and car alarm as minimum security. The vehicles shall be covered under a full comprehensive insurance cover.

260. A First Aid kit; fire extinguisher; spare tyre, red triangle, reflector jacket, tools for changing the wheel; and appropriate documentation as required by local law must be carried in the vehicle at all times.

261. All original documents of the vehicle that include the registration documents, licence disks shall be kept by the FAO and copies shall be forwarded to the Head office.

262. GL vehicles shall generally be used between 0600 hours and 1900hours.
All GL cars shall always be parked at the office premises when not in use for official work and not taken to a staff member's home except when one worked later than 19.00 hrs or is travelling early in the morning as authorised by the Country Manager.

Authorised usage of GL owned/hired vehicles

263. Only GL staff and a designated driver are allowed to drive vehicles owned by GL. The right to drive is further limited to those staff who:

- Have a valid local driving license appropriate to the size and type of vehicle, if local legislation/mechanisms exist for such licensing. The licence must be at least 2 years old with the driver having continuously driven during this period.
- In the case of international staff, have a valid driver's licence from their home country, and also (if required by local law) either a valid international or local driving licence, both licences being appropriate to the size and type of vehicle.

264. Employees must submit evidence of driver's licence through the Human Resources Office before being authorised to drive a GL vehicle and also confirm that:

- They have read and agree to adhere to this policy and the GL Code of Conduct;
- They are eligible to drive the type(s) of GL vehicle that they intend to use under the terms of these rules;
- They will obey all local laws applicable to them as users and drivers of vehicles.
- It is the responsibility of anyone driving the company vehicle to report:
- All accidents, however small, involving a GL vehicle; and
- Any change to staff's eligibility to continue to drive any GL vehicle; and
- Any traffic offenses occurring whilst using the company vehicle

Requisition to use GL vehicles

265. All requisitions for use of the car shall be made through the OEM and through the Country manager in country offices.

266. Where there are conflicting demands on the office car these will be determined according to priority by the Procurement officer/Country manager. Should the Procurement officer be uncertain as to these priorities he/she will seek guidance from the DOO or in his/her absence the DOO.

Safety

267. Employees are expected to take all steps necessary in avoiding endangering themselves and others while operating company or company-sponsored vehicles on company business. To ensure this, employees authorised to operate company/company-sponsored vehicles are expected to:

- Ensure that all occupants, including him/her, wear safety belts when the vehicle is in operation.
- Ensure that the vehicle to which the employee is assigned is maintained in safe driving condition.
- Refrain from using cellular telephones (unless they are equipped with hands-free operations), personal listening devices, and from conducting any other activities which may impede the driver's ability to focus on safely operating the vehicle while it is in motion.
- Comply with respective laws governing motor vehicle operations.
- Pay any fines that may be incurred as a result of not observing traffic laws.
- Staff shall not drink alcohol and drive.
- Any individual who is in violation with the safety expectations listed above may be subject to potential disciplinary action by the Company up to and including termination.

Handling Accidents

268. If a vehicle is involved in an accident the driver shall be required to:

- Stop where it is safe
- Assist any injured persons
- Inform the police and GL immediately
- Assist where possible with details of other parties
- Assist the police where possible but refrain from making any statement which may be incriminating
- Insurance claims must be submitted as soon after the accidents as will be possible and within 3 months of the accident where the individual has been unwell to provide necessary details, and must be accompanied by
- Police report – forms available from the insurance company
- Photocopy of the driver's licence
- 3 quotations for repairs from 3 different companies and/or some Insurance companies do have contract with specific garages.
- Any other documents requested by the Insurance company

Payment for repairs

269. GL will pay all costs for where it is clear that the accident was not due to the negligence of the driver e.g. drunkenness, use of mobile phone whilst driving where the use of the vehicle was approved.

270. Where the accidents are due to negligence by the driver, the driver shall pay

- 50% of the vehicle insurance excess with the 1st and 2nd accidents and full excess for the third accident
- With a fourth accident the driver shall be suspended from driving GL vehicles.

271. An employee who, at GL's request and through GL's authorisation, is asked to operate a rented vehicle, leased vehicle, or vehicle for which the Company provides car allowance while on Company business will do so only from licensed agencies that rent/lease vehicles meeting all state/provincial registration and inspection requirements as well as the safety requirements of this policy.

272. The office car is strictly for use on GL business only. This includes providing such logistic support to the CEO and Board as is necessary for the efficient execution of their functions.

273. A monthly log book shall be kept in which a record of all trips done including the fuelling of the vehicle shall be logged and form part of the monthly M & E reports.

274. The Procurement officer/FAO/CFO/Driver shall ensure that the car is kept clean; that it is filled with petrol as needed; and that all maintenance checks and services are adhered to.

Use of personal transport on GL business

275. Should a Board or staff member use their personal car on GL business, they shall be entitled to compensation at the AA per km rate relevant to the country, provided that such travel has been authorised. South Africa AA rates shall apply in countries where there are no stipulated AA rates. Use of personal transport shall be authorised in instances in which:

- There are conflicting demands on the office car.
- It is cheaper to use personal transport than to use another means of transport for example a taxi.

IX. OFFICE ADMINISTRATION

Communication

276. Staff members are entitled to use the office telephones to make phone calls relating to their work and reasonable personal calls within the city. Each staff member has a code which they must use for making phone calls. Calls made on each code are recorded and reviewed by the RO and COM at the end of each month. Should excessive non-work use of phones be detected this shall be reported immediately to the DOO /CEO, who may deduct excessive phone costs that are not work-related from any monies owing by GL to the staff member concerned after such costs have been discussed with the individual concerned.
277. Phone calls from the office to cell phones must be kept at a minimum to reduce costs.
278. All staff shall be issued with E-Mail addresses and shall be required to undergo email training and become regular users of E-Mail. E Mail shall be used in preference to the phone wherever possible, and in particular for regional and international communication.

Private cell phones, phones and fax machines

279. Staff members shall be reimbursed for the actual cost of the use of their personal telephones and fax machines for GL business.
280. Anyone wishing to claim these expenses must provide an ORIGINAL INVOICE with itemised list of calls and faxes made on behalf of GL.
281. When there is no access to itemised billing, a record of all calls (dates, purpose and duration) made on behalf of GL must be kept and presented.

Skype For Business /Lync

282. Staff shall be connected through SKYPE /Lynch and be trained in use of Voice Over Internet technology, and be encouraged to use this where it is cheaper than regular phone calls, and especially for teleconferencing.
283. Staff members are required to make the use of Skype as a communication tool between GL head office and country offices.
284. Programme managers are also required to empower their regional consultants with the use of Skype in order to reduce the cost of phone bills.

Office Security

285. All staff members shall be issued with keys by the housekeeper/country manager to give them access to the office. The Receptionist/FAO/CFO shall keep a register of who has which keys.
286. Any staff member who leaves GL shall ensure that the office keys issued to them are returned to the receptionist/FAO/CFO who will sign and update the register.
287. Only the CEO/Country manager and the Finance staff shall have access to the financial cupboard.
288. Only the FO/FAO/CFO shall have access to the petty cash box.
289. Staff members using laptops shall be supplied with a laptop lock on their desks and shall be responsible for keeping their laptops locked while they are out of the office.
290. All staff members shall be responsible for closing their windows and curtains before they close for the day.
291. The receptionist/CFO or in his/ her absence a person delegated to peSFOrm this task shall be responsible for closing and locking all HCS rs and gates each day.
292. The last person to leave the office at any given time regardless of whether one is coming back or not shall be responsible for alarming the office.
293. It is a disciplinary offence for any staff member to reveal the security code to any person who is not a GL staff or board member.
294. No strangers shall be allowed into the offices without prior verification of their identity and business on the GL premises.

Stationery

295. GL stationery shall be kept in a locked cupboard and the receptionist/FAO/CFO shall ensure that staff sign for all stationery issued to them.

X. ASSET MANAGEMENT

296. GL defines Fixed assets are those assets that have an estimated useful life of over one year.

297. Fixed and other assets acquired or donated to GL shall be used solely to further the objectives of the organisation. Assets may not be diverted to personal use without suitable reimbursement to GL and to its donors. Misuse/misappropriation of assets shall constitute a violation of the code of conduct and may attract disciplinary action and/or dismissal.

Assets register

298. A master register of all GL assets shall be maintained by the Head Office Corporate Services department and shall be updated as assets are acquired and disposed of.

299. All assets shall be assigned a number and be tagged with this number.

300. The assets should all be insured and the schedule of insurance should be updated regularly as and when assets are purchased.

301. Each country office shall maintain a register of all assets in their possession.

302. The assets registers should indicate among other details the following:-

- the full description of asset
- the date of purchase and suppliers details including invoice number
- cost of the asset which shall include:-
- Purchase price
- Freight, insurance, transportation, customs duties and other related costs up to the company's premises where the asset shall be used i.e. all costs incidental to the acquisition of the asset until it is ready for use.
- the serial numbers and other identifying numbers/marks
- the user and exact location of the assets
- Date of sale, disposal or date written off where such has occurred.

303. Donated Fixed assets, like purchased fixed assets shall be brought into the assets register at their value on receipt.

