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ASIA INDIGENOUS PEOPLES PACT

A. Introduction

A.1. Organization Profile

The Asia Indigenous Peoples Pact (AIPP) is a regional organization founded in 1992 by indigenous peoples’ movements. AIPP is committed to the cause of promoting and defending indigenous peoples’ rights and human rights and articulating issues of relevance to indigenous peoples.

The Purpose

• To serve as an organization for sharing aspirations, ideas and experiences, consolidating cooperation, solidarity and coordination for developing common agenda and programs on issues affecting indigenous peoples in Asia.
• To enhance capacities of indigenous communities, organizations and institutions, including women and youth to respond to their concerns and issues at different levels.
• To develop programs based on the key and strategic issues and needs of member-organizations.
• To advocate the cause of indigenous peoples at all levels and engage with relevant national, regional and international processes as well as with relevant institutions and agencies.
• To strengthen linkages, networking and coordination with advocate and support-organizations, and support other organizations and movements for the realization of the aspirations of indigenous peoples in Asia as well as to contribute in achieving equality, peace, democracy and justice.

The Vision

Indigenous peoples in Asia are fully exercising their rights, distinct cultures and identities, are living with dignity, and enhancing their sustainable management systems on lands, territories and resources for their own future and development in an environment of peace, justice and equality.

The Mission

AIPP strengthens the solidarity, cooperation and capacities of indigenous peoples in Asia to promote and protect their rights, cultures and identities, and their sustainable resource management systems for their development and self-determination.

To realize its goals, AIPP undertakes six programs:

• Human Rights Campaign and Policy Advocacy
• Communications Development
• Regional Capacity Building
• Environment
• Indigenous Women
• Organizational Strengthening

The AIPP Management team implements programs jointly with the members and partners.

The Governance Structure
AIPP is a membership-based organization and the supreme authority is the Members as represented in the General Assembly. An Executive Council is overseeing the strategic direction and management of AIPP. The Secretary General is mandated to manage the Management team and is elected by the Executive Council. An Advisory Board is ensuring that AIPP is complying with Thai statutory requirements and is providing guidance to the Secretary General. Program Committees have been established to support and guide the implementation of AIPP’s programs.

Membership to AIPP is open to all indigenous peoples’ organizations and movements including organization of indigenous women and youth and ethnic based organizations located in Asia who subscribed to the aims and objectives of the AIPP.

The Organizational Structure

The organizational structure has been built around the eight core functions of the Strategic Plan: Institutional Building, Communications Development, Human Rights Campaign and Policy Advocacy, Regional Capacity Building, Environment, Indigenous Women, Youth Platform and Financial Management and Administration of AIPP.
A. INTRODUCTION

A.2. Scope of Manual

The manual is prepared primarily for the use of the Finance Department of Asia Indigenous Peoples’ Pact (AIPP) and all its Program Offices and other staff directly involved in the major transactions affected in the general accounting system functions. It has been designed to facilitate understanding of the accounting system for the operations of the Organization. It has also been developed to serve as ready source of clarification and basis for future review and to facilitate the orientation of new accounting staff.

This manual should be periodically reviewed and updated to adapt operating policies and procedures to changing conditions. Suggestions for any revisions are encouraged among staff with the recommending approval of their supervisor. The supervisors shall review and endorse the recommended change for approval of the Management team. Copies of the approved revisions and memos, properly identified will be distributed to all concerned to ensure that the manual is kept up-to-date.

Objectives of the Manual

AIPP and its partners need to establish and follow acceptable office procedures to meet fundamental management, accounting, auditing and donor requirements.

The aim of this Manual is to provide AIPP Finance and Program Offices’ staff and partners’ staff with formal written instructions for the processing of financial transactions that can be easily understood and followed.

Organization of the Manual

The manual is divided into parts, and the parts are further sub-divided into sections. Each page is numbered sequentially using numbering system as follows: Letter – section number – page number.

A. Introduction

This part of the manual presents the Organization profile and the scope of this manual.

B. General Accounting System

This part of the manual contains the basic accounting principles and procedures that should be followed in processing, recording, summarizing and reporting the Organization’s accounting transactions. Its various sections are presented below:
Section 1 Organization

This section describes the objectives of the Finance Department and the duties and responsibilities of the finance personnel.

Section 2 Chart of Accounts

This section shows the chart of accounts with the coding scheme or asset, liability, fund balance, income and expense accounts. It also includes the description of each account.

Section 3 Policies and Procedures

This section contains the general policies, the accounting policies and procedures for AIPP’s Cash Receipt, Cash Disbursement, Petty Cash Fund, Cash Advance, Purchasing, Payroll and Fixed Assets. This also includes the financial policies and procedures for long-term partnership with organizations for project or program implementation.

Section 4 Financial Reporting

This section contains Monthly Closing, Monthly, Quarterly, Semi-Annual and Annual Reporting.

C. Budget Procedures

This part contains the policies and procedures for budgeting and mid-year review in the Regional and Partner Offices.

D. Partners’ Accounting and Reporting

This section includes the financial policies and guidelines for long-term partnership with organizations for project and program implementation and the guidelines for financial reporting.

E. Audit

This part of the manual presents the three types of audit – donor-required audit, external audit and internal audit.

F. Record Keeping and Retention

This part contains the different reports and records to be maintained and the period of retention.

G. Special Policies and Procedures
This part contains discussion on commissions, gifts, bribes, fraud and other irregularities. It also includes approval of personal expenses, receivable from staff, and lost or stolen assets.

H. Accounting Forms and Documents

This part contains the accounting forms and documents. It includes the description of the document and procedure for its preparation.

I. Appendices

This part contains sample copies of the accounting forms and documents.

All AIPP staff are expected to comply with the policies and guidelines outlined herein.
A.3. Internal Controls

Internal Controls are the methods and procedures used to protect assets, ensure accounting information is correct, ensure operations run efficiently, and ensure policies set by management are being followed.

The Management team is responsible for establishing a good system of internal controls at projects and its office, and at the partners’ offices. While AIPP places a high level of trust in its staff, this must be balanced with the need to be accountable. Good internal control system help the staff and the organization to be more accountable for the funds given.

All coordinators and managers have the responsibility to make sure internal controls are understood and followed by staff. The Management team should be informed of problems, issues and any suggestions for improvement.

Types of internal controls

- Competent, trustworthy staff with clear lines of authority and responsibility
  - Staff are trained to do their job and have clear job description
  - Authority limits for finance voucher and purchase are understood and followed

- Segregation of duties and responsibilities
  - Staff handling cash are different from those doing record keeping
  - Staff approving purchases are different from those doing the purchasing

- Proper procedures for authorization
  - Authority levels should be set for senior management
  - All contracts must be signed by the Secretary General or the designated staff in his/ her absence
Adequate documents and records
- Forms are simple in layout, easily understood and completed
- Appropriate documentation supports and explanation of the transactions

Proper procedures for record keeping
- Vouchers are completed for all financial transactions
- Finance Vouchers are numbered and filed after entering on accounting software
- Usage of pre-numbered forms for official receipts, cash payments and check payments

Physical control over assets and records
- Office doors are locked after office hours daily
- Backup and hard copies made for important computer files
- Maintenance of asset listing

Independent checks on performance
- Independent cash count of fund in safe. Cash count sheets to agree cash balances with cash on hand.
- Program coordinator or his/her designated staff reviews the monthly financial reports

Preparation of financial reports
- Preparation of bank reconciliation statement to agree bank balance against Quickbooks records
- Preparation of monthly financial statements and trial balance
B. General Accounting System

B.1 Organization of the Finance Department

The Finance Department is headed by the Admin-Finance Coordinator who is responsible for the financial management of AIPP and its projects as well as overseeing the administration with the support of Finance Manager. The Admin-Finance Coordinator is part of the AIPP Core Management Team who works in close collaboration with the Office of the Secretary General and the respective programs and projects as well as donors.

The Finance Department performs several functions primarily concerned with the design of the system of records, the preparation of reports based on the recorded data and the interpretation of such reports. The following are the key functions of this department:

Financial planning and budgeting
- To supervise the coordination, compilation, review, discussion of the tentative budgets as prepared by the program coordinators.

Financial management and accounting
- To keep the books of accounts, subsidiary ledgers, and other accounting records;
- To classify and summarize the financial information from all transactions in an orderly and systematic manner to generate the essential information for regular reporting to both internal and external parties;
- To assist the Program Offices of the Organization with the accounting information pertinent to their operation;
- To maintain an adequate and efficient accounting and internal control system.

Financial Reporting
- To provide management with the financial reports as basis for plans and decisions.
- To coordinate the annual audit and project audit, when required

Project Accounting
- To keep the books of accounts, subsidiary ledgers and other accounting records of the projects;
- To prepare the financial reports in respect of projects to donor agencies.
B.2 Job Description

JOB TITLE : ADMIN - FINANCE COORDINATOR

RESPONSIBLE TO: Deputy Secretary General

SUPERVISES: Finance Manager

Key Functions:

• Shall ensure that AIPP complies with internationally accepted financial management and accounting standards, and adheres to the highest standards of corporate governance;

• Shall be responsible for the overall operations of the Finance and Admin and for providing support and motivating professional and committed staff members.

Specific Duties and Responsibilities:

Organisational Financial Management

• Update/develop the Finance Manual/ template /guidelines
• Ensures that cash count of AIPP’s revolving cash fund and dollar reserve fund is done at least once a month.
• Prepares the management response to audit reports of project funds of AIPP in consultation with the concerned finance staff including Finance Manager and program staff and submits to management team for comments.
• Ensure the implementation of recommendations from external audits in communication with programme as needed
• Consolidates the budgets prepared by the different programs and prepares the consolidated annual budgets for submission to the Management team/Executive Council including the budget for inter-programme coordination.
• Study and orient on the financial requirements from donors to the concerned programme, finance staff and SG with the support from Executive Secretary
• Provides regular updates to the SG and management team on matters related to finance and admin.
• Helping Programme to Prepare Budget for new Proposal including partner’s budget.
• Assist the Programme Coordinator to check the report submitted by partners
• Ensure the smooth coordination between finance, admin and management

Partner Supports

• Ensure the conducts of the orientation to partners on Finance policies and procedures for new projects including short term activity project in consultation with Finance Manager as needed.
• Assists the AIPP Program coordinators in assessing finance management capacity, contracting and monitoring of the partners.
• Provide financial management training to the members and partners based on their need and priority including the secretariat
• Ensure that AIPP work with partners is in line with financial reporting making sure of partners’ compliance with donor requirements in consultation with Executive Secretary
• Ensure the financial monitoring and tracking the progress of partners/project is conducted as required (using the standard checklist)

**Project Finance Management**

• Prepares the monthly financial report for submission to the program coordinator
• Ensures accurate and timely review of the budget versus actual of project and operations. – PC & concerned Finance staff
• Maintains proper financial documentation of specific assigned projects.
• Conducts of the orientation to partners on Finance policies and procedures for new projects in consultation with Finance Manager as needed
• Responding to enquires from donors and partners within agreed response-time

**Human Resource**

• To provide assistance in the recruitment, assessment and staff turn-over process.
• To help in some document review like staff contract, MOU and other related staff document as necessary.

**Other**

• Further responsibilities and tasks will be adjusted based on organizational developments.

**JOB TITLE**: FINANCE MANAGER

**RESPONSIBLE TO**: Admin-Finance Coordinator
SUPERVISES: Senior Finance Officer and Finance Officer

Key Functions:
- To ensure that the AIPP operations are supported by efficient and effective financial management systems and procedures
- To assist and contribute that AIPP adheres to the highest standards of institutional governance and accountability
- To ensure the overall processing, recording and summarizing of all accounting transactions and the timely preparation of the financial reports.

Specific responsibilities and duties:

Organisational Financial Management
- Ensures quality, accuracy and timeliness of AIPP’s financial reports and records as stipulated in the AIPP procedures.
- Ensures that the accounting of all AIPP Accounts is carried out on a monthly basis in a timely fashion.
- Approves all receipt vouchers and payment vouchers.
- Reviews and approved the monthly bank reconciliation statements prepared by Senior Finance Officer.
- Handles dollar reserve fund and conducts cash counts and count reconciliation of revolving THB cash fund.
- Prepares monthly staff payroll and coordinate with finance staff for the transfer to the individual staff bank account.
- Records and reports staff provident fund and AIPP Fund
- Prepares annual adjustment of entries for depreciation of fixed assets.
- Checks the preparation of the financial report according to the donor reporting period and ensure that the Human Resource and Admin cost are transferred to the overall Human Resource and Admin budget of AIPP
- Prepares the consolidated financial report for submission to the external auditor and ensure the unspent fund is deferred and reclassified to Grant Received in Advance from donors
- Monitors and ensure the AIPP balance sheet of all projects, ensuring that updated records are maintained and filed properly.
- Consolidates quarterly financial report including funds status of all the programs, submission to management team.
- Ensure the closing of all AIPP account at the end of the year.
- Assist the auditor during the audit of the Organization including supervision of project audit.
- Ensure proper documentation and filing system in accordance with approved procedures in the finance unit
- Helps Programmes to prepare budget for new proposal including partners budget
- Create Account Code for the new projects
- Supervise Finance staff on AIPP accounting system
- Assist to compile annual budget
Project Financial Management

- Maintains QuickBooks (daily entry data)
- Checks and compares the balances of cash in bank per Quickbooks against bank statements on a monthly basis.
- Provides the necessary document to Senior Finance Officer in preparation of monthly bank reconciliation.
- Generates the monthly expense record from Quickbooks for the budget variance analysis to the program coordinator for review.
- Prepares the monthly financial report for submission to the program coordinator.
- Ensures accurate and timely review of the budget versus actual costs of project and operations in coordination with Program Coordinators & concerned Finance Staff.
- Prepares the quarterly financial reports of responsible projects and submits these to the Finance Manager for consolidation.
- Maintains proper financial documentation of specific assigned projects. Conducts orientation to partners on finance policies and procedures for new projects in consultation with Finance Manager as needed.
- Conducts the financial monitoring in consultation with Admin-Finance Coordinator as required.
- Responds to enquiries from donors and partners within agreed response-time.

