



Green The Environment (GTE)

Financial Policy Of Green The Environment



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Financial Policy for Green The Environment

1. Introduction

The Financial Policy of Green The Environment is designed to provide a clear framework for the management of the organization's financial resources in a transparent, accountable, and responsible manner. This policy ensures that financial management practices support the organization's mission, vision, and goals, while complying with applicable legal requirements and donor regulations. The policy applies to all financial operations within the organization and governs the administration of funds received from donors, partners, and other sources.

2. Purpose

The purpose of this Financial Policy is to:

- Ensure the efficient and effective use of financial resources in line with the organization's objectives.
- Establish clear guidelines for financial management, including budgeting, accounting, reporting, and audits.
- Maintain transparency and accountability in all financial dealings.
- Prevent and detect financial mismanagement, fraud, and corruption.
- Comply with all relevant legal and regulatory frameworks governing non-profit organizations.

3. Financial Governance and Oversight

3.1 Financial Management Committee

Green The Environment will establish a Financial Management Committee (FMC) responsible for overseeing the implementation of this policy and ensuring financial discipline. The FMC will consist of key senior management, including the Finance Manager, Executive Director, and external auditors (when required).

3.2 Financial Oversight

The Board of Directors will provide strategic oversight of the financial performance and health of the organization. Financial reports will be shared regularly with the Board to ensure that the resources are being managed properly.

4. Budgeting

4.1 Budget Preparation

- A detailed budget will be prepared annually, outlining the anticipated income and expenditure for the upcoming year. This budget will be reviewed and approved by the FMC and the Board of Directors.
- Each department and program will be responsible for submitting their proposed budget, which will be consolidated into the overall organization-wide budget.
- Budgets should reflect the priorities of the organization and align with the goals and objectives outlined in the strategic plan.

4.2 Budget Monitoring

- Monthly financial reports will be generated and reviewed to ensure that spending remains within approved limits.
- Variances from the budget must be justified and explained, and corrective actions will be taken if necessary.
- Any proposed changes to the budget, including reallocation of funds, must be approved by the FMC.

5. Financial Transactions and Record-Keeping

5.1 Accounting Standards

- Green The Environment will adopt Generally Accepted Accounting Principles (GAAP) for accounting and financial reporting to ensure consistency and transparency.
- A clear and standardized chart of accounts will be used to record financial transactions across all departments.

5.2 Financial Documentation

- All financial transactions will be supported by relevant documentation such as invoices, receipts, contracts, and bank statements.
- Documentation will be retained for a minimum of 7 years, in accordance with the applicable regulations and donor requirements.

5.3 Payment Authorization

- All payments, including salaries, vendor payments, and program-related expenses, must be approved by the designated person (Finance Manager, Program Manager, or Executive Director) according to the approval hierarchy.

- Any expense above a predetermined threshold will require additional approval from senior management or the Board.

6. Internal Controls and Safeguards

6.1 Segregation of Duties

- The organization will ensure that responsibilities for financial management functions are appropriately segregated. No individual will be responsible for both authorizing and disbursing payments.
- Financial management responsibilities, including the handling of cash, recording transactions, and approving payments, will be clearly divided among different staff members.

6.2 Access to Financial Systems

- Access to financial software and accounting systems will be restricted to authorized personnel only. Passwords and user credentials will be regularly updated to ensure secure access.
- Regular backups of financial data will be made to ensure that no information is lost in the event of a system failure.

6.3 Physical and Cash Controls

- Cash handling will be limited and strictly monitored. All cash transactions must be supported by receipts, and cash balances must be reconciled regularly.
- Bank accounts will be monitored, and reconciliation statements will be prepared monthly to ensure the accuracy of financial records.

7. Financial Reporting

7.1 Internal Financial Reports

- Monthly financial reports, including income and expenditure statements, balance sheets, and cash flow statements, will be prepared and reviewed by the FMC.
- These reports will be shared with program managers, the Executive Director, and the Board to provide an overview of the organization's financial performance.

7.2 External Financial Reports

- Green The Environment will prepare and submit annual financial statements for independent auditing. These statements will be made publicly available to donors and stakeholders as part of the organization's commitment to transparency.

- The financial statements will include a breakdown of income and expenditure, including any donor-specific funds, and will be subject to independent verification.

8. Audit and Compliance

8.1 Internal and External Audits

- The organization will conduct internal audits regularly to evaluate financial controls, identify discrepancies, and ensure compliance with financial policies.
- An independent external audit will be conducted annually to verify the accuracy of financial statements and ensure compliance with donor regulations.

8.2 Donor Compliance

- Green The Environment will ensure full compliance with the financial reporting requirements of donors and funding partners, including submitting detailed financial reports and narratives on time.
- Any funds received from donors will be used strictly for the purposes outlined in the donor agreements and budgets, and any deviations will be reported and justified.

9. Risk Management and Fraud Prevention

9.1 Fraud Prevention Measures

- Green The Environment will implement a strict anti-fraud policy, which includes procedures for reporting suspicious financial activity, investigating fraud, and disciplining perpetrators.
- Staff will be trained on fraud detection and reporting, and whistleblower mechanisms will be in place to encourage the reporting of suspected fraud.

9.2 Risk Management

- The organization will maintain a risk management plan that identifies potential financial risks and outlines strategies to mitigate those risks.
- Regular reviews of the financial environment, including donor and market trends, will be conducted to identify emerging financial risks.

10. Capacity Building and Staff Training

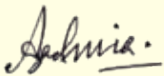
10.1 Financial Training

- Staff involved in financial management will receive regular training on accounting practices, financial controls, and relevant legal and regulatory requirements.

- Capacity-building efforts will also focus on strengthening the financial management skills of local partners and field staff to ensure consistent and transparent financial operations.

11. Conclusion

This Financial Policy provides a comprehensive framework for managing financial resources at Green The Environment. By ensuring transparency, accountability, and compliance, this policy supports the organization's ability to achieve its mission and goals while building trust with donors, stakeholders, and beneficiaries. All staff and stakeholders are expected to adhere to this policy to ensure the effective and responsible management of financial resources.



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