304. A verification of assets exercise shall be carried out twice yearly in all the offices to match the existing assets with the local and Master assets register.

Purchase of Fixed Assets

305. Items of Capital expenditure should be budgeted for and agreed along with the rest of the budgets at the beginning of each financial year.
306. Authority to purchase fixed assets will be granted by the Chief Executive Officer
307. Normal GL procurement processes shall be followed in the purchase of fixed assets with an additional final step being recording in the assets register.
308. A capital expenditure authorization form supported by the relevant quotations and recommendations shall be completed and submitted to the Finance Department for budgetary implications and authorisation.
309. The IT Officer shall provide specifications of IT assets and other electronic gadgets. This is in view of their electronic equipment expertise.

Theft and/or Loss of assets

310. The assets register shall be updated accordingly following the disposal.
311. All damaged assets will be written off and removed from the assets register with authority from the Board.
312. Theft/loss of equipment shall immediately be reported to the police by the affected employee and to the Corporate Services Department who will advise the CEO
313. An entry showing the asset as stolen shall be made to the Assets register with the relevant case number obtained from the police on reporting.

Depreciation of Fixed Assets

368. Fixed assets shall be written down annually on a straight line basis to a nil scrap or residual value. The following are the recommended estimated useful lives:-

Asset Type	Estimated Useful Life
Freehold buildings	Indefinite
Leasehold property Improvements	Indefinite
Freehold property improvements	Indefinite
Motor vehicles	5 years
Furniture and office equipment	3 years
Computer hardware	3 years
Computer software	3 years

Disposal of Fixed Assets

314. The provisions of the GL Memorandum Of Incorporation (extract below) will be utilised for the disposal of GL assets:

Winding-Up

34.1 If the Company shall be wound up or dissolved, the liquidator must comply with the provisions of schedule 1 paragraph 4 of the Act. Upon its winding-up, deregistration or dissolution the entire net value of the Company shall be distributed to other non-profit Companies or external non-profit Companies carrying on activities within the Republic, voluntary associations or non-profit trusts having objects similar to its main object, to be determined by the members of the Company at or before the time of its dissolution or, failing such determination, by the Court."

Insurance

292. All offices must take out insurance cover for their office assets.

XI. PROCUREMENT

315. Gender Links commits itself to sound procurement policies consistent with principles relating to the policies or act governing in relevant countries. The principles and practices set out in this policy apply to all GL staff tasked with the procurement of goods, services and assets on behalf of the organization.

316. GL shall develop a procurement plan that forms part of the five year strategy and cascades into annual work plans that are reviewed every quarter.

Core principles of procurement

317. The objective is supported by the following core principles:

- obtaining value for money
- open and effective competition
- ethics and integrity
- accountability and reporting

Open and effective competition

318. Open and effective competition is the central operating principle of the entire organization's acquisition process. Staff shall ensure that:

- adequate and timely information is provided to all registered suppliers to enable them to bid / quote
- content of information on the specifications/ task directive should be uniform to all the potential suppliers
- a fair and open process of evaluating bids or quotations should be communicated in the bid specification / task directive or request for quote (RFQ) documents when they are issued.
- The sourcing and comparison of three quotes as per threshold level ensure that GL procures from the most cost effective and efficient supplier. Contracted rates are routinely compared with other suppliers in the market to ensure value for money.
- The suppliers' database to be reviewed regularly so as to provide new entrants / suppliers an opportunity to bid or quote. This also ensures up to date institutional knowledge on the best services available, obtaining value for money.

Ethics and fair dealing

319. Staff shall not use their official position to obtain gifts or benefits for themselves during the performance of official duties nor should they accept any gift or benefits when offered, as these may be construed as bribes.

320. Staff shall not use or disclose any official information for personal gain or the gain of others.

321. Staff shall abstain from any official action or decision-making process, which may result in improper personal gain and they shall declare any conflict of interest.

322. It is therefore required that every employee shall ensure that

- acquisition is conducted in accordance with high ethical and moral standards

- employees must observe recognized standards of fair dealing and personal integrity
- employees should neither condone nor approve any known illegal or unethical act for any reason wilfully
- confidentiality of information must be adhered to at all times
- staff involved in the acquisition process should at all times disclose any possible conflict of interest and / or fraud to the CEO i.e. with regard to acquisitions relating to bids or quotations
- impartiality in the conduct of bid evaluations

Accountability and reporting

323. Staff are required to report irregular transactions / expenditure that may be incurred as a result of non-compliance to organizational policies when transactions are concluded.

324. The following serve as examples:

- acquisitions of goods or services before an official order is generated
- goods or services are procured by means of price quotations where the value of the purchase exceeds the threshold values determined by budgets
- goods or services are procured without following the competitive route and reasons for deviation are not recorded and approved by authority
- procurement of goods and services is authorized by an individual who is not delegated to approve the expense

325. Deviations resulting in irregular expenditure are to be submitted and fully motivated to Corporate Services. The motivation must be signed by the CEO. Corporate Services shall keep a register of all irregular expenditure per financial year.

Purchasing and Procurement Thresholds

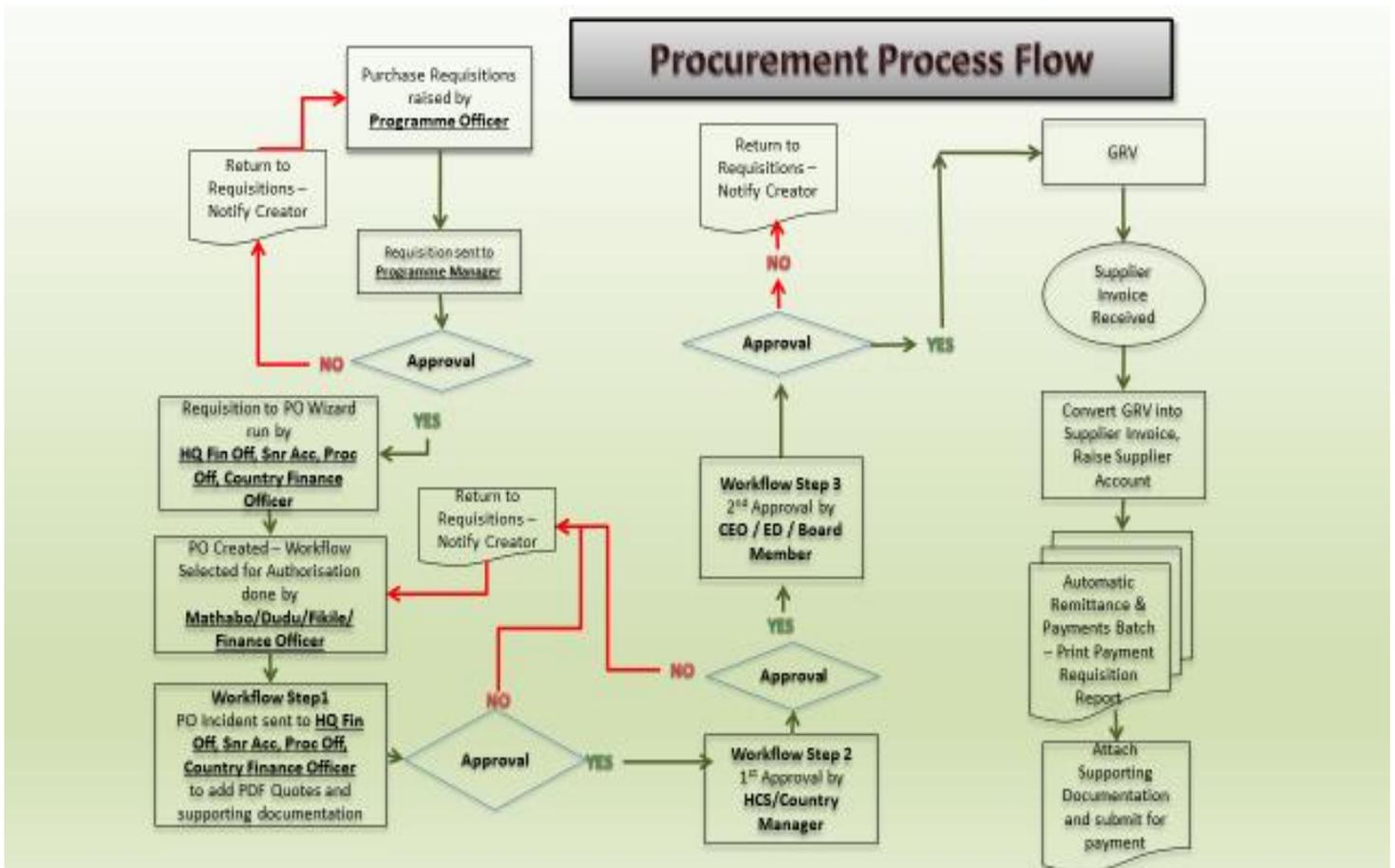
326. The CEO is responsible for final sign off on all procurement.

327. Procurement by different office shall be managed within the provisions of authority limits at HQ and country offices with demonstration of value for money.