Human Resource Management

- Support the management in the staff recruitment, screening and selection process for the unit.
- Take the lead in the probation review of new staff within the unit with the support of Executive Secretary.
- Take the lead in the quarterly, one year and two years appraisal of staff within the programme with the support of Executive Secretary
- Supports the management in developing and reviewing of the Key Performance Indicators of the staff within the unit
- Coordinates with the RCB Programme Coordinator for the management of volunteer and interns
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JOB TITLE : SENIOR FINANCE OFFICER

RESPONSIBLE TO: Finance Manager

SUPERVISES: None

Key Functions:

Shall ensure that AIPP complies with internationally accepted financial management and accounting standards.

Shall assist the Finance Manager in the overall processing, recording and summarizing of all accounting transactions and the timely preparation of the financial reports.

Specific Duties and Responsibilities:

Organisational Financial Management

- Processes all bank withdrawals and payments and ensure that;
  - All payments are properly and appropriately authorized, approved and supported
  - Expenditure requests are within the budget before forwarding them for approval
  - Writes cheques and ensure that these are signed in accordance with approved procedures
- Handles transfers of funds to partners/members, suppliers, service providers including staff salary.
- Records all income received, scans and sends to the concerned person.
- Deposits all funding from donor, contributions, membership fees and other fees received with the corresponding bank accounts.
- Handles revolving THB cash fund as per guidelines.
- Prepares the form for withholding tax on salaries and social insurance remittances every month and submits these to the corresponding government agencies.
- Prepares monthly bank reconciliation for all the bank accounts of all the programs.
- Obtains certification from the bank on bank balances for attachment to the application for visa of expatriate staff.
- Records and reports Admin and Human Resource budget.
- Provides supervision/advise to Quickbook Software

Project Financial Management

- Maintains QuickBooks (daily entry data)
- Checks and compares the balances of cash in bank per Quickbook against bank statements on a monthly basis.
- Prepares monthly bank reconciliation for all the bank accounts based on the information provided
- Generates the monthly expense record from Quickbook for the budget variance analysis to the program coordinator for review.
ASIA INDIGENOUS PEOPLES PACT

- Prepares the monthly financial report for submission to the program coordinator.
- Ensures accurate and timely review of the budget versus actual cost of project and operations in coordination with the Program Coordinators & concerned Finance staff.
- Prepares the quarterly financial reports of responsible projects and submits these to the Finance manager for consolidation.
- Maintains proper financial documentation of specific assigned projects. Conducts the orientation to partners on Finance policies and procedures for new projects in consultation with Finance Manager as needed.
- Conducts financial monitoring in consultation with Admin-Finance Coordinator as required.
- Responds to enquires from donors and partners within agreed response-time.

JOB TITLE : FINANCE OFFICER

RESPONSIBLE TO: Finance Manager

SUPERVISES: None

Key Functions:

Shall ensure that AIPP complies with internationally accepted financial management and accounting standards.

Shall assist the Finance Manager in the overall processing, recording and summarizing of all accounting transactions and the timely preparation of the financial reports.

Specific Duties and Responsibilities:

Organisational Financial Management
- Assist Senior Finance Officer in bank transaction as required

Project Financial Management
- Maintains QuickBooks (daily entry data)
- Checks and compares the balances of cash in bank per Quickbooks against bank statements on a monthly basis.
- Provide the necessary document to Senior Finance Officer in prepares monthly bank reconciliation
- Generates the monthly expense record from Quickbooks for the budget variance analysis to the program coordinator for review.
- Prepares the monthly financial report for submission to the program coordinator
- Ensures accurate and timely review of the budget versus actual of project and operations. – PC & concerned Finance staff
- Prepares the quarterly financial reports of the responsible projects and submits these to the Finance manager for consolidation.
- Maintains proper financial documentation of specific assigned projects. Conducts the orientation to partners on Finance policies and procedures for new projects in consultation with Finance Manager as needed.
ASIA INDIGENOUSPEOPLES PACT

- Conduct the financial monitoring in consultation with Admin-Finance Coordinator as required
- Responding to enquires from donors and partners within agreed response-time

B.3. Accounting Coding System

B.3.1 Chart of Accounts

The Chart of Accounts contains a list of accounts systematically arranged and classified with designated codes. It is primarily designed to provide an effective recording, classifying and reporting of necessary information and to ensure that management is appraised with meaningful financial figures. The accounts are accompanied with descriptions of their use. The major and minor group account classification of the Balance Sheet and Statement of Revenue and Expenses are coded as follows:

<table>
<thead>
<tr>
<th>ACCOUNT CODES</th>
<th>ACCOUNT TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>11110</td>
<td>Cash On Hand</td>
</tr>
<tr>
<td>11130</td>
<td>Savings Bank</td>
</tr>
<tr>
<td>11140</td>
<td>Current Account</td>
</tr>
<tr>
<td>11150</td>
<td>Fixed Bank Account</td>
</tr>
<tr>
<td>11200</td>
<td>Accounts Receivables</td>
</tr>
<tr>
<td>11300</td>
<td>Advance to Staff and Others</td>
</tr>
<tr>
<td>11400</td>
<td>Advance to Partner</td>
</tr>
<tr>
<td>11500</td>
<td>Advance - Admin</td>
</tr>
<tr>
<td>11600</td>
<td>Accrued Income Receivable</td>
</tr>
<tr>
<td>12200</td>
<td>Land, Property and Equipment</td>
</tr>
<tr>
<td>12220</td>
<td>Accumulated Depreciation</td>
</tr>
<tr>
<td>12900</td>
<td>Other Asset</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ACCOUNT CODES</th>
<th>ACCOUNT TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>20000</td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>21100</td>
<td>Accounts Payable Partner</td>
</tr>
<tr>
<td>21200</td>
<td>Accrued Expenses</td>
</tr>
<tr>
<td>21400</td>
<td>Other Liabilities</td>
</tr>
<tr>
<td>21500</td>
<td>Designated Fund</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ACCOUNT CODES</th>
<th>ACCOUNT TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>31000 to 31170</td>
<td>FUND BALANCE</td>
</tr>
<tr>
<td>33000</td>
<td>RECEIPTS OVER EXPENDITURE (SURPLUS)</td>
</tr>
</tbody>
</table>
<pre><code>            | DEFICIT                           |
</code></pre>
ACCOUNT CODES | ACCOUNT TITLE
---|---
41000 | Donation
42000 | Contribution from Program
43000 | Other Income - Program
49000 | Other Income – AIPP Admin
49100 | Bank Interest
49200 | Membership Fee
49300 | Gain/Loss from Asset Disposal
49400 | Other Contribution

EXPENSES
---
51000 | Program Expense – Human Rights
52000 | Program Expense - Environment
53000 | Program Expense - RCB
54000 | Program Expense - CD
55000 | Program Expense - IW
56000 | Program Expense - CORE
90000 | Administrative

B.3.2. Chart of Accounts Descriptions

ACCOUNT CODES | ACCOUNT TITLE AND DESCRIPTION
---|---

ASSETS

11110 | CASH ON HAND

This pertains to cash both is THB and USD readily use to pay vendors, office expenses, working advances and project activities.

11130 | SAVINGS BANK

This pertains to savings bank accounts of AIPP for use in the operation and deposit balance in bank in the form of demand deposits. These bank accounts were also opened at the request or requirement of the donor.
CURRENT ACCOUNT

This pertains to current bank accounts of AIPP for use in the operation and deposit balance in bank in the form of demand deposits. This bank account is mainly used to facilitate check payments.

FIXED BANK ACCOUNT

This pertains to bank account used for payment of credit cards which are used to pay online cost.

ACCOUNTS RECEIVABLES

This pertains to receivables by the Organization from donors and other third party in the course of operation. This also includes loans receivable between projects.

ADVANCE TO STAFF AND OTHERS

This pertains to advances to staff and other third party for use in the project activities.

<table>
<thead>
<tr>
<th>ACCOUNT CODES</th>
<th>ACCOUNT TITLE AND DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>11300</td>
<td>ADVANCE TO PARTNER</td>
</tr>
<tr>
<td></td>
<td>This pertains to advances to partners of AIPP for use in the project activities in accordance with the project agreement.</td>
</tr>
<tr>
<td>11400</td>
<td>ADVANCE - ADMIN</td>
</tr>
<tr>
<td></td>
<td>This pertains to advances from admin budget for payment of admin expenses and supplies and equipment related to project activities.</td>
</tr>
<tr>
<td>11600</td>
<td>ACCRUED INCOME RECEIVABLE</td>
</tr>
<tr>
<td></td>
<td>This represents accrued income from donors based on project requirement or funding agreement.</td>
</tr>
<tr>
<td>12200</td>
<td>LAND PROPERTY AND EQUIPMENT</td>
</tr>
<tr>
<td></td>
<td>This pertains to the cost of land, building and equipment of AIPP.</td>
</tr>
</tbody>
</table>
ASIA INDIGENOUS PEOPLES PACT

12220  ACCUMULATED DEPRECIATION

This pertains to accumulated depreciation of building and equipment of AIPP.

12900  OTHER ASSET

This pertains to other non-current asset such as deposit for office rental and utilities of AIPP.

LIABILITIES

20000  ACCOUNTS PAYABLE

This pertains to accounts payable to vendors and suppliers.

ACCOUNT CODES  ACCOUNT TITLE AND DESCRIPTION

21200  ACCRUED EXPENSES

This pertains to accrual of expenses of the projects.

21300  CLEARING ACCOUNT

This account is temporarily charged for disbursements before these are allocated to the correct or final account.

21400  OTHER LIABILITIES

This pertains to other liabilities of AIPP particularly for withholding tax on salaries and others

FUND BALANCE

31000 to 31170  FUND BALANCE

This pertains to Initial Fund, accumulated income and loss of the projects of AIPP

33000  RECEIPTS OVER EXPENDITURE (SURPLUS) DEFICIT

This pertains to surplus or deficit during the current period.
## ASIA INDIGENOUS PEOPLES PACT

### INCOME

<table>
<thead>
<tr>
<th>ACCOUNT CODE</th>
<th>ACCOUNT TITLE AND DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>41000</td>
<td>DONATION</td>
</tr>
<tr>
<td></td>
<td>This pertains to funds or grants received from donors.</td>
</tr>
<tr>
<td>42000</td>
<td>CONTRIBUTION FROM PROGRAMME</td>
</tr>
<tr>
<td></td>
<td>This pertains to contribution or support received from the program to support office/Secretariat.</td>
</tr>
</tbody>
</table>

### ACCOUNT CODES | ACCOUNT TITLE AND DESCRIPTION

<table>
<thead>
<tr>
<th>ACCOUNT CODE</th>
<th>ACCOUNT TITLE AND DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>43000</td>
<td>OTHER INCOME PROGRAMME</td>
</tr>
<tr>
<td></td>
<td>This pertains to other income received such as bank interest and gain from currency fluctuation.</td>
</tr>
<tr>
<td>49000</td>
<td>OTHER INCOME – AIPP Admin</td>
</tr>
<tr>
<td></td>
<td>This pertains to other income received by Secretariat that includes membership fees, distribution contribution, bank interest, gain from asset disposal, gain from currency fluctuation and others.</td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>ACCOUNT CODE</th>
<th>ACCOUNT TITLE AND DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>51000</td>
<td>PROGRAM EXPENSE – HUMAN RIGHTS</td>
</tr>
<tr>
<td></td>
<td>This pertains to the expenses of the project under Human Rights Programme. This is created and added based on the agreed budget of each project under the care of Human Rights Programme.</td>
</tr>
<tr>
<td>52000</td>
<td>PROGRAMME EXPENSE - ENVIRONMENT</td>
</tr>
<tr>
<td></td>
<td>This pertains to the expenses of the project under Environment Programme. This is created and added based on the agreed budget of each project under the care of Environment Programme.</td>
</tr>
</tbody>
</table>
53000 PROGRAMME EXPENSE – REGIONAL CAPACITY BUILDING

This pertains to the expenses of the project under Regional Capacity Building Programme. This is created and added based on the agreed budget of each project under the care of Regional Capacity Building Programme.

ACCOUNT CODES ACCOUNT TITLE AND DESCRIPTION

54000 PROGRAMME EXPENSE – COMMUNICATION DEVELOPMENT

This pertains to the expenses of the project under Communication Development Programme. This is created and added based on the agreed budget of each project under the care of Communication Development Programme.

55000 PROGRAMME EXPENSE – INDIGENOUS WOMEN

This pertains to the expenses of the project under Indigenous Women Programme. This is created and added based on the agreed budget of each project under the care of Indigenous Women Programme.

56000 PROGRAMME EXPENSE – CORE FUNDS

This pertains to the expenses of the project under Core Funds. This is created and added based on the agreed budget of each project under the care of Core Funds.

90000 ADMIN EXPENSES

This pertains to the expense related to operation and administration of the whole organization.

B.4 Finance Policies and Procedures

B.4.1 General Policies

The following general accounting policies shall be followed:
Source Documents

All source documents (original documentation) shall be printed and numbered to allow proper checking and control and to facilitate cross-referencing.

Recording of Transactions

All initial recording of the entries shall be entered in the Quickbooks accounting system based on the source documents.

Double-Entry Basis

The double-entry accounting method shall be used when recording. It requires every transaction to have both a debit side and a credit side, thus creating a balancing system when both sides of all accounts taken as a group are compared.

Accrual Basis

The accrual basis is a method of accounting where revenue is recorded when earned and expenses are recorded when incurred and not necessarily when cash is received or paid out.

Levels of Authority

See Appendix 1 for the Levels of Authority.

B.4.2 Bookkeeping

RECORDING

All significant financial transactions evidenced by the appropriate source documents are recorded in Quickbooks in chronological sequence. Regular recording in Quickbooks is made as source documents are received.

CLASSIFYING

The recorded transactions of the Organization will be properly and systematically classified according to:

1. Grouping of Accounts
   a. Assets   e. Income
   b. Liabilities  f. Program Expense
   c. Fund Balance  g. Administrative Expense

Each of the above grouping shall have a further classification, sub-classification and detailed account title or description.

The major accounting source documents and the corresponding transactions that these documents cover are presented below:
ASIA INDIGENOUS PEOPLES PACT

DOCUMENT/S  TRANSACTIONS

Receipt voucher  Cashier’s receipts of cash from all sources.
Payment vouchers  Disbursement/payment from the cash/bank.
Journal voucher  All other non-cash/bank transactions that cannot be properly accounted in the Cash Receipts and Cash Disbursement.