328. Gender Links' procurement thresholds are as follows:

Estimated Value	Action
Under R20,000	Prices can be obtained from different suppliers and the best option taken or a preferred supplier can be engaged.
Above R20,000	Written quotes should be obtained from at least 3 suppliers, quote comparison and motivation for the chosen supplier must be provided or a preferred supplier can be engaged.
Above R250,000	Full tendering procedure for consultancies and services other than conference venues for 1 large conference, purchase of a single motor vehicles and premises for GL use where at least 3 quotations shall be sought.

The Procurement Process



Low Value procurement (Below R20,000.00)

329. For low value purchases of under R20,000, prices can be obtained verbally from different suppliers and the option that affords the best value for money shall be chosen. A preferred supplier can also be engaged in such instances.

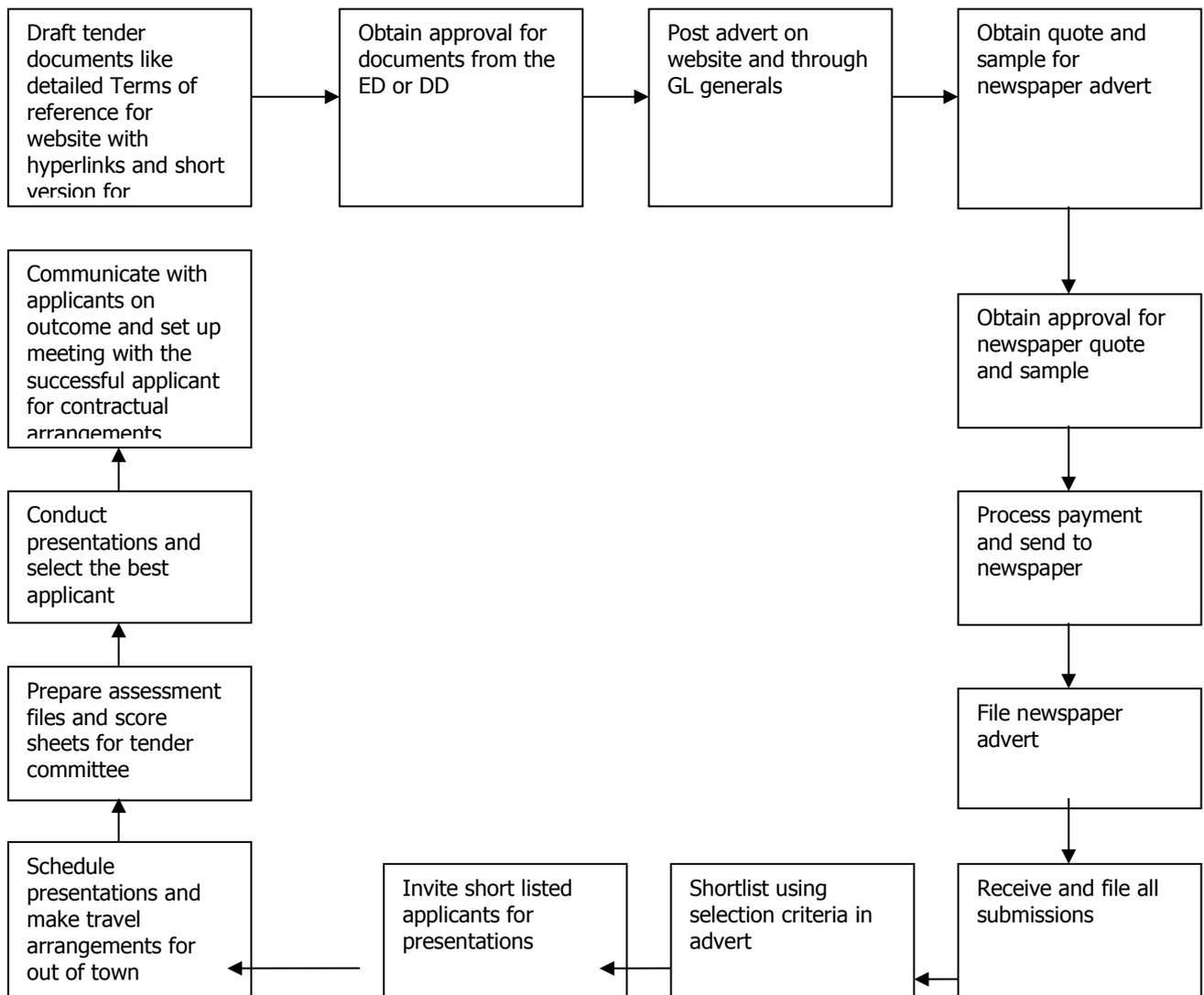
Medium value procurement (Above R20,000 but below R250,000)

330. For purchases above R20,000 but under R250,000 three quotes should be obtained from potential suppliers and compared on the Quote comparison (**Form F07: Quote comparison form and F08 VFM justification form**). Quotes should be in response to clearly defined requirements and the requirement given to suppliers must be the same in all cases. Quotes should be received in writing and the supplier meeting the requirement and the most economically advantageous offering selected. Although the recommended minimum number of quotes is 3, it may be beneficial or necessary to obtain more quotes depending on the service/goods. The procurement officer should allow suppliers a reasonable timeframe (at least 2 days) for responding to the requirement and preparing a quote. When analysing the quotes, the procurement officer should look out for any hidden costs or terms that are not in the best interests of the organization. Examples of hidden costs may be maintenance payments or automatic renewal for subscription services.

331. **High value procurement** Procurement above R250,000 for consultancies and services other than the procurement of a vehicle, premises and a venue for one large conference, shall be put to tender and advertised adequately in order to pool sufficient competitive bids. At least 3 quotations shall be obtained for the exceptional items referred to above.

(Above R250,000)

Tender Process Flow Diagram



Invitation to tender

332. Programme staff are responsible for drawing up detailed terms of reference (see **F09**: Terms of Reference) for tender adverts as detailed in the Call For Expression of Interest Form (see **F10**: Call For Expression of Interest) and Tender Application Template (see **F11**: Tender Application Template). The HCS is responsible for checking and approving tender adverts and ToRs. The Chief Executive Officer is responsible for authorising tender adverts and Tors. After authorisation, the tender advert is passed onto the Procurement officer for advertising. Criteria for different types works is available under procurement forms on sharepoint
333. The following information must be included in the tender advert:
- Tender number
 - Description of the goods/ services applicable to the tender
 - The starting date for the tender
 - The closing date and closing time for the tender
 - The date until which the tender should be binding with regard to acceptance
 - The acceptance date for the tender
 - Proposed delivery date
 - The URL for the detailed tender, ToR and evaluation criteria.
334. GL advertises all tenders through different media print and online media including a regional newspaper, GL's website, the internet and through GL's own contacts list serve.
335. Suppliers shall be given a minimum of two weeks to respond to tenders. Rules relating to tender opening procedures shall apply in order to maintain fair and equitable treatment amongst suppliers. SA tender rules.
336. Tenderers are given an opportunity to make queries or inquiries that shall be made available on the GL website for interested parties as a way of sharing information.
337. The procurement officer is responsible for receiving tender bids and will keep these in a locked box until after the tender closing time where the box shall be handed over to the Head of corporate services and program manager for opening and selection. All tenders that are handed in late or fail to meet the criteria shall be disqualified.

Selection

338. The criteria used to evaluate tenders shall be relevant to the deliverables of the requirement and should be assessed in a clear and quantifiable way. Qualification is based on the capacity and capability of suppliers to fulfil the requirement at the least possible cost.
339. All tenders must be opened and a summary of all tenders against the stipulated criteria shall be prepared for transparency using the Tender applications summary form. The CEO together with the programme manager are responsible for short listing at least three candidates.
340. The Procurement officer is informed and tasked with setting up presentations from the prospective candidates. The procurement officer shall act as a point of reference for the tenderers and shall attend to all questions and queries.
341. The programme manager shall prepare a score sheet on the Tender scoring sheet form (see **F12**: Tender scoring sheet). that is in line with the main requirements of the

tender as set out in the ToR. The scoresheet shall be shared with to bidders at the tendering stage.

342. The CEO shall approve the score sheet before the presentations start.

343. A tender committee comprising of the CEO, DOP, Procurement officer and programme manager shall be set and afforded a chance to go through all the shortlisted tenders beforehand.

344. The tender committee can, at its own discretion and depending on the nature of a tender, invite other knowledgeable personnel or consultants to advise the tender committee.

345. Presentations shall be conducted and the tender committee shall meet at the end to consolidate scores and make a decision.

346. The activities and recommendations of the tender committee are confidential and may not be made public by member of the tender committee, except when the information is officially made public by the tender committee.

Awarding tenders

347. Tenders shall be awarded to the supplier offering the lowest price or delivering best overall value – most economically advantageous tender.

348. After receipt of written confirmation of acceptance from the successful candidates, regret letters (see **F13**: Tender regret letter) are prepared and issued to unsuccessful candidates.

349. The Procurement officer shall prepare a letter for the successful candidates and set a date for a meeting between the candidates, the CEO and the Programme Officer to discuss the work plan and contracting arrangements.

350. The procurement officer shall prepare an end of award report detailing the tendering process from start to finish and detailing the steps followed and reasons for selecting the winning tenderer for transparency purposes.

351. All tender documents, summaries, shortlists, scoresheets, final decisions and outcome letters shall be archived by the Procurement officer for future reference in the event of any queries.

Risk management and suppliers

352. Before entering into contracts, GL staff responsible shall perform a background check for new suppliers. This includes checking that the suppliers are a registered company, their audited statements and their track record through contacting their referees. An assessment of whether they are considered as a going concern should be done. This is meant to pick up any issues that could threaten the supplier's existence to try and mitigate GL's risk.

353. Before drawing up the contracts, GL shall have a meeting with the chosen supplier for a risk assessment of the project and allocation of such risks between GL and the supplier. The agreement of who carries what risk shall be included in the contract between GL and the supplier.

Outsourcing and contracting

354. Any work outsourced by GL to partners or consultants shall be set out in a legally binding contract (see **F14**: Consultant contract template) that spells out the task to be completed and the timeframes within which this is to be completed, as well as the disbursements against deliverables.

355. Contracts not completed within the agreed period due to no fault of Gender Links and where no further negotiations are entered into by the contractor, such contracts shall be considered to have lapsed on the date due .

356. All contracts shall include penalty clauses for late delivery of outputs and these shall be strictly enforced.

357. Under no circumstances shall GL pay the full amount without evidence of all the work being completed due to no fault of Gender Links.

358. The programme/country managers responsible shall initiate contracts to be checked for compliance by the Procurement officer and signed by the CEO using the designated contract form.

359. All contracts must bear the CEO's original signature or that of the person assigned the authority to sign. Only in exceptional circumstances may the CEO/responsible signatory's electronic signature be used. All E signatures shall be passworded and only the owner of the signature shall be able to use it. No one is authorised to use anyone's e-signature without their knowledge or approval. In the event of any amendments to the document carrying an e-signature, the signatory shall be informed first and their approval shall be sought before such amendments can be effected. Staff shall be liable for any use of another person's e-signature or amendments effected without the signatory's approval.

360. Programme/country managers shall be responsible for monitoring delivery of outputs and impact by the supplier. They shall act as the point of reference for the supplier and are responsible for managing the relationship between GL and the supplier. Any deviations from the work plan are negotiated and agreed with the GL programme manager and immediate action is taken. Where a consultant does not deliver the expected quality, the programme manager shall discuss the possibility of reducing the consultant's fees. Consultants shall be made aware of this clause upon signing the contract.

361. The responsible persons shall be responsible for monitoring value for money delivery by the supplier and documenting these where applicable. Suppliers who meet their targets on time and deliver value for money shall be entered into the GL database for potential future engagements.

362. Evidence of the completion of the task by the supplier shall be presented in motivating payment.

363. A SWOT analysis/evaluation shall be conducted at the end of major procurement to determine whether the supplier delivered on all the outputs as expected within the expected timelines and at the expected standard. This will also be used to analyse whether the supplier delivered value for money. A report shall be prepared documenting the outcome and comments shall be included in the supplier’s database to inform future decisions regarding the particular supplier. Other reports that may be generated include the travel savings reports and in kind donations reports.

364. GL reserves the right to withhold any taxes as may be required by country statutes.

Types of contracts and Key PeSFOrformance Indicators

Type of Contract	For Whom	Service	KPIs
Short-term, once-off paid per deliverable	Consultants / Service providers	Research, training, facilitation, translation, video production	Consultants Work Plan.
Long-term, paid per deliverable	Suppliers / Service providers	Recurrent service like stationery, printing, courier, local travel, general repairs and maintenance	Framework Agreements
	Preferred suppliers	Recurrent service like publications layout and printing, air travel	Service level agreements
Contracts issued by suppliers	Gender Links	IT, data analysis, financial services	Checklist of general key provisions of a contract.

Short term contracts

365. Short term once off contracts shall be governed by the work plan as agreed in the contract.

Framework arrangements

366. Framework arrangements are entered into for small recurring costs like local travel, repairs and maintenance. These contracts stipulate the cost of services like hourly rates without quantifying the amount of hour or work to be done as these will be adhoc and payable per deliverable. They are usually for a period of one year.

367. These are meant to save time and costs associated with scouting for quotations and comparison every time a small procurement transaction has to be undertaken.

368. The framework arrangements are signed between GL and the supplier and reviewed annually to assess the quality of service rendered against the cost and to check whether rates are still in line with market rates to ensure value for money.

Preferred Suppliers (Suppliers database)

369. A database of preferred suppliers shall be established and updated regularly.

370. Quotations and proposals are invited from potential suppliers who provide relevant services such as research, editing, proofing, translation, data analysis, training, facilitating, layout, printing, hotels and lodges for accommodation and conferencing venues from around the region.

371. A competitive evaluation of comparing suppliers providing the same service is undertaken and the suppliers who provide the best quality and the lowest possible/acceptable costs are identified and entered into the database as "preferred".

372. Arrangements are entered into with such suppliers for the provision of services in adhoc manner as and when GL requires such services. The arrangements shall stipulate the rates like costs of accommodation per night, conferencing per person, layout and printing per page.

373. The suppliers are commissioned as and when GL needs services and the payment shall be made against valid invoices whose rates shall be consistent with those in the agreement.

374. The suppliers' database is continuously updated and new suppliers identified. If new suppliers offering the same services at the same quality and lower rates are identified, the contracted supplier shall be notified and advised of the new supplier's rates to try and bring down their rates or if this is not possible, GL shall switch to new supplier. In case where a supplier is contracted outside the preferred supplier database, a motivation for the reasons shall be documented in a "note to file" (see **F15**: Note to file).

375. Such agreements are reviewed annually to assess the quality of service, invite new bids for competitive evaluation and assess value for money delivery.

Contracts issued by suppliers

376. All contracts issued by Service providers to GL shall be checked against the GL contracts checklist before signing.

377. These contracts shall clearly stipulate the tasks, deliverables, outputs, impact to be achieved, timeframes and total number of hours/days to be spent, hourly rates and disbursement schedule.

Filing and storage of contracts

378. All contracts shall be recorded on contracts register that is kept on the GL Sharepoint for access by staff.

379. All contracts are scanned and e-filed on the public drive for easy access by staff and the originals are locked up in a steel cupboard for safety by the Procurement officer.

Procedure for receiving goods/services

380. The member of staff who initiates an order and is therefore familiar with the goods ordered is the only person who should inspect and certify that the goods were received in the expected order. If the goods are not in order they should be returned to the supplier immediately with reasons. If in order, the goods should be recorded in the relevant goods received register.
381. All purchases must be supported by an official supplier invoice addressed to the organisation.
382. Supplier invoices/vouchers should be for goods or services, which conform to the nature of the organization's activities.
383. The goods should be stored in a secure place with properly controlled access and where they can be easily verified and counted.

Recording/issue of supplies

384. Each GL office shall maintain a register for recording all goods received, goods issued out and balance of goods on hand.
385. Goods in hand will be periodically checked against theoretical/documentated stock. Any discrepancies will be investigated and reported. Abnormal usage of stock should be investigated and reported.
386. Each GL Office shall maintain and retain accurate records relating to all shipping documents, receipts, cancelled cheques and other relevant documentation relating to publications, goods and services acquired by the organisation for the programme and shall avail copies to the Secretariat for financial and operational audit at the request of funding partners.

XII. VALUE FOR MONEY

Introduction

387. Value for Money (VFM) ensures the optimal use of resources to achieve the intended outcomes. VFM is defined as the relationship between economy, efficiency and effectiveness, sometimes known as the "value chain". It takes into account the economic, efficient and effective ways of implementing programme delivery to ensure maximum value is derived from every amount spent.

388. VFM involves comparing alternative goods/ services available in the specific market prior to a specific choice being made. This means comparing the costs against the benefits to be obtained in that specific service. The benefits should compare favourably with the price the organization will be paying for those goods/ services. VFM is an essential test against which the department must justify any procurement outcome. It is however, not the only factor to be considered when comparing the alternative solution.

389. VFM also looks at ways in which programmes are implemented. It looks at whether there are better ways of carrying out activities in a cost effective way and still achieving the intended outcome at the desired quality. Managers must seek to implement programmes in the most cost effective ways and save as much as they can on procurement, seeking in kind support and collaborations with partners.