SUMMARIZING

All transactions recorded are automatically summarized in the Quickbooks computerized accounting system and automatically posted to the General Ledger.

B.4.3 Banking

B.4.3.1 Policies

1. All funds for AIPP shall be deposited in Bank accounts in the name of the AIPP Foundation and not to any personal accounts. Each project and or program has a separate bank account. Funds from CORE donors are in one Bank account.

2. All bank accounts of AIPP should be with Bangkok bank and in Thai currency.

3. Each AIPP bank account has four (4) signatories. Two (2) shall be from AIPP board members and two (2) from AIPP management team.

4. Two (2) signatures are required for any withdrawal of funds in any of the bank accounts and in the issuance of cheques.

5. Checking account is used for regular administrative expenses.

6. All passbooks and cheque books should be kept under lock and under the custody of the Finance Officer.

7. The bank balance per books should be reconciled with the balance per passbook/bank statements on a monthly basis. The bank reconciliation must be prepared within 20 days from close of the month. The bank reconciliation must be approved by the Finance Manager.

B.4.3.2 Bank Files

The Finance Officer must maintain a documentation file for each bank account. The following information should be included in the file:

1. Bank agreement
2. Authorized signatory list
3. All correspondences related to change in signatories
4. For closed accounts, date closed and a copy of the bank confirmation of closing.

Transaction information and bank statements should be maintained separately in the accounting files.
ASIA INDIGENOUS PEOPLES PACT

Finance Officer must make every effort to obtain bank statements on a timely basis. For accounts with passbooks, the passbooks should be presented to the banks every time there are transactions for timely updating. These are necessary in the timely preparation of bank reconciliation statements.

B.4.3.3 Organizational Credit Card

As many purchasing require online payment, the Organization has issued the credit card for online payment purpose in the personal name to the following persons:
- Admin Manager 1 account - amount of THB200,000
- Secretary General 1 account - amount of THB200,000

The guidelines for using the credit card shall be as follows:
- The credit card may be used for organizational related activities payment purposes such as purchase of ticket, accommodation, website hosting fee, translation equipment and etc.
- The card holder takes full responsibility for all the transactions paid by credit card.
- The card holder may not disclose the details of credit card to other staff including management members without the proper authorization.
- The payment through credit card shall be properly authorized according to the authorization guidelines.
- The credit card payment shall be supported with the online/original receipts
- When the person is leaving the Organization, the credit card shall be closed and any payable shall be settled.

B.4.3.4 Opening of the bank account in individual name for the payment of the Organization’s utilities

The Organization may assign a staff to open the bank account to facilitate the utilities payment such as electricity and water supply through automatic bank deduction. However, the selection of the person should be done in consultancy with the management and shall be approved by the Secretary General.

To ensure continuity of the automatic deduction, the finance officer shall deposit the funds to the bank account on quarterly basis and it should be authorized by DSG.

When this bank account holder leaves the Organization, the bank account should be closed.

B.5 Cash Management

B. 5.1 Policies

A. Revolving Cash Fund

1. The revolving cash fund of Baht 50,000 will be operated on an imprest system and shall be handled by the Senior Finance Officer.

2. Disbursements from revolving cash fund will be covered by a payment request duly approved by responsible persons.

3. The revolving cash fund shall be replenished as soon as possible to ensure there is revolving cash fund for operation, and it shall be approved by responsible persons.

4. Replenishment will be made payable only to the fund custodian.
5. Summary of disbursements shall always support requests for replenishment of the revolving cash fund.

6. The revolving cash fund should not be combined with the collections and other funds to allow for a proper monitoring of the fund balance.

7. Revolving cash fund should be kept in locked box under the custody of the Senior Finance Officer.

8. A staff other than the cash fund custodian must count the revolving cash fund at the end of each month and compared with the balance per records. The count must be documented in a cash count sheet properly signed by the staff who conducted the count and checked by an authorized person.

9. The record of the cash advance payment from the Revolving Cash Fund shall be recorded in the excel file, print out and keep in the file on a monthly basis.

B. Dollar Reserve Fund

   1. The dollar reserve fund of $ 5,000 will be operated on an imprest system and shall be handled by the Finance Manager.

   2. The fund will be used for urgent expenses relating to travel of staff members and members of the Executive Council (e.g. visa fee, travel tax, air tickets, travel contingency, etc.)

   3. Disbursements from this reserve fund is subject to approval of the responsible persons.

   4. The dollar reserve fund shall be replenished as soon as possible to ensure there is revolving cash fund for operation, and it shall be approved by the responsible person.

   5. The recording of dollar disbursements and expenses shall be the responsibility of the Finance Manager.

   6. Dollar reserve fund should be kept in a safe or locked box under the custody of the Finance Manager. In case of emergency, the Admin-Finance Coordinator who has spare key to the safe can have access to the cash fund.

   7. A staff other than the fund custodian must count the dollar reserve fund at the end of each month and compared with the balance per records. The count must be documented in a cash count sheet properly signed by the staff who conducted the count and checked by an authorized person.

   8. The record of the cash advance payment from the Dollar Reserve Fund shall be recorded in the excel file, print out and keep in the file on a monthly basis.

B. 5.2 Financial Transaction days

   1. Staff members are requested to submit all financial requests (Request for budget/Cash Advance, Disbursement, Reimbursement, Direct Payment) both in THB or USD on Monday, Wednesday and Friday
2. The finance staff shall only reimburse, disburse or advance cash on **Tuesday and Thursday**. Exception to this rule shall only apply to emergency case(s).

**B.6 Cash Receipts**

**B. 6.1 Policies**

1. All funding received from donors should be acknowledged by receipt voucher issued by the Finance Officer. (Please refer to Appendix 2 for sample copy of the receipt voucher)

2. All contributions, fees and other collections should be acknowledged by receipt issued by the Finance Officer. (Please refer to Appendix 3 for sample copy of the receipt)

AIPP receives funds from the following sources:
- Grants/donations received
- Membership fees
- Income from short term professional services and consultancy assignments undertaken by AIPP i.e. fees on documentation of training conducted by AIPP staff, supervision fee, etc.

3. All funds and collections received should be deposited in the bank within the next banking day. Each project and/or program shall maintain a separate bank account. Funds from CORE donors are maintained in one bank account.

4. Receipt vouchers and receipts shall be dated on the day they are issued regardless of the date collections are deposited in the bank or the clearing date of cheque collections.

**B. 6.2 Procedure**

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Staff</td>
<td>1. As soon as he/she receives notice of grant transfer to AIPP from a particular donor, he/she immediately notifies the Finance Staff, Program Coordinator (as applicable) and management team.</td>
</tr>
<tr>
<td>Finance Staff</td>
<td>2. Prepares receipt voucher and scan the bank statement/bank passbook for deposit credited by the bank.</td>
</tr>
<tr>
<td></td>
<td>3. Forwards the scanned bank statement to the Program Coordinator.</td>
</tr>
<tr>
<td>Program Staff</td>
<td>4. Prepares written acknowledgement receipt for issuance and forward the scanned bank statement to the donor.</td>
</tr>
<tr>
<td>Finance Staff</td>
<td>5. Forwards the receipt voucher to the Admin-Finance</td>
</tr>
</tbody>
</table>
ASIA INDIGENOUS PEOPLES PACT

Coordinator for approval.

Accountable Personnel

Activity

Admin-Finance Manager

6. Approves the receipt voucher and returns the same to the Finance Staff.

Finance Staff

7. For contributions and fees received in cash or cheque, prepares the pre-numbered receipt in three (3) copies to be distributed as follows:
   - Original - Payor
   - Duplicate – Attached to the receipt voucher
   - Triplicate – File copy

8. Counts cash and cash items on hand and prepares deposit slips in duplicate based on receipts.

9. Arranges deposit of currency and cheques with the bank and obtains validated copies of deposit slip.

10. Prepares Receipt Voucher and attaches second copy of receipts and validated deposit slip.

11. Forwards the receipt voucher to the Admin-Finance Coordinator for approval.

Admin-Finance Coordinator

12. Approves the receipt voucher and returns the same to the Finance Officer.

Finance Staff

13. Records/inputs Receipt Voucher in the computerized accounting system.

End of process

B. 7 Cash Disbursement

B. 7.1 Supporting Document

Guidelines on documentation:
The following guidelines of documentation shall be observed for any Reimbursements (Please refer to Appendix 4 for sample copy of Reimbursement Form), Direct Payments and Settlement of Cash Advances done for AIPP activities:

1. Cash advances should have supporting documentation to show what the cash will be used for. Examples of types of supporting documents would be:
   - Plan of expenses supporting the project expenditure request for staff working in out-of-area assignments such as Travel Mission Plan
   - Invitation supporting travel advances or air tickets

2. Reimbursements, Direct Payments and Settlement of Cash Advances must be supported by original receipts. The receipt should state the:
   - Name, address, shop # (if bought in the market) of the vendor
   - Signature of the vendor
   - Date of payment
   - Clear description, quantity of items, type of services

3. To redeem the travel cost, staff should have the full supporting document such as ticket, boarding passes, itinerary, letter of invitation (if applicable) and transportation receipts.

4. All Payment Vouchers should have attached supporting documentation that provides clear written evidence to ensure the validity and legitimacy of the disbursements. (Please see Appendix 5 for sample copy of the payment voucher).

5. In the absence of vendor’s official receipt, e.g. payment of taxi or bus fare, purchase of food, etc., AIPP Acknowledgement Form (Please refer to Appendix 6 Acknowledgement Form for sample copy) should be used as a supporting documentation for payment transactions.

6. Written note is not considered adequate as financial supporting document.

7. The thermal paper receipt shall be photocopied and both original and photocopy shall be filed together.

8. The receipt should be translated or provided with a short note in English language for any receipt written in the local language.

10. In case of payment of activities related cost such as ticket fee, interpretation, and translation costs that is transferred by bank to the foreign country, the transfer slip of the bank where it was transferred is considered an efficient documentation record for such payment.

11. The ID card shall be required for the Thai-citizen for the any payment to the individual that cost beyond 1,000THB and above.

12. When staff change the money to other currency the “Currency Exchange slip” should be obtained as part of financial supporting document

13. Accommodation

   The documentation of the accommodation claim should be the original receipt. However, if the accommodation was in the village or homestay it can be reimbursed by using the Acknowledgement Form with the explanation of the valid reasons for staying in such places.

14. Airfare

   When purchasing air ticket, the economy flight should be a preference.
ASIA INDIGENOUS PEOPLES PACT

The air ticket purchased via travel agent should obtain original receipts including the participants attending AIPP’s activity. However, if traveler has not made the payment to the travel agent, the travel agent can issue the Bill, Invoice, and Statement of the cost instead of the Receipt. The air ticket purchased online should obtain electronic receipts.

All these documents should be supported by the boarding pass of the traveler for any claims made.

15. Local Transportation
   - The local transportation cost such as bus, train and taxi cost can be reimbursed upon presenting the original receipts. However, in the case where the original receipts could not be obtained, the Acknowledgement Form shall be used as the supporting document of such costs with clear explanation and certify by the staff supervisor.
   - The staff/participant that uses their personal car for attending the activities of AIPP may reimburse the transportation cost by using Acknowledgement Form. The mileage claim shall be based on the mileage rate set by AIPP.
   - The staff using their vehicle for administration activities shall make the reimbursement of their mileage using Vehicle Log Book on a monthly basis

16. Per Diem
   The Per Diem Form shall be completed for any claim of the per diem. (refer to Appendix7- Per Diem Form)

17. Other cost
   For other cost such as communication for work (Internet/phone charge), visa fee, airport taxes/Re-entry Permits, and official baggage slip, the original documents of these costs should be obtained as supporting documents.

18. Contribution
19. For any contribution such as contribution to the community or staff, the Acknowledgement Form shall be completed and keep as supporting document. The ID card shall be required for the Thai-citizen for the any payment to the individual that cost beyond 1,000THB and above.

20. If a mistake is made on the receipt, corrections must be signed by both the buyer and the seller. White-out paint is not permitted.

21. Each Payment Voucher and documentation should be understandable by a third party, (such as donor or auditor). Staff may write notes, translates or explanations on the Payment Voucher that will be helpful in understanding the transactions.

22. The participant attending regional/international activity host/funded by AIPP shall completed the “Participants Reimbursement Form”

23. The direct expenses that are NOT reimbursable are as follows (the list is NOT exhaustive):
   - Laundry
   - Personal tips (exceptional cases where it is required)
   - Personal baggage fee
   - Personal telephone calls
   - Leisure travel expenses
   - Alcohol
B. 7.2 Policies

1. All payments shall be covered by properly approved payment voucher.

2. All disbursements should be approved in accordance with the levels of authority set by AIPP.

3. All cheque disbursements should be signed by duly authorized signatories and supported by duly approved payment vouchers.

4. All payments should be made on the basis of original suppliers’ invoices or creditors’ bills.

5. The staff shall request receipts for items to be reimbursed as separate from personal items bought at the same time. In cases where this cannot be avoided, an explanatory note shall be included in the reimbursement form identifying the items for personal reimbursement.

6. The maximum amount for food reimbursement per meal without receipt is 10$ (300 Baht for Thailand). Higher amount requires official receipt and should be reasonable.

7. Staff travel shall follow the process stimulated in the HR Manual and to reimburse the travel cost shall be based on actual cost with adequate supporting document according to the B. 7.1 Supporting Document.

8. Local travel expenses shall be reimbursed based on actual cost with receipts as much as possible.

9. The use of vehicles owned by any staff member for official business is entitled to travel reimbursement both for car and motorcycle according to AIPP rate. This amount shall be reviewed from time to time for possible adjustment.

10. Accommodation cost should be based on a reasonable rate i.e. within the moderate range as understood in the concerned country/place. If it is in a community where rates are not clearly defined, contributions to the community are also reimbursable. The following table is an accommodation rate observed by AIPP.