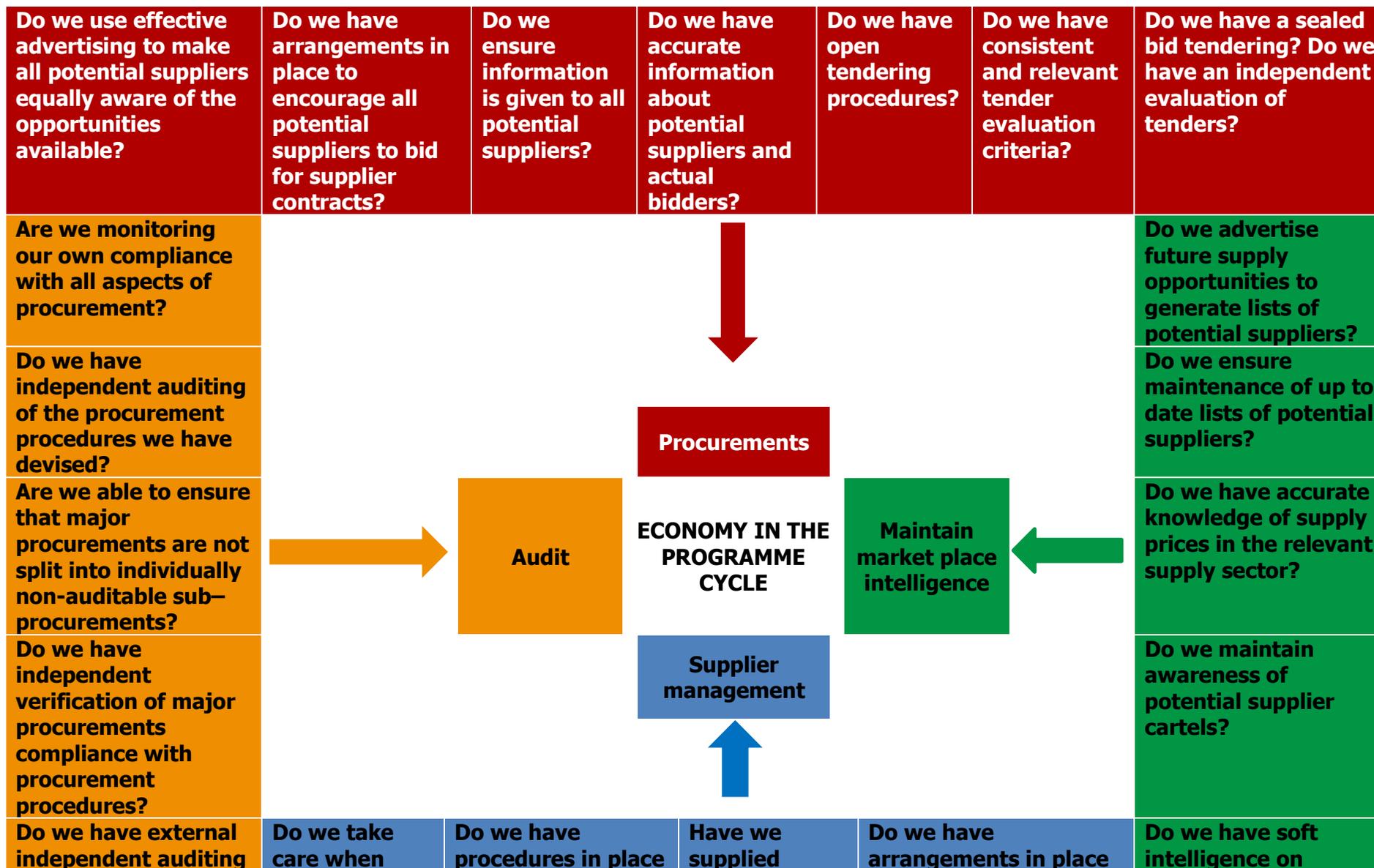
390. Other factors include the goods and service offered meeting the requirements of the department and the capacity of the supplier to deliver the required product / service within the specified period.

391. Where GL comes into partnership for the implementation of certain projects, a Memorandum of agreement is entered into stipulating that parties will bring and control their own resources to the project.

Value for money includes:

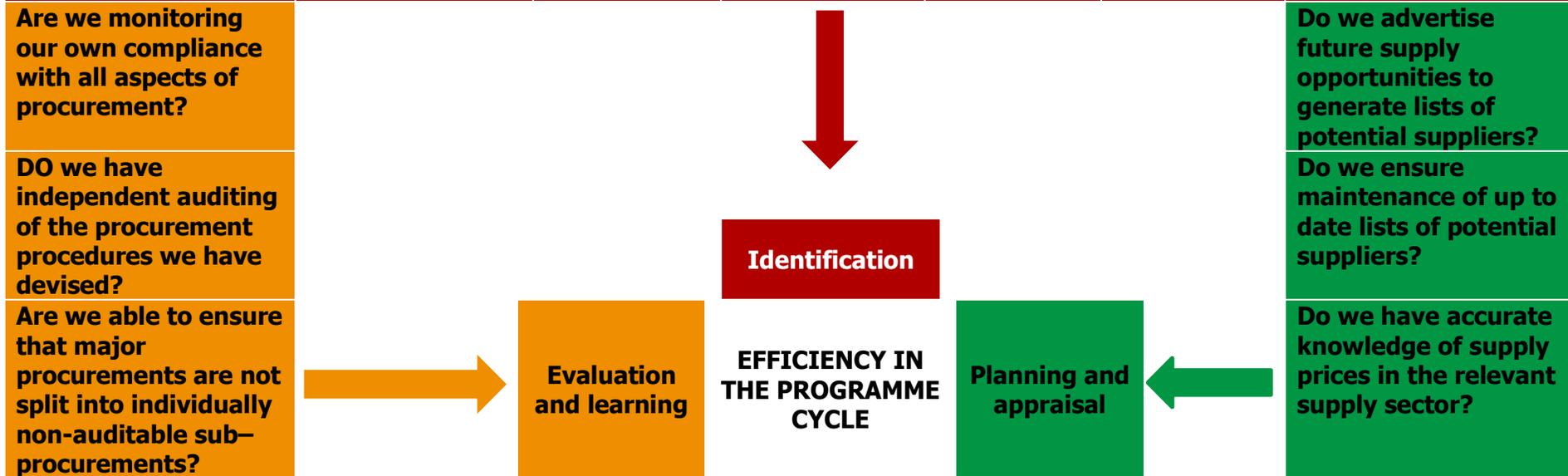
- **Economy** is about value in delivering inputs. This is where for example they should be referring to the value achieved in using local facilities for training
- **Efficiency** is about the value achieved in translating inputs into outputs. This is where for example calculations of costs per beneficiary (such as cost per trainee) should be included and if there are comparisons that can be made (such as the cost per trainee is low/medium/high compared to other similar activities and why).
- **Effectiveness** is about value in translating inputs into outcomes. This is where for example there might be a calculation that shows the costs associated with the benefits each elected representative received from their training (direct attribution), and/or how the costs can also be associated with how these trainings contribute to elected representative's role in helping to achieve wider representation/impact beyond the direct attribution.

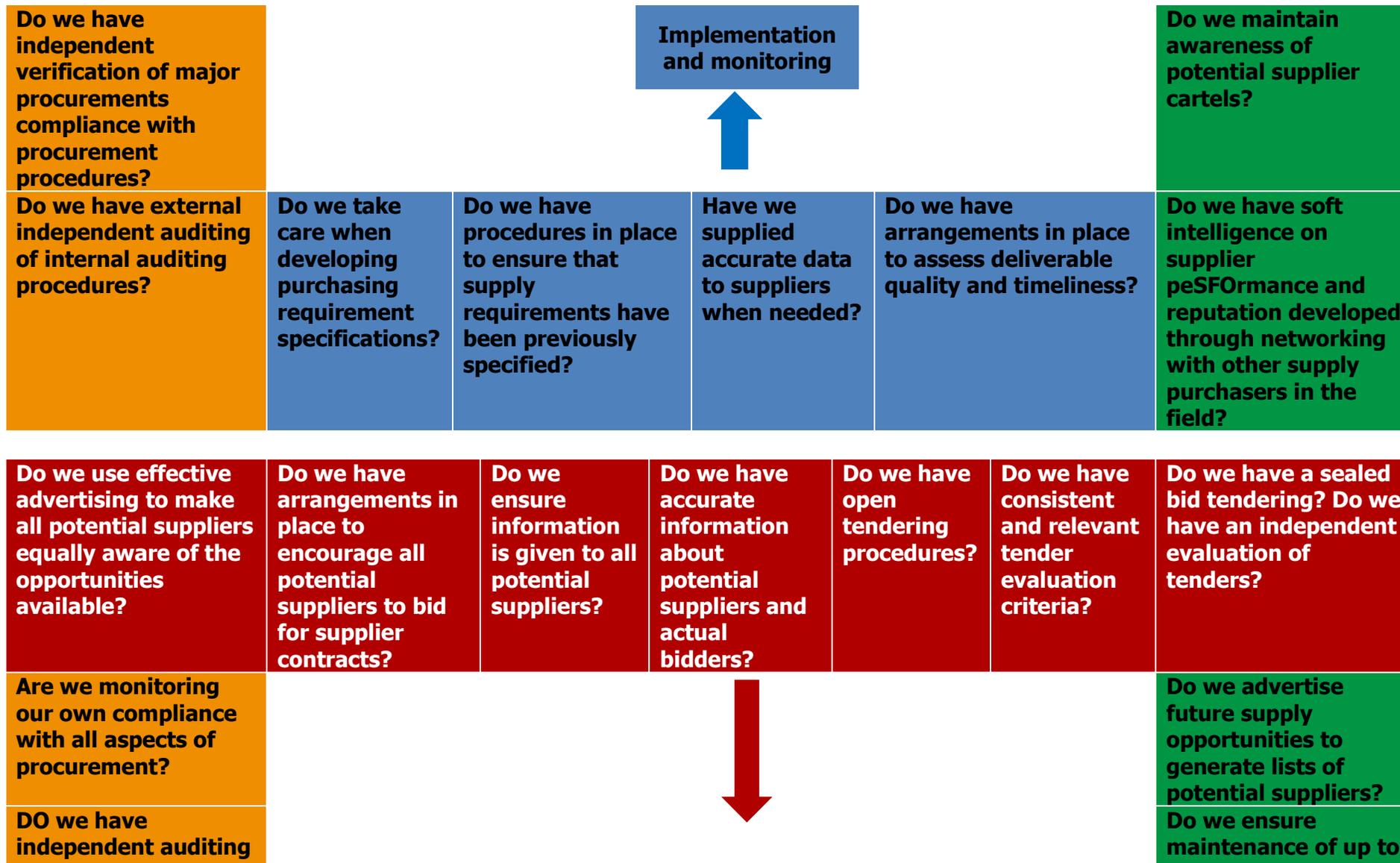
The diagrams that follow provide detailed description of each area.

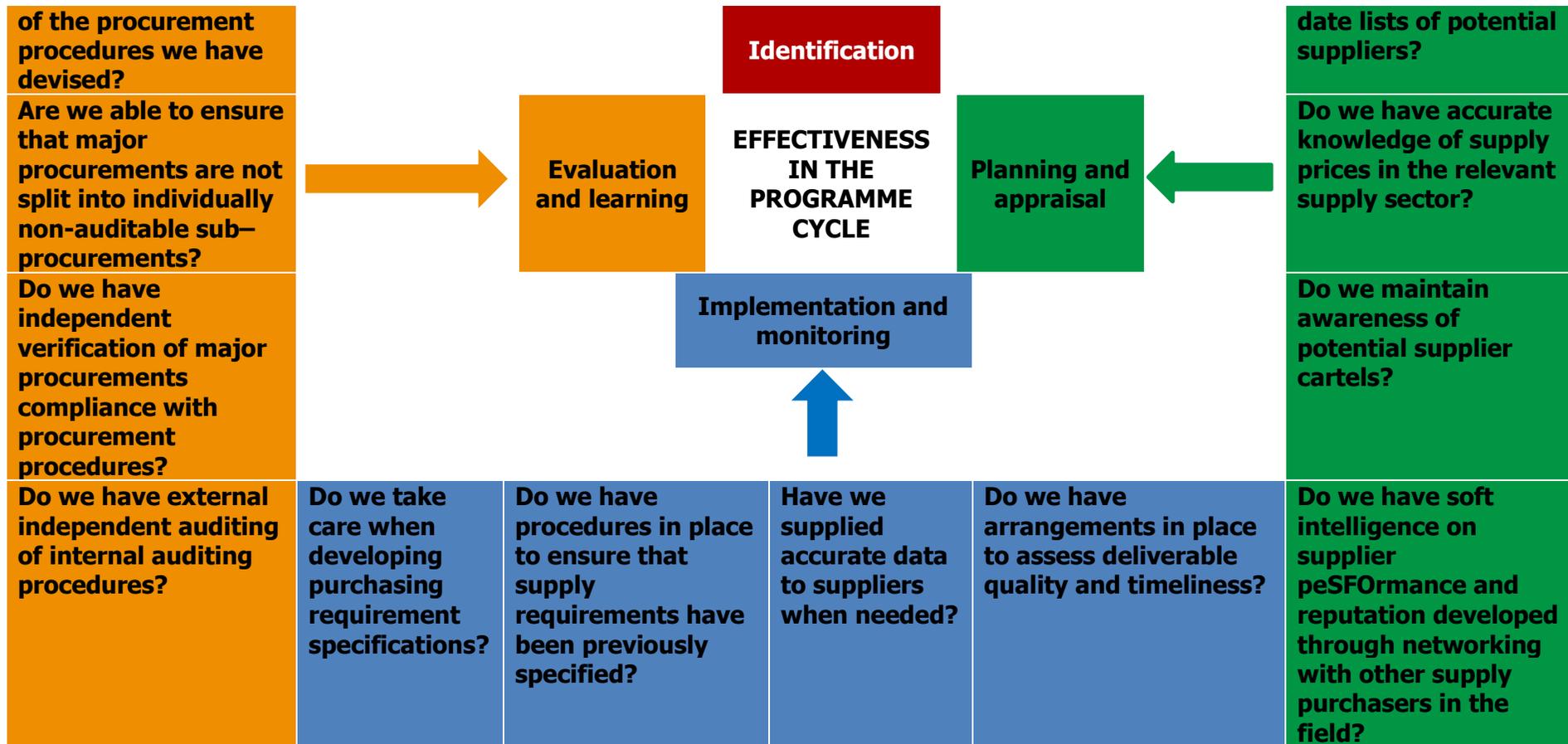


of internal auditing procedures?	developing purchasing requirement specifications?	to ensure that supply requirements have been previously specified?	accurate data to suppliers when needed?	to assess deliverable quality and timeliness?	supplier performance and reputation developed through networking with other supply purchasers in the field?
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Do we use effective advertising to make all potential suppliers equally aware of the opportunities available?	Do we have arrangements in place to encourage all potential suppliers to bid for supplier contracts?	Do we ensure information is given to all potential suppliers?	Do we have accurate information about potential suppliers and actual bidders?	Do we have open tendering procedures?	Do we have consistent and relevant tender evaluation criteria?	Do we have a sealed bid tendering? Do we have an independent evaluation of tenders?
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392. GL commits to an efficiency savings target of reducing costs by 10 – 15% per annum to be achieved through the following VFM strategies:

Leveraging	VFM gains		
	Economy	Efficiency	Effectiveness
Fundraising	Key to sustainability		Encourages other donors
In-kind support	Stretches GL's scarce resources for implementing COE work		Enhances ownership and commitment, ensures sustainability
Cascading			
GL Services			
Councils gender budget allocations	Ensures basic resources for taking forward gender action plans.		
Savings	VFM gains		
	Economy	Efficiency	Effectiveness
Procurement savings	The combined procurement savings represent 7% of GL's budget in 2012/2013		
Programme - planning synergies		Saves staff time.	Fosters team spirit
Effective use of IT		Free multiple participant online meetings.	Enhances capacity
Green savings		CD's instead of books reduces transport costs.	Creates green awareness
Effective use of in-house staff		GL is creating a video studio, reducing post production costs.	EG Growth of a young intern to audio visual officer

Planning

393. GL shall work from a five-year strategic plan broken down to annual plans that inform the semester plans. At the biennial planning, all programmes shall present their country-specific plans with dates. This provides management an opportunity to think laterally across programmes and link programme outputs, dovetailing workshops and meetings to save on time and travelling costs.
394. GL shall dovetail its annual Board, Strategy and Planning meetings with the Gender Justice Summits. This is a good example of effective planning. All managers are expected to be innovative as they plan workshops and meetings and look for synergies that can achieve VFM.
395. As programme staff plan for travel, all programme requirements shall be taken into account and staff are required to carry GL publications to avoid freight costs.

Leveraging

396. GL shall leverage its resources by forming smart partnerships for cost sharing. GL shall approach partners with projects of common interest and discuss how working together on a project can achieve both organisations' set targets and how costs shall be shared to realise the intended outcome. This should result in cost sharing and in partner organisations achieving the intended outcomes at a lower cost than if one organisation bears all the costs. This strategy usually works for research, campaigns and launches.
397. GL shall leverage its advisory services with programme work by accepting consultancy work only where there is a fit with GL's programme work to ensure that set targets are achieved with the resources availed from the consultancy and the planned programme budget can be used cover a wider scope or reallocated to other needy activities with the funders' approval.
398. GL shall source in-kind donations as a cost saving mechanism. GL shall continue to partner with local municipalities and other local government bodies who are able to provide in-kind support like free venues for workshops and free office spaces for satellite offices. GL shall expand this web to the private sector as companies often have social responsibility budgets that can be used to fund particular events or research.

Effective financial management

399. GL's effective financial management enhances the tracking of costs against performance. GL's financial system shall capture all financial transactions against project and donor budget lines. The DOO and SFO shall monitor programme expenditure diligently to avoid over or under spending without compromising delivery.

400. Budget holders are expected to fully understand their budgets, the cost of their activities and the value of their intended outcomes.
401. Programme and budget review meetings shall be held every month ahead of the management meeting to ensure compliance with funders' regulations, VFM is planned and achieved and that the programme is on track with regards to delivery.
402. As part of their PeSFOrmance Agreements, programme/country managers shall come up with innovative ways of delivering their set outcomes by leveraging on the available resources. These may involve seeking smart partnerships, in-kind support or dovetailing events as explained above. The outcome of the programme review meetings shall inform the direction of the projects.
403. Through prudent financial management, GL shall direct and control resources in ways that maximise benefits and reduce costs to ensure value for money.