<table>
<thead>
<tr>
<th>Country</th>
<th>Maximum Accommodation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan, Hong Kong, South Korea, Taiwan, China, Geneva, New York and other Europe and North America</td>
<td>120$/room</td>
</tr>
<tr>
<td>Malaysia, Myanmar</td>
<td>80$/room</td>
</tr>
<tr>
<td>Bangladesh, Indonesia, Nepal, India, Laos, Vietnam, Thailand</td>
<td>70$/room</td>
</tr>
</tbody>
</table>

11. Per diem
ASIA INDIGENOUS PEOPLES PACT

- Per diem covers only cost of food (Breakfast, Lunch and Dinner) and minor local transportation from hotel to meeting venue.
- Per diem rate shall apply to all AIPP funded travels including for EC, secretariat, members and partners.
- Per diem shall be given to staff only in case where they participate in a workshop or other activity officially assigned and approved by AIPP, or are away from the defined workplace of the staff for official mission.
- Other expenses such as airport to and from hotel transport, accommodation and communication cost are reimbursable upon presentation of receipts.
- The rates of per diem are as follows:

<table>
<thead>
<tr>
<th>Country in the Continence</th>
<th>Per Diem Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America and Africa</td>
<td>$65.00/ Day ( Or $22 per meal)</td>
</tr>
<tr>
<td>Europe</td>
<td>EUR 65.00 (Or EUR22 per meal)</td>
</tr>
<tr>
<td>Middle East and East Asia</td>
<td>$60.00 (Or $20 per meal)</td>
</tr>
<tr>
<td>Asia</td>
<td>$30.00 (Or $10 per meal)</td>
</tr>
<tr>
<td></td>
<td>THB900 (300 per meal) for Thailand if the payment is made in Thai currency</td>
</tr>
</tbody>
</table>

- Staff attending events of AIPP either hosted by AIPP or partners will not receive per diem. Only food allowance will be provided at 10$/meal for those staying in the hotel. Staff who did not stay in the hotel but having dinners not covered by the event can reimburse the cost upon presentation of receipts or acknowledgement form if the receipt is not obtainable.
- Food expenses necessary during overtime and meal expenses on work related meetings can be reimbursed by the staff upon presentation of receipts or acknowledgement form if the receipt is not obtainable.
- The per diem and related costs for activities being organized at the country and local level, will be determined in agreement with the local host.
- The per diem allowance for the travel days according to the rate above shall be given to the travelers. On the meeting days, only the dinner allowance shall be provided for the food NOT covered by the event.
- In case the accommodation has included the breakfast the per diem rate shall reduce accordingly.
- The Perdiem Payment Form shall be completed and fully authorized by the authorize person.
- Payment of the per diem to participants attending AIPP’s activities will be supported by the admin and finance teams as needed. For the activities outside Thailand, the program staff shall provide the participants list and travel details to the finance one week prior to the travel date, and based the information received, the finance shall prepare the per diem payment list. In case the payment prepare by program staff, the simple format shall be used or staff may request the template from finance, any mistake due to miscalculation shall be responsible by concerned staff.
11. Staff are not permitted to approve their own costs (i.e. own benefits or reimbursements)

12. Expenses should not be “split” so as to fall inside the above limits, i.e. breaking the same expenditures into various forms to accommodate payment within the staff’s authorised limit.

13. The date of cheque and payment voucher shall be the same.

14. No cheque shall be made payable to Cash or signed in blank by both signatories.

15. All supporting documents should be properly marked and stamped “PAID” to prevent duplicate payment.

16. Cancelled cheques shall be properly mutilated (i.e. marked “Cancelled”) and retained in numerical order to prevent any unauthorized use of void cheques.

17. The participant attending regional/international activity host/funded by AIPP, the following guidelines should be observed;

➢ International participants:
   • Per Diem;
     o The finance staff shall prepared the per diem payment for the two days travel (coming and going back) at the amount of 30$/ day. On the meeting days, only the food allowance shall be provided for the food NOT covered by the event.
     o In case, the participant requires more travel day. The participant shall reimbursed food cost per actual meal as needed.
   • Transportation;
     o The Airfare including local transportation of the international participants shall be reimbursed based on the actual cost requested by the participants.

➢ Local participant including Staff of the local host / member organisation staff attending the meeting
   o Per Diem: The per diem of the travel day will be based on the local rate where the activity was hosted. For Thailand, the rate is ranked from 150 – 300 THB/ meal. To determine the payment rate, the nature of the activity (regional, national, local), and the budget implication should be observed. On the meeting days, only the food allowance shall be provided for the food NOT covered by the event.
   o Transportation: The travel cost will be determined by the actual cost incurred OR calculate based on the mileages using for the participants that use personal car to attend the meeting. The rate of the mileages shall be based on the local rate where the activity was hosted. For Thailand, the rate shall rank from THB 4 – 7 per kilometers as appropriate including the consideration of the budget implication.
➢ **AIPP’s staff**

- **Per diem:** In case AIPP staff stays in the hotel, the dinner allowance shall be provided for the food NOT covered by the event. However, if staff do not stay in the hotel but needs the dinner due to the legitimate reasons (over-time, accompanying the participant to dinner), then the staff can reimburse the dinner cost as needed by shall not over 10$ per meal.

- **Transportation:** The cost can be reimbursed based on actual cost paid. The cost shall also base on the mileages using for the staff using personal car/motorbike to attend the meeting. The mileages rate shall be based on the AIPP’s policy. AIPP may review the rate periodically as needed.

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### B. 7.3 Procedures

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requisitioner</td>
<td>1. Prepares request form for the items to be paid or reimbursed with completed supporting document.</td>
</tr>
<tr>
<td>Authorized Person</td>
<td>2. Submits to the Authorized Person for checking and verification of the request to ensure that items to be paid were budgeted and necessary for the implementation of the project.</td>
</tr>
<tr>
<td>Finance Staff</td>
<td>3. Forwards to the Finance Staff.</td>
</tr>
<tr>
<td>Admin-Finance Coordinator</td>
<td>4. Verifies the payment request – check for the mathematical accuracy and completeness and validity of the supporting documents.</td>
</tr>
<tr>
<td>Finance Staff</td>
<td>5. Prepares the payment voucher, signs and forwards to the Admin-Finance Coordinator for approval.</td>
</tr>
<tr>
<td>Admin-Finance Coordinator</td>
<td>6. Approves the payment voucher and returns the same to the Finance Staff.</td>
</tr>
<tr>
<td>Finance Staff</td>
<td>7. Prepares the cash if payment by cash and cheque if payment is by cheque. Forwards the cheque to the cheque signatories for signature.</td>
</tr>
<tr>
<td></td>
<td>8. Contacts the supplier or staff to pick up the cheque or cash at AIPP office. When the supplier or staff...</td>
</tr>
</tbody>
</table>
9. Records/inputs the payment voucher in the computerized accounting system. Files the finance voucher to the monthly voucher folder in series based on the voucher number.

End of the month

Finance Officer 10. Prepares bank reconciliation statement and submits the same to the Approving person.

Approving person 11. Reviews bank reconciliation statement and investigate unusual reconciling items. Signs the bank reconciliation as an indication of his review. Forwards the reconciliation statement to the Finance Officer.

Finance Officer 12. Prepares journal voucher (JV) for adjusting entries on bank reconciling items and records/inputs the same in the computerized accounting system.

End of process

B. 8 Cash Advance/Loan

B. 8.1 Policies for Cash/Budget Advance

Working advance refers to advances granted to staff for official/business purposes. This may include advances for regional activity hosted by AIPP and mission cash advance.

1. Staff can request for working advance for purposes related to his/her work provided this properly authorized by the Authorized Person.

2. To get the working advance, the staff must fill up the form for Request for Budget/Cash
Advance form (Please see Appendix 8 Request for Budget/Cash Advance form).

3. The Request for Budget/Cash Advance form for Regional activity shall be submitted to the Finance staff at least two (2) weeks beforehand to have sufficient time to withdraw the Funds.

The Request for Budget/Cash Advance form for Mission activity shall be submitted to the Finance Officer at least three (3) days beforehand to have sufficient time to withdraw the Funds.

4. No new advances will be given to staff with outstanding cash advance unless a written approval from the concerned DSG/SG/Programme Coordinator was obtained.

5. Working advances must be settled within ten (10) working days upon return to the office using the Cash Advance Liquidation Form (Please see Appendix 9 for sample copy). This should be supported by original receipts including duly signed Acknowledgement Form and currency conversion receipts. Mission Report must also be submitted. If not, salary could be withheld and/or deducted until the Advance is cleared/settled.

6. If original receipts are lost for any item that cost more than 500 Baht, the Acknowledgement Form should be co-signed by the Program Coordinator/DSG/ with written explanation on the form.

7. Advances must be fully settled. Partial settlement of business advances is not acceptable. Any amount of unused cash must be returned to the Finance Staff together with other supporting documentation. All balances must be returned in THB, USD or EURO only.

8. Any settlement with receipts of more than two (2) months old shall NOT be accepted and Staff members shall not be reimbursed.

9. Individual subsidiary ledgers shall be maintained for each staff to facilitate monitoring of outstanding advances.

10. Write-off of any uncollectible balances must be approved in writing by the Secretary General.

B. 8.2 Policies on Salary Advance

Salary advance/loan refers to advances granted to staff for purposes other than official. This may include loans to staff for personal use in cases of exceptional necessity.

1. Salary advance shall only be granted upon approval by the SG/DSG. This shall be supported by salary advance slip. (Please refer to Appendix 10 for sample copy).

2. The maximum amount for salary advance shall be equivalent to one month’s basic salary. Higher amount could be considered on a case-to-case basis upon approval by the Secretary General.

3. The salary advance shall be payable within six (6) months through automatic monthly salary deduction.
B. 8.3 Policies on loan between project

Loan between projects is not encouraged. However, in case particular project runs short of working funds to implement the project activities. The concerned project should consult with its donors first and if there is no scope that the donor can release fund due to some limitation on compliance to their requirements, a short period of loan is allow to ensure the smooth implementation of the project. Given loan between project shall be liquidate within 3-6 months and it should not delay the implementation of the loan giver project. The staff shall use the template in Appendix 11 to request for the loan.

B. 8.3 Procedures

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Working Advances</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Requisitioner         | 1. Prepares the Request for Budget/Cash Advance form. This should be prepared in triplicate copies indicating the following:  
- program/project  
- budget line/code  
- activity  
- donor  
- type of request (purpose or use)  
- particulars  
- amount |
|                       | The form is distributed as follows:  
Original – attached to the payment voucher  
Duplicate – kept by the Finance officer until liquidated  
Triplicate – given to the requisitioner |
| Authorized Person      | 2. Submits the Request for Budget/Cash Advance form to the Authorized Person. |
| Requisitioner          | 3. Signs the Request for Budget/Cash Advance form as Approved by and returns the same to the requisitioner. |
| Accountable Personnel  | 4. Submits the Request for Budget/Cash Advance form to the Finance Staff |
| Finance Staff          | 5. Checks the Request for Budget/Cash Advance form whether the amount requested is in accordance Activity with the approved budget and project activities. Reviews the form for mathematical accuracy and completeness of information and supporting document(s) if any. Prepares |
the payment voucher and attaches the Request for Budget/Cash Advance form thereto and then forwards to the Admin-Finance Coordinator for approval.

Admin-Finance Coordinator

6. Approves the payment voucher and returns the same to the Finance staff.

Finance Officer

7. Prepares the cash or cheque. If cheque payment, sends to check signatories together with the approved payment voucher

Cheque Signatories

8. Verifies the cheque against the payment voucher and supporting Request for Budget/ Cash Advance form and if in order, signs the cheque and forwards to the Finance Staff.

Finance Staff

9. Informs the staff of the release of cash advance. The staff signs the Request for Budget/ Cash Advance form and the payment voucher as cash received.

Records the cash advance in the computerized accounting system. Files the first copy to the payment voucher folder and keeps the duplicate copy awaiting settlement.

End of process

Settlement of Working Advances

Accountable Personnel

Requisitioner

1. Prepares the Cash Advance Liquidation Form indicating the following:
   - Project/Program
   - Activity
   - Cash advance taken
   - Details of expenses
   - Amount
   - Account code

   The approved cash advance form should be attached for checking.

   2. Submits the Cash Advance Liquidation form to the Finance Person together with the supporting documents e.g. copy of the advance form, receipts and invoices for verification.

Finance Staff

3. Checks the Cash Advance Liquidation Form together with the supporting documents if in order, signs the Cash Advance Liquidation Form as Checked by and returns the same to
### Requisitioner

4. Submits the Cash Advance Liquidation form and its supporting document to the Authorized Person.

### Authorized Person

5. Checks the Cash Advance Liquidation Form together with the supporting documents if the expenses are relevant to the project activities and within the approved budget, signs the Cash Advance Liquidation Form as Approved by and forward it to Finance Staff.

### Finance Staff

6. Prepares the payment voucher and attaches the Cash Advance Liquidation form and the supporting receipts. Submits the same to the Finance Manager for approval.

7. Receives the excess cash if there is any cash return or prepares the cash for any reimbursement. The requisitioner will sign as received in the payment voucher for the reimbursement.

### Concerned Finance Officer

9. Forwards the payment voucher to the concerned Finance staff for recording in the computerized accounting system.

10. Records the payment voucher in the computerized accounting system.

11. Files the payment voucher and its supporting documents in the monthly voucher folder in series based on the voucher number.

**End of process**

### B.9 Procurement

#### B.9.1 Procurement Principles

Procurement operation of AIPP shall be carried out in accordance with the following principles:

**I. Transparency;**

AIPP upholds the transparency as one of its core values. To ensure the principle is followed, the procurement process shall include ensuring the awareness of suppliers on the criteria on
which they shall be selected. Furthermore, the procurement decision shall be transparent and the documentation of the decision shall be obtained in a way that it is accessible and verifiable. The procurement shall operate in consistent with the AIPP’s Anti-corruption Policy and Code of Conduct Policy.

II. **Good business practice;**
   a. Look for the best value for money; the cheapest alternative may not be the best choice.
   b. Treat the supplier with objectivity; remain free from conflict of interest; the supplier is not related to any AIPP staff member, unless the authorized persons are informed in writing beforehand.
   c. Comply with all applicable laws and regulations

III. **Good ethics with AIPP:**
   a. The staff involved in the procurement process shall follow the principle and policy of the AIPP procurement standard.
   b. AIPP procurement must be free of any form of corruption activities or practices

IV. **Good ethics with suppliers:**
   a. Suppliers are reputable and not involved in the activities that violate the human rights
   b. Supplier shall comply with the relevant international instruments on child labor and forced labor and respect human rights
   c. The supplier shall not engage in activities that cause environmental destruction
   d. The supplier shall comply with all applicable laws and regulations including tax regulations

B.9.2 Procurement Policies

For capital expenditures such as purchase of motor vehicles, equipment like generator, photocopier, and documentation shall be prepared to support the purchase. This should take into consideration the following:

- Reason why the asset is required
- Explanation of the quality required with justification
- Cost of the asset considering the quality and specifications required with the supporting price quotations.