Staff capacity building on VFM and procurement

404. All new GL staff shall undergo in-house financial training conducted by the DOO and the procurement officer that include VFM strategies, procurement processes, thresholds and roles and responsibilities.
405. Refresher courses shall be undertaken twice annually to ensure application of lessons learned and improvements in policies and procedures that are reviewed annually by the board.

Evaluation and review of the policy

406. The VFM policies shall form part of the organisational evaluation conducted every five years and programme reviews conducted as and when required by funders.
407. VFM reviews are useful assessments of whether or not GL is obtaining the maximum benefit from the goods and services it both acquires and provides, within the available resources.
408. VFM reviews not only measure the cost of goods and services but also take account of the mix of quality, cost, and resource usage, fitness for purpose, timeliness and convenience to judge whether or not, together, they constitute good value.

Tracking value for money and efficiency savings

409. Reports in Sage Pastel shall be used to track savings as a result of good procurement practise. Qualitative evidence will be gathered using Form F8 – VFM justification form.

XIII. ANTI CORRUPTION, FRAUD, COFLICT OF INTEREST

410. Corruption is a corrosive disease in many organisations and societies. GL works for increasing transparency and good governance both within GL and with partner organisations, sharing financial records, annual accounting as well as operational results. Transparency also includes being open to share difficulties and problems, in dialogue with different stakeholders. GL is one of the first southern NGO's to become fully compliant with IATI – the International Aid Transparency Initiative. GL subscribes to the SADC Protocol Against Corruption that aims to promote and strengthen the development, within each Member State, of mechanisms needed to prevent, detect, punish and eradicate corruption in the public and private sector. GL believes that a strong focus on anti-corruption work both internally and externally strengthens the organisation's reputation as being professional and trustworthy. The position set out in this policy brief forms part of *GL Policies and Regulations* that in turn form part of all staff contracts. This particular section of GL Policies and Regulations shall, following the Board meeting of April 2013, form part of all consultant and partner contracts as well.
411. **Purpose:** The Corruption Policy, and specific policies on Conflict of Interest (COI) and fraud seek to facilitate the development of controls which will aid in the detection and prevention of corruption in all GL work. This policy aims to assist staff and Board Members (*referred to as "GL officials"*) with identifying situations that could present potential corruption, fraud, and COI, and to provide GL with procedures for preventing and addressing these situations.
412. **Application:** This policy applies to any fraud, or suspected fraud, involving employees as well as consultants, vendors, contractors, partners or any other parties with a business relationship with GL. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to GL.
413. **Responsibility:** Management shall put in place mechanisms to assist in detecting and preventing fraud, misappropriations, and other inappropriate conduct. The Board takes ultimate responsibility for setting policy, exercising oversight, and leading by example where these key issues are concerned, as set out in GL's Memorandum of Incorporation, as well as Board Regulations.
414. **Visibility:** GL shall put up *Zero Tolerance on Corruption* posters in all its reception areas and finance offices at HQ and country level.

Context

415. Corruption has proved to have negative, harmful and devastating influences on investment and economic growth, administrative performance and efficiency and political development. It stifles entrepreneurialism, misuses national resources, and weakens administrative capacity and democracy. Corruption at all levels reinforces political instability, underdevelopment and deprives citizens' of their rights. Political processes and political pluralism is undermined as corruption constrains participation in decision making, and access to key public services (such as education, health and water). In post-conflict areas and fragile states, corruption amplifies and inflames existing tensions.

416. Aid Effectiveness and Development Effectiveness remains unachievable with corruption. Recipient countries and donors must ensure that development resources are used for their intended purpose and not diverted through corruption, waste or abuse. Not only does corruption undermine national and international efforts to reduce poverty, furthermore it compromises the welfare of the most marginalized communities. It affects poor and marginalized people most of all; poor women, men and children who are deprived of health services, schooling, participation in decision-making etc. They are suffering most from the consequences of corruption.

Gender dimensions

417. Studies made by Transparency International on corruption in the health sector have proven to have a particularly negative impact on women. Studies by the World Bank have shown that there is an inverse correlation between women's political participation and levels of corruption. GL is in the process of studying this issue further in its work on gender and local governance. While women are not inherently less corrupt than men, and system that promotes representation of diverse interests is likely to enhance probity, promote transparency, and reduce corruption. This is one of the reasons why GL has a dynamic and growing gender and governance programme.

Addressing corruption

418. Taking a firm stand against corruption is important to achieve all objectives on the Aid Effectiveness Agenda. It is necessary to set "the tone at the top". The approach is looking at awareness, but also on denouncing corruption as well as support building anti-corruption structures and mechanisms within State structures (such as supreme audit instructions). Still there is need for more political initiatives regarding corruption. For example, the Paris Declaration draws little attention to overcoming corruption.

419. Civil Society has a role in anti-corruption work, acting as whistle blowers, watch dogs, but also lobbying for access to information as citizens. Citizens can demand to be part of decision making processes regarding policies and budgets as well as holding decision makers accountable. Networking on corruption issues is one way to put political pressure on decision makers.

420. Civil Society actors, like GL and partners, need capacity building and support to engage in anti-corruption enforcement. Strengthening of internal structures, improvements of financial and programmatic performances as well as transparency towards CSO's constituencies are necessary in order for CSO's credibility to be credible actors in the work against corruption.

Definitions

- **Corruption** is the abuse of power for illegitimate individual or group benefit. Corruption exists in many forms and there are many different expressions, some of them listed below:
- **Bribery:** When a person, organisation or institution provides goods or services against some form of improper compensation. Bribery involves (at least) two parties – giver and receiver.
- **Kickback:** A form of bribery, where someone involved in a purchasing process (procurement) gets a reward or commission, material or non-material from the supplier for placing an order of goods or services.
- **Embezzlement:** Theft of resources.
- **Fraud:** A crime committed by anyone spreading misleading information publicly in order to influence the price of goods, securities, or other property; the intentional false representation or concealment of a material fact for personal financial gain.



Taking the bull by the horns

GL:

- Participates in and/or supports networks that include anti-corruption work/Supports partners that act as watchdogs.
- Supports Human Rights and democracy programmes that includes fighting against corruption.
- Incorporates accountability in our advocacy and thematic work, especially at the local level.
- Is a signatory to and is compliant with IATI.
- Incorporates Policies on Corruption, Fraud and Conflict of Interest in GL Policies and Regulations.

- **Extortion:** The act of obtaining goods, services, loyalty, allegiance, favours by force, threats or undue demands.
- **Favouritism:** The unfair promoting of one person or a group at the expense of others.
- **Nepotism:** Favouritism shown to relatives in conferring offices or privileges.
- **Conflict of interest:** When someone handles or makes decisions in a matter in which he or she has a personal interest or where the outcome can result in gain for or damage the decision-maker or someone close to them. This also includes the impartiality of the decision-maker when handling an assignment.
- **Sexual harassment:** Men or women in power using their power to force female or male employees to give sexual favours in exchange for their jobs, promotions etc is also a form of corruption. This is dealt with as part of GL's Gender Policy.

PREVENTING AND ADDRESSING CORRUPTION IN GL' WORK

421. GL has developed methods and instruments for quality assurance so that resources are used efficiently, transparently, and effectively to comply with the objectives behind allocated resources. Staff members that work in GL shall have a clear understanding of their role and responsibility so they know what is expected of them in their daily duties. This means clear delegation of responsibilities but also capacity building.
422. ***Control, audits and reporting:*** Annual and all periodic audits for GL offices incorporate anti-corruption. The CEO is responsible for monitoring compliance.
423. ***Whistle blowers:*** Whistleblowing is the confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrong-doing. All staff are protected from victimisation, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain. Where disclosures are made in the public interest, staff will have statutory protection. Any disclosures will be investigated fully including interviews with all the witnesses and other parties involved.
424. Normally individuals should make disclosures internally. The identity of the whistle blower will be protected at all stages in any internal matter. While GL can provide internal anonymity, it cannot guarantee this will be retained if external legal action flows from the disclosure.

425. **Capacity building:** GL shall provide training of staff members on anti-corruption as part of annual financial training. Corporate Services at HQ and Country Managers are responsible for the capacity-building of staff members to ensure the implementation of guidelines and routines.

426. **Termination of service or of contract:** If an investigation results in a recommendation to terminate an employee or service contract, the recommendation will be reviewed for approval by the CEO in the case of a staff member; and the Executive Committee (Exco) in the case of the CEO; before any such action is taken. Any action taken will be in accordance with GL's disciplinary code and procedures, as set out under "Human Resources." These guidelines and rules have been developed to explain how GL works with anti-corruption and to give guidance to GL' staff members in their work.

427. **CONFLICT OF INTEREST POLICY**

Actions constituting Conflict of Interest

428. **Direct Conflict of Interest** arises when a GL official has an interest in, or connection with an organisation/person with which GL transacts where that interest is of such a nature that it might influence the independent judgment of the GL official. In the case of Board Members, this includes any contracts that are concluded between GL and Board Members or organisations related or linked to the Board members issued in accordance with clause 14.2 of the Articles and Memorandum of Association.

429. **Indirect conflict of interest** arises when a person such as a relative or friend of a GL official has an interest in, or connection with an organization/person with which GL transacts with where that interest is of such a nature that it might influence the independent judgment of the GL official.

430. **Types of transactions in which conflict of interest may arise**

- The selection and use of consultants or other professional advisors.
- The selection or supervision of contractors, suppliers, or vendors.
- The sale of products, the purchase of materials, supplies and equipment.
- The investment and borrowing of funds.



431. Examples of transactions with conflict of interest

- Compensation arrangements and employment contracts directly affecting the GL official.
- A contract or transaction between GL and a GL official (e.g. Board Member) or a GL official's family member or friend.
- A contract or transaction between GL and an entity in which a GL Official or family member has a material financial interest.
- A GL official competing with GL in the rendering of services or in any other contract or transaction with a third party.
- A GL official having a material financial interest in or serving as a director, officer, employee, agent, partner, associate, trustee or consultant to an entity or individual that competes with GL in the provision of services or in any other contract or transaction with a third party.
- GL officials shall not disclose or use information relating to the business of GL for the personal profit or advantage of the GL official or a Family Member.

Gifts, gratuities and entertainment

432. A GL official or family member may not accept from a third party any gift to the value of more than R400 or any other similar benefit where the gift or benefit results out of the course of the GL official's duties or relationship with GL. Gifts of cash or cash equivalents from a third party to a GL official of any amount are not permitted.

433. If a GL official is offered any gift to the value of more than R400 or similar benefit from a third party, he/she should immediately report it to his/her direct supervisor or COO/CEO for approval and this must be registered in the register of gifts that is maintained by the HRA.

434. The giving or receipt of common courtesies, occasional meals or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with sound business practice. Unusual items, however, must be reviewed and approved in advance by the CEO/HCS.

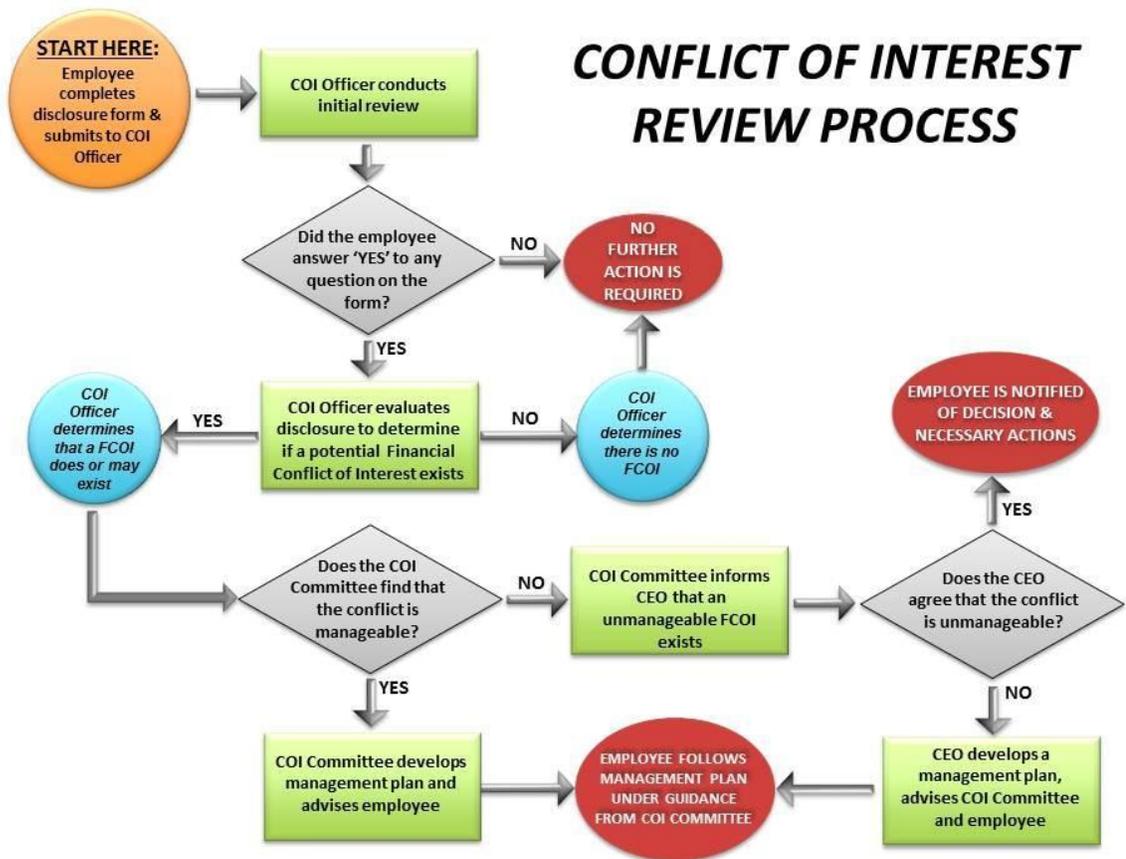
435. A GL official may not accept gifts, entertainment or other favours from any individual or entity that:

- Does or is seeking to do business with, or is a competitor of GL.
- Has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from GL.

436. Under circumstances where it might be inferred that such action was intended to influence or possibly would influence the GL official in the performance of his/her duties.

437. Acceptable gifts and entertainment generally fall into the following categories:

- Occasional meals of reasonable expense with a business partner
- Ordinary sports, theatre and other cultural events of a nominal value
- Other gifts of nominal value or reasonable entertainment.
- An offer, gift, entertainment or anything of value may not be accepted or given if it is:
 - Illegal or would result in a violation of law
 - Cash or a cash equivalent (such as gift vouchers, loans, stock, or stock options)
 - A *quid pro quo* or part of an agreement requiring anything in return for the gift
 - Sexist, or otherwise violates GL's commitment to mutual respect
 - In violation of GL's standards or the standards of the recipient's organisation.
- Gifts, gratuities or entertainment to government officials may never be



offered or provided without prior written approval of the Board

Management of transactions where conflict of interest has arisen

438. All GL officials are obliged to disclose all facts material to the transactions where conflict of interest exists as soon as the conflict of interest becomes known to the GL official before the contracts or transactions are considered by management using **Form F16: GL Declaration of Interest**.

439. When an opportunity, commonly referred to as a "corporate opportunity" to acquire property or to seize some financial or business advantage comes to the attention of a GL official or as a result of his/her relationship to GL in a way that would permit its personal realization, and is relevant to GL's present or prospective purposes or goals, the GL official must present the opportunity to GL.
440. An informed evaluation and determination by a disinterested majority of the management team or Board of Directors shall be conducted.
441. The GL official shall refrain from any action that may affect GL's participation in such a contract or transaction.
442. In the event of it not being entirely clear that a conflict of interest exists, the GL official with the potential conflict shall disclose the circumstances to the DOO/CEO/Board Chair, who shall determine whether there exists a conflict of interest that is subject to this policy.
443. The details of transactions or contracts where conflict of interest exists shall be recorded in the Register of interests in contracts of Directors and Officers kept by the DOO and presented to management or the Board.
444. The CEO shall report the disclosure to management in monthly management meetings. The Chair of the Board in the case of Board Members shall report the disclosure at a Board meeting and the minutes of the meeting shall reflect the disclosure.
445. This disclosure shall be taken into account when the Board or management discusses the contract or transaction.
446. The GL official who has a conflict of interest shall not participate in or be permitted to hear the Board/management's discussion of the matter except to disclose material facts and to respond to questions. The official shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

Annual disclosure

447. GL official shall at least annually, or as determined by GL , and as and when changes occur, complete a declaration form (as issued and amended by GL from time to time) identifying any relationships, positions or circumstances in which the GL official is involved that he/she believes could contribute to or result in a conflict of interest.

Actions constituting fraud

448. The following actions shall be regarded as constituting fraud:
- Forgery or alteration of any document or account belonging to GL
 - Forgery or alteration of a cheque, bank draft, or any other financial document
 - Misappropriation of funds, securities, supplies, or other assets
 - Impropriety in the handling or reporting of money or financial transactions
 - Profiteering as a result of insider knowledge of company activities
 - Disclosing confidential and proprietary information to outside parties
 - Disclosing to other persons securities, activities engaged in or contemplated by the company
 - Accepting or seeking anything of material value from contractors vendors or persons providing services/materials to the GL with the exception of gifts less than R400 in value.
 - Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related inappropriate conduct

Reporting procedures

449. Any employee who suspects dishonest or fraudulent activity shall notify the CEO immediately (or if the case concerns the CEO, the Chair of GL Board) and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act. The employee or other complainant may remain anonymous.

Investigation responsibilities

450. The CEO (or Exco, if the case concerns the CEO) has the primary responsibility for the initial investigation of all suspected fraudulent acts. If the investigation substantiates that fraudulent activities have occurred, the CEO will issue reports to Exco or if the case concerns the CEO it will be reported to the Board. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the Board as will final decisions on disposition of the case.

Investigation

451. Members of the Investigation Unit shall have:
- Free and unrestricted access to all Company records and premises, whether owned or rented; AND
 - The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.
452. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other

inquirer should be directed to the CEO, Exco or GL's legal representative. No information concerning the status of an investigation will be given out.

453. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect GL from potential civil liability.