In all cases of purchasing the airfare, the economic class shall be the preference and the comparison shall be done of at least three airlines either by online research or information provide by travel agent. The selection of the ticket shall be done in consultation with the supervisor. For the guidelines of selection please refer to B.9.3.

B.9.2.1 Direct Purchase without procurement requires

Any purchase of goods, services, hotels and consultancy shall be authorized by the authorize person before it can be purchase by the Admin staff. The payments for purchases shall be obtained of original receipts. All purchase items of goods should be received by authorized Admin person only. For items less than 1,000 Baht, can be reimbursed directly to Finance Officer.

For consultancy services such as translation, editing, researcher, management consultancy and etc., the Management Team together with the respective Program Coordinators/staff shall prepare the Terms of Reference (TOR) for the services needed, including the description of services needed, qualifications required, expected output/deliverables, terms of payment and duration/time frame.

Direct Purchase without procurement requires is the principal method for procurement when the contract value in Thai Baht (THB) ranges;
### B.9.2.2 Simple procurement:

A minimum of three (3) different tender’s survey by phone or email for comparison based on the cost, quality and specifications shall be conducted. The approval shall be done by Admin Manager/ Programme Coordinator / Deputy Secretary General/ Secretary General as relevance.

For the consultancy, after the ToR is finalized, it will then be circulated to targeted consultants for internal endorsement of the potential candidates. The concerned program staff together with the SG/DSG shall do the screening of potential candidates for the consultancy and selecting the consultant. The Programme Coordinator/SG/DSG will be the signatory in the any TOR or MOU as relevance.

Simple procurement is the principal method for procurement when the contract value in Thai Baht (THB) ranges:

<table>
<thead>
<tr>
<th>Goods/Hotel/Services</th>
<th>1 - 25,000THB (1$ - 833$)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultancy</td>
<td>1 - 150,000THB (1$ - 5000$)</td>
</tr>
</tbody>
</table>

### B.9.2.3 Full procurement:

A minimum of three (3) different tenders for quotation based on the cost, quality and specifications shall be conducted. The quotation can be submitted by email. The approval shall be done by Admin Manager/ Programme Coordinator/Deputy Secretary General/ Secretary General as relevance in consultation.

For the procurement of the hotel, any activity organized by AIPP with more than 30 people or the INA house not able to accommodate shall acquire three quotations from different hotels. Quotations and venue approval request have to be submitted and approved by the lead concerned program / DSG/SG of that activity as relevant

In the procurement of consultancy, the Full Procurement refers to the request for “Expressions of Interest” and the shortlisting of qualified suppliers. The criteria, the qualifications shall be specified in the call. After the call for application is finalized, it will then be widely circulated. The ES together with the concerned program staff shall do the initial shortlisting of applicants and will forward the shortlist to the management team for further deliberation. After the confirmed of the selected, the concerned program staff together with the ES shall draft the ToR and submit the same to the DSG for comments. The approval of the consultancy related to the programme shall be approved by Programme Coordinator/Deputy Secretary General/ Secretary General while the organizational related consultancy by the Executive Council.

Full procurement is the principal method for procurement when the contract value in Thai Baht (THB) ranges:

<table>
<thead>
<tr>
<th>Goods/Hotel/Services</th>
<th>40,001 – 1,800,000THB (1,334$ - 60,000$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultancy</td>
<td>300,001 – 1,800,000THB (5,001$ - 60,000$)</td>
</tr>
</tbody>
</table>

¹ All conversion form THB is 30THB = 1$
ASIA INDIGENOUS PEOPLES PACT

B.9.2.4 Open Tendering:
The public notification of tendering opportunities and adequate notification of contract requirements shall be done. The eligible tenderer shall be given an equal opportunity to submit a tender. In order to ensure sufficient competition, the number of tenderers, should at least three (3) supplier. Tenders shall be submitted in writing with the technical and budget proposal.

The selection will be done by the Management Team and concerned Programme Coordinators-Managers and the final approval shall be done by the Executive council.

Open Tendering is the principal method for procurement when the contract value in Thai Baht (THB) ranges;

<table>
<thead>
<tr>
<th>Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods</td>
<td>1,800,001THB (60,000USD)</td>
</tr>
<tr>
<td>Service</td>
<td>1,800,000THB (60,000USD)</td>
</tr>
</tbody>
</table>

Open Tendering is a process of publishing invitations to the public to make known the requirements in the website and social media channel of the organization.

Tender Opening and Evaluation
The Tender Panel shall convene within three working days of the closing date for return of tenders. A member of the Tender Panel will collect the unopened tender envelopes from secure storage and the panel shall assemble, preferably in a room where they can be undisturbed.

Each envelope should be opened in turn and the tender date, name of the tenderer, tender sum(s) and delivery time recorded on the Schedule of Tenders. When all tenders have been recorded, each member of the Tender Panel should sign the Schedule of Tenders. The purpose of this procedure is to record the tender as submitted, there should be no attempt to rank tenders or decide who will get the business.

The Tender Panel shall select those tenderers, which comply with all requirements and in case a tenderer does not met a requirement, the Tender Panel declines the tender.

B.9.2.5 Single source procurement:
In many cases, the need is more targeted, making single source procurement necessary. The single procurement applies to the equipment/services/consultancy that have uniqueness in terms of specification, area of availability, qualification.

For the hotel, any activity organized by AIPP with maximum participant of 30 persons, the first option for the venue shall be INA house. Single source procurement shall be done for this to support the initiative of AIPP to strengthen and promote indigenous peoples’ particularly indigenous women’s livelihood.

Note: In case the procurement ceiling of AIPP is higher than the donors, the policy of concerned donor shall be followed.

B.9.3 Guidelines on Selection

Guidelines on Selection of Suppliers
In selecting suppliers, the following guidelines should be observed:

- Suppliers are reputable and able to provide delivery by the dates nominated.
- Where possible, the supplier has previously conducted business with AIPP (but if this supplier's quote is high, consideration will be given to the other suppliers first).
- The Supplier's terms and conditions are in the best interest of AIPP.
- The Supplier's prices are competitive.
- The supplier is not related to any AIPP staff member, unless the authorized persons are informed in writing beforehand.
- The Suppliers provide warranty and/or maintenance.
- Quotations are valid for a specific period of time.

**Guidelines on Selection of Hotels**

In selecting hotel services, the following guidelines should be observed:

- Hotels are reputable and able to provide services by the dates nominated.
- Where possible, the hotel has previously conducted business with AIPP (but if this hotel's quote is high, consideration will be given to the other hotels first).
- The hotel facilities are in the best interest of AIPP.
- The hotel's prices are competitive.
- The hotel is not related to any AIPP staff member, unless the authorized persons are informed in writing beforehand.
- Quotations are valid for a specific period of time.

**Guidelines on selection of Airlines**

- Airlines are reputable and able to provide services by the dates nominated.
- The airline’s terms and conditions are in the best interest of AIPP.
- The airline’s service and facilities are in the best interest of AIPP.
- The ticket prices are competitive.
- The airline is not related to any AIPP staff member, unless the authorized persons are informed in writing beforehand.

In the anti-corruption policy, conflict of interest is emphasized to ensure that suppliers related to AIPP staff members are not allowed to provide quotations. So the staff should declare the relationship with the supplier in advance to management for any potential conflict of interest in the selection of goods/hotel/services and consultancy.

**B.9.4 The payment**

The payment of the goods/hotel/services and consultancy may be vary based on the agreement between the two parties. However, for the payment of contractual service, the following general guidelines for payment apply:

- Upon signing of contract- 100 % of operation cost, and 30 % of honorarium
- Delivery of service- draft report/partial- 50% of honorarium
- Final delivery of service based on requirements/TOR- 20 %
There may be some other condition for payment to be stipulated in the TOR based on certain conditions and considerations and mutual agreement.

The single payment shall be followed for the maximum cost of USD1,000 upon acceptance of final deliverable.

**B. 9.5 Documentation**

A Purchase Requisition (PR) shall be obtained for any kind of procurement approved request is required for any request to purchase office equipment, furniture and other capital expenditure items, services and consultancy. The PR shall be first approved before a comparison of the office equipment, furniture and capital expenditure items is done. (Refer to Appendix 12: Purchase Requisition)

For purchase of materials, office stationery and project materials, this shall be done by the Logistic officer on a monthly basis. The Purchase of Office Stationery and Supply Form shall be used in listing the items needed. This shall be authorized according to the authorization process.

A complete description, available specifications and justification for the request should be listed on the Procurement Summary (PSF). An accurate description assists in prompt fulfillment of purchase request. The quotations obtained shall be documented in the Procurement Summary Form (PSF). The PSF is to be prepared by the Admin Manager. (Please see Appendix 13: Procurement Summary Form)

The PSF should be complete and approved before any cash advance or cash payment is requested.

The PSF should be complete as to the following information:

- Item requested and quantity
- Total budget approved
- Approval justification
- Contact details of the supplier – Name of the shop/company, address, phone number
- Payment form – by bank transfer, by cheque

It is acknowledged that quotations are sometimes difficult to be obtained from suppliers, especially in the provincial areas. If it is not possible, an explanation will be disclosed in the PSF and signed by the authorized coordinator.

It is the role of Admin Manager to obtain the required quotations for purchases of goods and services. However, in the absence of the Admin Manager, the Assistant Admin Manager will obtain quotations for comparison purposes.

While it is the role of the Admin Manager to obtain quotations, it is the role of the approving Program Coordinator/Deputy Secretary General/Secretary General to make a decision in selecting the appropriate item and/or supplier/hotel/services/consultancy, based on the gathered information.

The signed TOR shall be attached as the documentation to the disbursement request.

In case the consultancy services fee is paid in cash, the Acknowledgement Form shall be completed and attached with the signed ToR for documentation.

In case the consultancy services fee is paid by bank transfer, the bank transfer slip and signed ToR are adequate documentation of the transaction.
B.9.6 Conflicts of Interest

a. Conflict of Interest is a form of corruption according to AIPP anti-corruption policy

“Conflict of Interest” may occur when an individual’s professional, personal or private interests interfere (or have the potential to interfere) with the performance of their duties for the interests of AIPP. While conflicts that have not resulted in inappropriate behavior may not in themselves necessarily be wrong, the potential for interference with one’s duty should be recognized and reported to AIPP for transparency. Examples of conflicts of interest include, but are not limited to:

- Personnel who holds roles in other organizations whose interests may not be aligned with the AIPP (e.g. a procurement officer having a role in the selection of vendors may have conflicting interests from a personal or family interest in a specific vendor seeking to do business with AIPP)
- Personnel who has conflicting roles and responsibilities inside of AIPP”

b. All AIPP officers and staff are required to report any potential conflicts of interest that may be reasonably perceived as having the potential to undermine the objective judgment and decision-making of the officer of staff in performing the duties and responsibilities to serve the best interest of the organization.

The Executive Council (EC) of AIPP, assisted by a designated staff shall document and monitor conflicts of interest reported by staff or individuals from members and partners receiving funds or services from AIPP.

AIPP always encourages to avoid all types of activities or events where potential conflict of interest may arise and affect organizational operations and implementation of development interventions.

C. Raising Concerns/investigation and sanctions

Regards complaints channels for raising concerns of the misconduct of the procurement, the investigation processes and sanctions please refer to AIPP anti-corruption policy “5. Implementation of Anti-corruption Policy”

B.9.7 Purchasing Procedure

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requesting Staff</td>
<td>1. Prepares Purchase Requisition (PR) for purchases amounting according to the limit set and submits to the authorize person for approval</td>
</tr>
<tr>
<td></td>
<td>2. If purchase is less than 1,000 baht proceed to step 7.</td>
</tr>
<tr>
<td>Admin Manager/Programme Coordinator</td>
<td>3. If the request is for purchase of equipment, the PR has to be</td>
</tr>
</tbody>
</table>
first approved by the Management team. Upon approval, signs as approved in the PR and returns to the staff.

Admin Manager/Programme Staff  4. Obtains three (3) quotations from different suppliers. After required quotations were obtained, prepares the Procurement Summary Form (PSF). Examines the options obtained from different suppliers and selecting the qualify suppliers. Writes down the recommendation and reason for the selection in the PSF. Forwards the PSF together with the PR to the Programme Coordinator/Deputy Secretary General/Secretary General.

Deputy Secretary General  5. Examines the quotations obtained from different suppliers and the recommendation from the Admin Manager/Programme staff in consultation with the management and chooses the suppliers from whom the items/hotel/firms will be purchased. Fill the decision information and justifications for the goods/services/hotel/firm to be purchased and signs approved PSF and PR and sends to Finance Officer for release of cash.

Admin Manager  6. Releases cash to the Admin Manager for purchase. Purchase the items requested and sends the items to the requesting staff. Forwards the invoice and the PR together with the PSF to Finance Officer for liquidation.

Finance Officer  7. Upon receipt of invoice and the supporting documents, reviews the mathematical accuracy and correctness of information in the invoice, PR and PSF. If in order, prepares the payment voucher (PV) and prepares the cheque if payment by cheque and then sends to Deputy Secretary General for approval.

8. For items less than 1,000 Baht, receives the invoice and prepares the payment voucher and the cash. Then sends to the Admin Manager/Deputy Secretary General for approval.

Deputy Secretary General  9. Checks PV and its supporting documents and if in order, approves the PV. Then sends to Finance Officer for release of payment or for preparation of cheque.

Finance Officer  10. Releases the cheque to the supplier. If payment is by cash, prepares the cash and releases the cash to the supplier. Let the supplier sign as received in the PV.

11. Forwards the payment voucher and supporting documents to the concerned Finance staff for recording.

12. Records/inputs the transactions in the computerized accounting system and files this together with all the supporting documents in the monthly voucher folder in series based on the payment voucher number.

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B.10 Payroll

B.10.1 Policies

1. Payroll summary sheet should be properly approved by responsible persons before payment is made.

2. Payroll payments shall be covered by pay slip and should be acknowledged receipt by payee. (Please see appendix 14 Payroll summary sheet for sample copy)

3. Changes in salary rates should always be supported by approved contract/memo.

4. Personnel files shall be maintained for all staff of AIPP. This should include among others, personal information, contract of employment, benefit entitlements, etc. (For more details, please refer to HRM Policy)

B.10.2 Procedures

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Manager</td>
<td>Prepares payroll summary and pay slips in duplicate copy - one for the staff and the other as file copy. Computes for salary deduction including deduction for loans from the provident fund. Submits to Admin-Finance Coordinator for verification.</td>
</tr>
<tr>
<td>Admin-Finance Coordinator</td>
<td>Reviews the Payroll Summary. If in order, signs as checked and verified by in the Payroll Summary and then forwards to –Deputy Secretary General/Secretary General for approval.</td>
</tr>
<tr>
<td>Deputy Secretary General/Secretary General</td>
<td>Reviews the Payroll Summary and if in order, signs as approved by and then forwards to the Finance Manager. Prepares the payment voucher, the cheque and the list of staff with their bank account numbers and the net pay.</td>
</tr>
</tbody>
</table>
Finance Manager

Submits the payment voucher together with the Payroll Summary to Admin-Finance Coordinator for approval.

Reviews and compares the payment voucher and the cheque with the payroll summary and ensures that details and amount are the same. Approves the payment voucher.

Finance Staff

Forwards the cheque to the cheque signatories for signature.

Brings the cheque and the list of staff with their bank account numbers and net pay to the bank for the transfer of AIPP bank account to the individual bank account of the staff.

Distributes the pay slips by email to the staff. Request the summary payment to staff account and attaches this and the payroll summary and to the payment voucher.

Finance Staff

Records/inputs the transactions in the computerized accounting system based on the payment voucher. Files the payment voucher together with all its supporting documents to the monthly voucher folder in series based on the voucher number.

Keeps a staff record of the accumulated amount of provident fund deducted from each of the staff and the withdrawals made from the provident fund.

End of process

B.11 Fixed Asset

B.11.1 Purchase of Fixed Assets

Fixed Assets are items with useful life of more than a year. These include computers, communication equipment, vehicles and office equipment.

AIPP policy is to charge these items as expenses to the project’s budget in the year of purchase except for purchase of four wheel vehicle and building construction and renovation.

Purchase of equipment, furniture, four wheel vehicles and building construction and renovation with useful life of more than a year are capitalized and depreciated over the estimated useful lives of the assets using the straight - line method of depreciation.

All purchases of fixed assets requiring quotations should follow the procedures under Section B9–procurement.

All purchases of computer hardware and software must be legally licensed.

All fixed assets should be recorded in the Asset Register that are kept and maintained by Admin Manager. This is an important record that must be kept up to date and accurate.
B. 11.2 Disposal of Fix Assets

Following are the guidelines for disposal of fixed assets:

- No asset can be sold without written approval of the Donor/Management team.
- Request to sell the item for disposal should be made by the Admin Manager and approved by Deputy Secretary General.

If asset is sold:

- Obtain written approval of Deputy Secretary General.
- For assets with purchase cost of 50,000 Baht and below, an informal bidding will be performed by the Admin Manager from AIPP Staff and external parties.
- For assets with purchase cost of 50,000 to 300,000 Baht, a secret or formal bidding will be performed and at least two (2) competitive bids should be obtained. This is especially important for any sale of assets to AIPP employees or relatives as evidence of “fair market price” must be seen.
- For assets with original value of 300,000 Baht or more, the sale will be subject to public auction/bidding.
- If sale of motorbike or vehicle, complete the “Deed of Absolute Sale” Agreement – this releases AIPP of any claims or liabilities that might occur after the sale. Please see Appendix 15 - Deed of Absolute Sale.
- All supporting documentation and funds received should be attached to the Receipt Voucher. A copy of the documentation should also be given to the Finance Officer for reference and filing purposes.
- Complete Asset sale/transfer slip. This is used to update the Fixed Asset List with details of disposal, amount received, date sold.

If the asset is donated to the community or other organization:

- Obtain written approval from Deputy Secretary General.
- Obtain signed letters of acknowledgement from the community leader or the organization to whom fixed asset was donated.
- If donation of motorbike or vehicle, complete the “Deed of Donation” Agreement – this releases AIPP of any claims or liabilities that might occur after the donation.
- A copy of the above documentation should be given to the Finance Officer for reference and filing purposes.
- Complete Asset sale/transfer slip. This is used to update the Fixed Asset List with details of recipient, date donated.

B. 11.3 Asset Register

It is the responsibility of the Admin Manager to update and maintain the asset register and assign fixed asset codes and asset tags. Two (2) asset registers should be maintained – one representing the
expendable assets – those charged to expense and one representing fixed assets that are capitalized and will be depreciated.

The asset register should be kept in a spread sheet held by the Admin Manager. A copy of the capitalizable assets should be given to the Finance Manager. This will be the basis in computing the depreciation.

The following minimum information should be in the asset register:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Code</td>
<td>Program / Dept</td>
</tr>
<tr>
<td>Description</td>
<td>Person assigned to</td>
</tr>
<tr>
<td>Model</td>
<td>Condition</td>
</tr>
<tr>
<td>Serial number</td>
<td>Remarks</td>
</tr>
<tr>
<td>Payment Ref. No.</td>
<td></td>
</tr>
</tbody>
</table>

The fixed asset lists should be updated for all the additions and disposals during the year.

B.11.4 Fixed Asset Count

The Admin Manager shall conduct the following procedures when doing fixed asset count at the end of the year:

1. Conducts an inventory of fixed assets using the previous year’s list as a guide. Another staff, preferably the Finance Officer, should witness the count.

2. Makes note of additions in the fixed assets list, i.e. any assets owned and counted that are not in the previous list (a note of the source or date/ year of purchase if known, should be provided)

3. Makes note of deletions in the fixed assets list, i.e. any assets that are on the list but are no longer in the possession of the Offices or are broken. An explanation for assets lost should be provided.

4. Prepares the fixed asset count sheet based on the results of the physical count noting all the additions and disposals. Deletions from the list can only be authorized by the Authorized person.

5. A written report should be submitted to the Deputy Secretary General should there be any discrepancy between the actual inventory count and the fixed asset list so that necessary action can be done to resolve this matter.(Please refer to Section G Special Policies and Procedures - Lost or Stolen Assets, if asset is found missing after inventory count).

6. The fixed asset count sheet should be signed by both the Admin Manager and Deputy Secretary General as evidence of the actual count.

7. Prepares the updated fixed asset list based on the fixed asset count sheets and forwards one copy to the Finance Manager in a spreadsheet format.
8. Assigns fixed asset codes and tags on those additions noted which are not yet in the fixed asset list.

B.11.5 Insurance

It is a policy of AIPP to insure its major assets such as vehicles & motorbikes, furniture, computer and office equipment against possible fire, theft, and flood. The Admin Manager should be consulted in the event of any possible claims.

B.11.5.1. Vehicle Insurance

AIPP currently insures all its owned motor vehicles with the insurance company. The annual coverage commences from January and expires at the end of December to agree the coverage period with the current financial year of AIPP. The following process for the coming year’s renewal will be followed by the Admin Manager:

- Estimate market value of each vehicle based on age, distance travelled in kilometres, condition, etc. AIPP staff with knowledge of vehicle’ market values and outside sellers will be consulted to establish this valuation.
- The Admin Manager will communicate to Admin-Finance Coordinator the level of coverage for their vehicles.

B.11.5.2. Property Insurance

All AIPP assets are covered by insurance against burglary, theft and fire.

The insurance cover is based on the fixed assets listings provided by the Admin Manager to the Admin-Finance Coordinator at the end of each financial year.

The Admin Manager should ensure that all fixed assets are updated for full disclosure of AIPP assets to the Insurance Provider.

The Admin Manager should ascertain the market value of valuable fixed assets to ensure adequate insurance coverage is obtained for all AIPP assets.

The Admin Manager should inform the Admin-Finance Coordinator the total insurance cover for all AIPP assets.

B.11.6 Policies

1. The acquisition of any fixed asset must have prior approval based on the levels of authority outlined in Appendix 1 – Levels of Authority.

2. All fixed assets shall be assigned specific identification numbers.

3. The cost of the fixed asset shall consist of the purchase price plus all other costs incidental to its acquisition.

4. All fixed assets with useful life of more than one year and with acquisition cost of less than 300,000 Baht categorized as computers, office equipment, communications equipment, motorbike shall be charged to expenses of the project’s budget in the year of purchase.

5. All fixed assets with useful life of more than one year and with acquisition cost of more than 300,000 Baht categorized as four wheel vehicle and building and building improvement shall be charged to capital expenditures and depreciated over their estimated useful lives.
6. Quotations are to be obtained for capital expenditures costing 25,000 Baht.

7. All major repairs and maintenance costs to four wheel vehicles and building which amount to 50,000 Baht or more and which extend the life of the asset for more than one year shall be charged to capital expenditures.

8. For fixed assets disposal, written approval by management should be secured before any asset is disposed. For details please see C 3.9.2 Disposals.

9. A fixed asset may be retired from use because it becomes inadequate, superseded or obsolete subject to approval from the management.

10. A physical count of fixed assets shall be conducted at the end of the year and reconciled with the general ledger balances.

11. All capital expenditure should be recorded on Fixed Asset List that are kept and maintained by Admin Manager. There are two (2) asset listing to be maintained – those expendable assets charged to expense and those fixed assets which are capitalized and depreciated. This is an important record that must be kept up to date and accurate. Detailed schedule for fixed assets are prepared to monitor the total property owned and its movement.

B.11.7 Procedures

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
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<tbody>
<tr>
<td><strong>Upon purchase</strong></td>
<td></td>
</tr>
<tr>
<td>Admin Manager or equivalent</td>
<td>1. Updates the assets register with the newly purchased fixed assets. Assigns asset codes and attach fixed asset tags on the asset.</td>
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<tr>
<td></td>
<td>2. Distributes the item to the staff for use in the project/office.</td>
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<tr>
<td></td>
<td>3. Provides updated asset register every quarter to the Finance Manager for computation of depreciation.</td>
</tr>
<tr>
<td><strong>Upon disposal/sale</strong></td>
<td></td>
</tr>
<tr>
<td>Admin Manager</td>
<td>1. Prepares request for sale or disposal of assets and submit to Admin-Finance Coordinator for approval. Approval of sale and disposal will be based on the Levels of Authority. Please see Section 3.1 General Policies. The requesting staffs who has a good knowledge of the assets and its fair value should provide fair value of the assets as a basis for selling the assets in the letter of request.</td>
</tr>
<tr>
<td>Admin-Finance Coordinator</td>
<td>2. Check the request for sale or disposal of assets, and if in order, approves the request and send back to Admin Manager to process the sale or disposal.</td>
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</table>
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<table>
<thead>
<tr>
<th>Role</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Admin Manager or equivalent</td>
<td>3. Prepares the sale or disposal of asset based on approved request for sale or disposal. If sale of assets, requests at least 2 competitive bids in secret envelope from the staff or external parties for assets with acquisition cost of 50,000 to 300,000 Baht. Please proceed to step 6 for assets sold costing 50,000 to 300,000 Baht. For assets to be donated please proceed to Step 9. For assets with purchase cost of 300,000 Baht and above public auction/formal bidding will be performed.</td>
</tr>
<tr>
<td>Accountable Personnel</td>
<td></td>
</tr>
<tr>
<td>Staff/External parties</td>
<td>For assets below 50,000, the Admin Manager should announce to all staff first the assets to be sold and obtain bids through informal bidding by submission of bids in two (days) in a piece of paper with the following information.</td>
</tr>
<tr>
<td></td>
<td>Date</td>
</tr>
<tr>
<td></td>
<td>Name of Staff</td>
</tr>
<tr>
<td></td>
<td>Name of Assets</td>
</tr>
<tr>
<td></td>
<td>Bid amount</td>
</tr>
<tr>
<td></td>
<td>Signature</td>
</tr>
<tr>
<td></td>
<td>If there is no written bids received, announces the sale to external parties and request for bids.</td>
</tr>
<tr>
<td>Admin Manager, Management Team</td>
<td>4. Submits in a piece of paper the bidding information required to the Admin Manager.</td>
</tr>
<tr>
<td>Admin Manager or equivalent</td>
<td>5. Opens the bids on the third day and announces the result to all staff/external parties. Awarding of the sale of assets will be based on the highest bidder based or in comparison with the recommended fair value of the program manager/. Please proceed to Step 9. For asset costing Euro 500 and above please proceed to Step 6.</td>
</tr>
<tr>
<td></td>
<td>6. =Announces the formal bidding to all staff and external parties for sale of assets costing 50,000 to 300,000 Baht. Bidding period will be 5 working days.</td>
</tr>
</tbody>
</table>
ASIA INDIGENOUS PEOPLES PACT

7. Submits formal bids for the assets to be sold in a sealed envelope. This should be addressed directly to the Admin Manager or equivalent.

8. Opens the bids at the end of 5th working day and selects the winning bidder. Awards the sale of assets to the highest bidder in comparison with the recommend fair market value of the Admin Manager.

9. Prepares bid analysis and submits to Deputy Secretary for approval.

10. For assets to be donated, prepares Deed of in two copies based on the approved request for donation of asset.

11. Forwards to the Secretary General for signing of the Deed of Donation.

12. Checks the deed of donation with the approved request for donation of assets; if in order, signs approved based on the levels of authority.

13. Prepares the Asset Sale/Transfer slip for the items to be sold or donated based on the bidding analysis and deed of donation and then updates the fixed asset register. Prepares the item for release to staff or external parties.

14. Pays the bid amount for the asset purchased item to the Finance Staff.

15. Sign as received on the Deed of Donation for asset donated.

16. Receives the cash from the customer/payee and then issues Official Receipt (OR) in triplicate. The first copy shall be given to the customer/payee, the second copy to be attached to the Payment Voucher. The third copy to be retained in the receipt book for reference purposes.
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17. Presents the OR to Admin Manager for release of asset.

18. Releases the asset to customer/payee or donate based on the OR and Deed of Donation.

End of process

B.12 Financial Reporting

B.12.1 Monthly

B.12.1.1 Monthly Closing

Monthly Responsibility of Finance Staff

1. Prints the balance sheet and profit and loss statement for submission to Finance Manager for review and approval.

2. 20th of the following month – Sends monitor sheet to the Project Coordinator. This shows the comparison of the actual against the budget. If there are corrections noted, corrections will be processed accordingly.

3. End of the month – Closes the account.

Monthly Procedures

The following procedures should be performed at the end of each month:

1. The Project Coordinator reviews the monitor sheet to see which budget lines are underspent and which budget lines have overspending (this is especially important towards the end of the financial year/project life).

   YTD actual expenditures against YTD budget (variance column) – how much funding is left

   YTD actual expenditures against Annual Budget (remaining budget column)

   The Annual Budget column in the report should be the actual funding commitment from the Donor.

2. Finance staff conducts consultation meetings on the financial status of each program/ with the respective program staff. Each program coordinator is required to keep financial records of their activities and program.

3. Performs cash count of all cash funds.
4. Admin-Finance Coordinator checks if the monthly financial reports are supported by the monthly schedules such as cash count, schedule of advances, etc. and ensure that the balances in the schedules agree with the balances in the monthly financial reports.

B.12.1.2 Monthly Financial Report

The following are the monthly financial reports and schedules that need to be prepared:

1. Balance sheet
2. Profit and loss
3. Budget vs. Actual Monitor sheet
4. Bank reconciliation statements for all bank account
5. Cash count sheet
6. Schedule of outstanding cash advances – Admin Fund
7. Schedule of outstanding staff salary advances/loans – Admin Fund

B.12.2 Quarterly

B.12.2.1 Quarterly Procedures

1. Prepares the quarterly financial reports for submission to Management team.
2. Prepares quarterly report of fund received and expenditure versus budget for submission to the Secretariat.
3. Prepares quarterly bank reconciliation statements for all bank accounts based on bank statements and bank register at project level and quarterly at program and organization level.

B.12.2.2 Quarterly Financial Report

The following are the quarterly financial reports and schedules that need to be prepared:

1. Quarterly report on fund status

B.12.3 Semi-Annual Procedures

B.12.3.1 Semi-Annual Procedures

The following procedures should be performed at the end of six months (half year):

1. Perform mid-year review of the budget.

B.12.3.2 Semi-Annual Reports

The following are the semi-annual reports that need to be prepared:
B.12.4 Annual

B.12.4.1 Annual Procedures

The following procedures should be performed at the end of the year:

1. Conducts physical count of all fixed assets and updates the fixed asset list.

2. Perform year-end closing procedures.
   - All expenditures incurred as of December 31 are accrued in the books during the financial year.
   - Advance payments for materials and supplies are recorded as prepayments as of December 31. These prepayments should, however, be recognized as expenditures in the following financial year.
   - Appropriate expenditures for projects which are closing at the end of the financial year are accrued.

3. Prepares year-end financial report package that includes the annual financial reports and supporting schedules.

4. Prepares the schedule of staff provident fund.

B.12.4.2 Annual Reports

The following are the annual reports and schedules that need to be prepared:

1. Annual financial reports (Balance Sheet and Profit and Loss Statement)
2. Bank reconciliation statement for all bank accounts
3. Schedule of all balance sheet accounts, i.e. accounts receivable, loans to staff, advances to staff, advances to partners, accounts payable, staff provident fund payable, accruals
4. Fixed Assets list
5. Updated provident fund schedule
6. Consolidate the overall fund status

C. Budget

C.1 Definition and overall approach to budgeting

Budgeting - is defined as a systematic and formalized approach for accomplishing the planning, coordination and control responsibilities of management. It is systematic in the sense that the budgeting process follows orderly step-by-step procedures. And, it should be formalized so that the
management functions of planning, controlling, coordinating and decision-making that are integrated in budgeting can be carried in a timely, systematic, logical and consistent manner.

A budget describes the expected costs of one set of activities. So, budgets often have to be revised part way through a project. This happens when the activities that are actually carried out change from the activities originally planned.

C.2 The role of budgeting and its importance

Budgeting has a vital role to play throughout the life cycle of every Organization. Money is the lifeblood of any program/project (or Organization), and it is controlled through budgets. So, budgeting is a fundamental element of all planning and monitoring.

In the planning stages, it is necessary for the program/project coordinators to have an accurate idea of the true cost of the program/project. This should have an impact on the design of the program/project.

Without a realistic estimate of costs, there is no way of comparing the output of the program/project to the resources required. This would prevent senior management from making strategic decisions about how best to use their limited resources. The budget is also the basis of all financial negotiations with donors, for external funding.

An accurate budget is also needed as a financial control once the project is under way. The basis of financial management is comparing actual costs to budgeted costs. Without an accurate budget, this is impossible. Finally, the budget should form part of the evaluation of a project once it is finished.

The process of drawing up and agreeing to a budget has three main purposes:

- Priorities for the coming month/year are identified.
- The authority for staff to carry out activities and incur expenditure is established.
- Comparison of actual income and expenditure against budget figures can be made by management at regular interval. This is an important management control.

All transactions should be in accordance with the activities that are stated in the budget. Expenditure should not normally exceed the budgeted amount and income should conform to the anticipated amount in the budget. This one is also the most important control.

C.3 Budget Preparation

Please refer to Appendix 16 for details of budget preparation.

C.4 Management Responsibilities

AIPP management is responsible for setting up guidelines, policies and procedures as the basis for budget preparation, implementation, control and monitoring in order it achieve its goals and objectives.

a. Top management specifies the Organization’s overall objectives, establishes policies, assumptions and strategic action plans to serve as guidelines in the budget estimates.
b. The responsibility for preparing the budgets rests solely on the Budget Holder. In this way, their programs/projects are considered as their own and they will have no reason to say that the budgets are unfair and unrealistic.

The responsibility of the administration of the budgeting process may be delegated to a specific group, the budget committee, or to a competent individual, usually the Finance Manager.

The role of the Finance Manager or the budget committee is to supervise the coordination, compilation, review, discussion of the tentative budgets as prepared by these line managers.

c. The Management team approves the proposed budget submitted.

d. The approved budget is then transmitted down through the Organization. It constitutes authority to carry out the plans specified therein.

e. Budgeting is considered as a continuing process. The process should be responsive to the needs of the times, so that top management should ensure that budgeting is improved, revised and updated continuously.

C. 5 Policies

1. Project expenses like project salaries, training and workshops, travel and transportation, monitoring and evaluation, equipment, tools and supplies, materials and other project related expenses should be budgeted based on historical cost plus percentage of inflation. Charging of expenses to these items should be based on actual cost of the project properly supported with salary slips, seller’s receipts and invoices or other relevant supporting documents.

2. Administration and management expenses should also be budgeted based on historical data with proper inflation added to the budget.

3. Salaries should be budgeted based on AIPP or partner Salary Scale or at least following the minimum wage under Labor Law. Staff benefits should also based on AIPP Human Resource Policies.

4. Travel and transportation should be budgeted based on the existing AIPP or partner Operations Manual like the policy on per diem, kilometer rate for using AIPP vehicle and other existing policies.

5. The Budget Holder should coordinate closely with the Finance Staff for correct budgeting and proper use of account and project codes. This will ensure that the budgets are realistic and reasonable and account and project codes used are in line with the Chart of Accounts of AIPP. Should there be new accounts or project codes to be added for use in the budget preparation, this should be coordinated and communicated properly with the Finance Staff to establish common understanding of the nature of budget line item and accounts and project codes are created properly and Chart of Accounts is updated accordingly.
6. Budget notes should be prepared by the Budget Holder and Finance Staff to give more detailed information on how the budget lines were budgeted. This will facilitate better understanding of the budget and proper charging of the actual expenses. It will also provide sufficient information in case the donor will require more details of the budget.

7. AIPP budgets are prepared annually by the budget holder in coordination with the Finance Staff of AIPP.

8. All budgets prepared should be submitted to the Admin-Finance Coordinator for consolidation. The consolidated budget is submitted to the management team for discussion, checking, revision and then to Executive Council for approval.

C.6 Procedures

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Budget holder/Project Coordinator</td>
<td>1. Obtain relevant information from the Finance department like historical cost of previous projects, donor approved budget, standard budget format, chart of accounts and other documents needed for budget preparation.</td>
</tr>
<tr>
<td></td>
<td>2. Based on the strategic plan, approved donor budget, project activities, fill up relevant budget lines in the monthly budget spreadsheet throughout the life of the project using the spreadsheet provided by the finance department.</td>
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<td></td>
<td>3. Salaries for new and old staff should be based on AIPP salary scale. Any salary increases should also be based on Human Resource Policies.</td>
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<tr>
<td></td>
<td>4. Purchase of capital assets should be based on current purchases prices. Coordinate with Operations Officer/Finance Officer for current prices.</td>
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<td></td>
<td>5. Prepares budget notes especially for items that are not very clear.</td>
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<td></td>
<td>7. Review and check the budget spreadsheet for mathematical accuracy, appropriate use of account and project codes, and reasonableness of the budget.</td>
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<td>8. Check also the budget notes, adds more details as</td>
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necessary to give a clearer picture of the budget to the reader.

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<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
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</thead>
<tbody>
<tr>
<td>Admin – Finance Coordination</td>
<td>10. Discusses with Budget Holder for more clarification before submission to Management Team for review. Revise, correct or change as necessary.</td>
</tr>
<tr>
<td>Management Team</td>
<td>11. Discuss salient points on the budget and perform final review on the budget before presentation to the Executive Council.</td>
</tr>
<tr>
<td>Executive Council</td>
<td>12. Review the budget and upon recommendation of the management team, approves the budget.</td>
</tr>
</tbody>
</table>

End of process

C.7 Budget Monitoring

C.7.1 Budget Monitoring Report

Good financial management is about keeping track of where the money is coming from and where it has gone. Effective Budget Monitoring Reports during the year can provide valuable information about spending patterns and make forecasts of likely under or overspending at the end of the projects.

Why Monitor the Budget?

It is essential to closely monitor the budget because:
- We may realize extra funding during the reporting period leading to a larger surplus than expected, in which case we may wish to meet some requests for additional funding that had previously been put on hold.
- Unexpected expenditure may occur, or additional staff may be required to improve the project activities.
- There may be shortfall in expected income which leads to inadequate fund to run the projects.
- Management can be in a position to take remedial action(s) if required.
C.7.2 Policies on Budget Monitoring

1. Every month the finance staff prepares the following budget monitoring report

   - Budget monitoring report based on AIPP management report format using the standard Chart of Accounts.
   - Budget monitoring report based on financial report format required by the donors

   This is to monitor the actual expenses against the budget of the program and submits to the Project Coordinators for checking and provides explanation for budget variance of 10% per budget lines to the Finance Department. Coordinate with the Finance Department for any questions or clarifications. Submits the report to Program Coordinators for final review.

2. Every quarter the Finance Department submits the quarterly budget monitoring reports to Program Coordinators using the management report format. Program Coordinators provide explanation on the budget variance of more than 10% per budget line in the report for review of the Program Coordinator.

3. Midyear budget reviews are performed within AIPP to ensure that the programs are in line with the planned activities and necessary budget revisions or reallocation are being made in the budget. Finance Department prepares six months budget monitoring report for submission to the management.

4. The Finance Department prepares summarized annual budget against actual financial report as part of the annual report or as required by the General Secretary or Executive Council.

C.7.3 Budget Monitoring Procedures

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
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<tbody>
<tr>
<td>Finance Staff</td>
<td>1. Receives the approved budget from the Program Coordinators and file the budget information.</td>
</tr>
<tr>
<td></td>
<td>2. At the end of each month, prepares the monthly Profit and Loss with comparison with the budget (Budget Monitoring). The Budget Monitoring should be formatted in accordance with the standard format of AIPP. Please see Appendix 17-Budget Monitoring Report. Sends the Budget Monitoring to the Budget Holder on the 10th of the following month.</td>
</tr>
</tbody>
</table>

Every quarter the finance staff prepares quarterly budget monitoring report and sends to budget holder.

At the middle of the year, prepares the six months Budget Monitoring for Midyear review. For midyear review please proceed to step 9.
3. Highlight the budget variances over 10% against the budget so that the Budget Holder can check, clarify and provide explanation for the budget variance.

4. Sends the Budget Format together with Transaction Details by Account (TDA) to the budget holder. TDA will be used by the Budget Holder to verify the expenses and to know the composition of the expenses for each expense categories.

5. Checks and reviews the monthly and quarterly Budget Monitoring and focus on the budget variances of more than 10%. Verifies the details of the expenses in the TDA. Coordinates with the Finance Staff for clarifications and adjustments.

For adjustment due to wrong classifications, instruct the Finance Manager to make the adjusting entry. Provides explanation in the Budget Monitoring the reason for the variance so that the budget variances are justified.

For quarterly budget, the explanations for the 10% variance are submitted to the Program Coordinator for review and approval. Proceed to step 11.

6. Prepares the Journal Voucher for the adjustment and submit to the Authorized Person for approval.

7. Checks the Journal Voucher for the reason for the adjustment and if in order, signs as approved.

8. Records/inputs the adjustments to the accounting system based on the approved Journal Voucher at the beginning of the following month.

9. Receives the six months Budget Monitoring with information as to unspent budget for the next six months

10. Discusses with the Program Coordinators in coordination with the Finance Staff the budget variance and how to budget the unspent amount for the next six months.

Proposed budget reallocation as needed and obtain approval from the Secretary General by allocating the unspent budget based on the revised strategic plans for the next six months. Submit the revised budget to the Program Coordinator first for review and then to Management for review and approval. Proceed to Step 13
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<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Management Team</td>
<td>11. Review the quarterly budget report noting the budget variances. Discuss and clarify with the Program Coordinators. If in order, approves the report.</td>
</tr>
<tr>
<td></td>
<td>12. Reviews the revised budget after six months or mid-year review, clarifies or revises as necessary in coordination with the Budget Holder and if in order, approves the revised budget. Sends back to Donor for final approval.</td>
</tr>
<tr>
<td>Donor</td>
<td>13. Reviews the proposed reallocation, discuss with AIPP and if acceptable, approves the revised budget.</td>
</tr>
<tr>
<td>Finance Staff</td>
<td>14. Receives the revised budget and update the budget information in the accounting system. The revised budget will then be used for budget monitoring in the following months.</td>
</tr>
<tr>
<td>End of process</td>
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</tbody>
</table>
D. Partner Support Accounting

D.1 Definition and Characteristics

Partner support is to award financial assistance to an organization (Partner) for the accomplishment of substantive program work under the grant.

Characteristics of a partner:
Has authority for administrative and program decisions, including determining who is eligible for assistance (beneficiary selection).
The entity’s performance is measured against meeting program objectives.
The service is ongoing as opposed to one time or occasional.
Responsible for adherence to program compliance requirements.
Uses funds to carry out a program as opposed to providing goods and services in exchange for funds.

When AIPP provides grants to partners, AIPP is the primary recipient and the sub-grantee is the partner. Policies and procedures on sub-grants are developed to address general requirements and they are applicable to all funding sources.

Budget Request/Proposal and Review

Every quarter, six months or year AIPP submits financial report with budget comparison to its funding agencies. The financial report with budget comparison from the approved budget is reviewed by its funding agencies in order to see that the funds allocated to the budget have been used most effectively and produce the best value financially.

AIPP in turn has a responsibility to assess all Partner Support budget requests/proposal in the same manner. A thorough review of the proposed budget should include consideration of the appropriateness of items included and the reasonableness of the budgeted prices, based on AIPP past experience of prior Partner Support budgets submitted and approved budget with the donor. See Appendix 18 for Budget Review Guidelines. When the partner submits financial report with budget comparison, AIPP will review the report based on the submitted budget proposal and the donor approved budget.

AIPP requires partners to provide budget variance explanation for any variance of 10% over or underspending of each main budget lines.

There are several steps being undertaken by AIPP before request for proposal is being asked from its partners and these are as follows:

AIPP based on its program needs assess the requirements of prospective project that the donors are offering.
Then, AIPP talk with its partners in different regions based on their focus and strategies and ask if they are interested.
If the partners are interested with the project, AIPP work closely with the partners in the preparation of the project proposal.
Project budget is being prepared by the partners, submitted to AIPP, then AIPP makes its assessment and review.
Review is being done by the Finance Department using Appendix 18 – Budget Review Guidelines. After review is done, the budget is prepared and then submitted together with the proposal to the donor for review and approval.
D.2 Accountabilities

AIPP continues to be fully responsible and accountable for the funds granted to the partner. Therefore, AIPP is required to ensure that the partner spends the funds in accordance with the applicable AIPP Finance Policies, or donor laws and regulations and can provide a complete and accurate accounting for the use of the funds.

In respect to financial management aspects of partner support, AIPP must ensure that:

1. The required agreement or contract, depending on the size of the partner support, has been signed by authorized parties in both the AIPP and the recipient organization.
2. The organization has the financial capability to account for the funds received and disbursed under the Partner Support in accordance with the applicable regulations and standard accounting practices – see section D.5.
3. Funds are disbursed to the partner in appropriate amounts to ensure funds are available on a timely basis for program implementation, but not excessively in advance such that the partner could utilize the funds for alternative purposes – see section D.9.
4. Regular, timely, approved financial and program reports are received to support prior expenditures and to justify additional disbursements based on the TOR signed between AIPP and its partners.
5. Fixed assets purchased with AIPP Partner Support funds is controlled and appropriately transferred or disposed of at termination of the agreement.
6. Internal and external audits are scheduled and performed as required in the Contract or MoU to maintain confidence in the partner reports and as required by AIPP or donor regulations. In addition, AIPP must ensure that prompt corrective actions are taken by the partner on any audit findings.

Please see Appendix 19 for Partner File Checklist of what must be kept in each separate partner file.

D.3 Contract/Agreement

AIPP should ensure that all grants provided to partners have been prepared with duly accomplished contracts or agreements. The document must be complete and properly signed by authorized parties (both the AIPP and the recipient organization) prior to the release of any funds to the partner. The document will detail the roles, responsibilities and obligations of each party. Please see Appendix 20-Partner Agreement

D.4 Finance Review/Assessment of Partner

AIPP promotes high level of responsibility and accountability with AIPP and its donors, hence, ensures that the partner has the financial capability to implement and account for the program or project being funded.

Financial capability review or assessment should be performed by Admin-Finance Coordinator or consultant on the potential recipient(s) before signing any sub-agreements. The extent of the assessment will depend on the size of the potential Partner Support but should ensure that AIPP has a reasonable level of comfort that the recipient can perform the required accounting and implement necessary controls. A possible source of pre-award knowledge of a large partner would be their
annual report or audited financial statements. Refusal to provide AIPP with financial reports is a strong indicator that the AIPP should not work with the potential partner. See Appendix 21 for pre and post award review questions of partners.

It is understood that AIPP does not always have a wide range of choices of partners. In addition, in many countries and/or with newly developing local NGO’s, the required skill level may not be immediately available. In these cases AIPP should ensure that developing basic financial skills are part of the program objectives, more frequent scrutiny of financial tasks is performed, and program advances are more closely controlled.

**D.5 Monitoring and Reporting**

The Partner Support agreement or contract should have details of the accounting, financial management and monitoring procedures that the partner is required to comply. In all cases these must comply with AIPP accounting policies and procedures, International Financial Reporting Standards (IFRS), and relevant donor regulations and requirements.

Partner monitoring includes both program implementation and financial monitoring and controls. AIPP staff shall establish the program evaluation criteria, reporting requirements and scheduled field visits and evaluations. Please refer to Partnership policy for more details.

A good financial monitoring system should be put in place to ensure that all funding is accounted for accurately and on a timely basis. AIPP should monitor actual to budget performance and ensure that potential over spending are addressed. In addition, depending on the record and size of the partner organization, AIPP may require a close monitoring system on cash balances, asset management, disbursements to ensure that funding is not diverted to non-program activities, misused or mismanaged. Please see Appendix 22 Finance Monitoring Procedures.

**D.6 Fixed Assets**

Partner Support agreement/contract should include details on allowed fixed assets, title to the property and the plan for the assets at the end of the project period. In addition, AIPP should ensure that the partner is aware of all procurement restrictions or requirements that they need to comply with.

Following are procedures that the partner needs to comply with in relation to fixed assets:

1. Partners are required to maintain asset register in respect to tracking assets. Asset register should be maintained for fixed assets with a economic life of more than one year regardless of acquisition cost.

2. Asset register shall be maintained accurately and shall include the following information:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Payment Ref. No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Code</td>
<td>Cost</td>
</tr>
<tr>
<td>Purchase Order No.</td>
<td>Area / Dept</td>
</tr>
<tr>
<td>Accounting Ref. No.</td>
<td>Person assigned to</td>
</tr>
<tr>
<td>Budget Code</td>
<td>Condition</td>
</tr>
<tr>
<td>Description</td>
<td>Disposal</td>
</tr>
<tr>
<td>Model</td>
<td>Remarks</td>
</tr>
</tbody>
</table>
3. Any insurance requirements should also be specified, particularly for vehicles; AIPP and the recipient must be clear on who is responsible for insuring the vehicles and the type of coverage required.

AIPP and its partners will need to determine any laws or regulations that apply to the donation of assets to the local NGO’s. Some countries may require that all fixed assets be donated to the government (government ministries they work with) or if donated to the local NGOs, that the custom duties are paid if the title to the assets is not retained by the international NGO. For program reasons, AIPP may wish to retain the title until the viability or capabilities of a local NGO have been reasonably assessed.

D.7 Audit

Audit for partner support is generally performed at AIPP or regional level. AIPP hires external auditor to perform project audit including partner support for submission to AIPP donors. The external audit performs audit based on the reports and supporting documents submitted by its partners at AIPP Office.

AIPP requires audit for sub-grants at partner level based on the requirements of its donors and initial arrangement or agreement with its partner organization in order to ensure that funds released to partner were properly used in accordance with the funding agreement and approved budget, AIPP accounting policies and procedures and International Financial Reporting Standards (IFRS)

When the project audit is required with the partner organization, the selected auditors will determine which type of audit is required for the partner. AIPP cannot assume the specific type of audit. AIPP’s responsibility is to make sure that the partner is in compliance with the audit requirements. AIPP may select or approve the selection of the external auditor. Refusal by the recipient to participate or co-operate in internal or external audits can result in termination of the Partner Support agreement.

Audited or not, the partner must maintain records in accordance with the AIPP Finance Manual on Record Keeping and Retention.

D.8 Fund Management

AIPP requires partner to be fully accountable for the funds given under the grant because it is responsible for the safeguarding of donors’ funds from loss and misuse. The terms negotiated with the partner for release of cash should balance the protection of the funds with the program needs. The agreement/contract will detail the agreed payment terms and conditions.

In principle, the AIPP works on a grant basis. It is generally required for AIPP to release funds so that the partner can proceed with the implementation of the program. AIPP must consider the following guidelines before negotiating payment terms with partners.

1. Prior to release of funds to any partner, AIPP must have received cash from the donor for the grant under which the Partner Support is being funded.
2. Funds are released quarterly or every six months based on the fund released schedule outlined in the agreement after compliance with the narrative and financial reports as stipulated in the agreement.
3. Funds shall be used strictly and exclusively for the purpose of the project. Approval from AIPP is required for any use of funds outside of the contract or ToR.
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4. Funds for the partner will be released upon request by the Project/Program Coordinator and approved by the SG/DSG/Program Coordinator as relevance based on the approved disbursements schedule.

5. The partner shall open a separate bank account if support provided is USD 10,000 per year and above and will have at least three signatories and requires two (2) signatures for every withdrawal of funds. Additional releases of cash are conditional on the submission of approved expenditure reports covering at least 75% of the initial release.

6. The total amount of cash released to the partner cannot exceed the approved budget less any stipulated holdbacks.

7. Official Receipt or Acknowledgement shall be obtained from the partners after the funds has been released or transferred from the partners’ bank account.

8. All interest income earned from bank accounts should be used for direct assistance cost.

9. Within 15 days of the end of the contract period, the partner is required to reimburse AIPP for any unexpended funds.

10. The partner should be responsible for any gain/loss on foreign exchange transactions.

11. The Partner Support agreement should include a cash installment schedule to facilitate cash needs planning.

12. The partner support policy will form part of the terms and conditions of the partner agreement or TOR.

13. Serious violations of the terms and conditions of the partner agreement or TOR will be grounds for the termination of partnership contract and may include other form of penalties and legal action by AIPP.

D.9 Accounting for Partner Support

D.9.1 Recording

Accounting for partner support should capture all financial transactions with the sub-grants from its inception to the completion of the project. Certain account and project codes are being used to closely monitor and consolidate the partner financial transactions to the financial results of AIPP.

When funding agreement is signed by AIPP and the partner, no entry is recorded. When grant is released to the partner, partner accounts receivable is recognized. When financial reports are received from the partner, partner expenses are recognized and partner accounts receivable is adjusted. The Finance Staff checks the financial reports and schedules to ensure that financial reports are correct and fund balance is reconciled with the cash and receivable balance in the partner. At the end of the project, the partner submits final financial report of the project, cash is returned or reimbursement is made to the partner or payable is recognized first and reimbursements made subsequently.

For example:

AIPP grants one local NGO (Partner A) in Thailand THB 400,000 on January 1, 2015 for the period 01 January to 31 December 2015. In January 2015, 50% of the grant was released for the next three months project operation. Every quarter partner submits the required financial reports and schedules to AIPP and project expenses reported at THB 80,000.

The following entries will be made

1) Dr. 11400 Partner advance 400,000
   Cr. 2100 Cash in bank 400,000
   To record transfer of funds to the partners (Write Check in QB)

2) Dr. 51XXX Direct Project Cost 70,000
   Dr. 52XXX Indirect cost 10,000
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Cr. 11400 RO Partner Advance 80,000
To record initial project expense based on the financial report and supporting documents submitted by the partner (Journal Entry in QB)

At the end of the year, where the partner has cash or funds left for the project or cash returns or reimbursement with AIPP, AIPP accounts the funds left or balance or reimbursement as either partner advance or partner payable.

When cash is returned to AIPP for cash returns or cash reimbursements is to be made to the partners, the following entry will be made:

Cash Returns

At the end of the project, the total partner advance remaining is THB100,000 but the project expense is only THB 80,000, a cash returns was received from the partner at THB 20,000.

The following are the suggested entry:

1) Dr. 51XXX Direct Project Cost 70,000
Dr. 52XXX Indirect cost 10,000
Dr. Cash in bank 20,000
Cr. 11400 Partner Advance 100,000
To record partner expenditure and cash returns at the end of the project (Write Check in QB).

Cash Reimbursements

At the end of the project, the total partner advance remaining is only THB100,000 but the project expense is THB 125,000, a cash reimbursements was made the partner at THB 25,000. The following are the suggested entry:

1) Dr. 51XXX Direct Project Cost 115,000
Dr. 52XXX Indirect cost 10,000
Cr. Cash in bank 25,000
Cr. 11400 Partner Advance 100,000
To record partner expenditure and cash reimbursements at the end of the project.

D.9.2 Reporting and Documentation

The following are the reporting and documentation policies of AIPP for all its partners:

1. AIPP requires the partners to submit the following financial reports and schedules 15 days from the completion of the quarter, or six months or from the reporting period.
   a. Financial Report with budget comparison signed by the management and reconciliation of fund receipt
   b. Supporting documents such as vouchers, receipts, invoice and others
   c. General Ledger, Details listing of expenses
   d. Fund receipt statement/bank statement

2. The partner shall retain financial records and documentation for more than 5 years or the number of years required by the donor.
The Partner are required to follow or comply with the requirements of the Standard Provision for Partner Support as outlined in Appendix 23 Standard Provision for Partner Support, and Appendix 24 Guidelines on Financial Report and Documentation

**D.9.3 Procedures**

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project/Program Coordinator</td>
<td>1. As soon as he/she receives notice of fund request from a particular partner, he/she prepares the disbursement form that shows the following information:</td>
</tr>
<tr>
<td></td>
<td>- program/project</td>
</tr>
<tr>
<td></td>
<td>- activity</td>
</tr>
<tr>
<td></td>
<td>- particulars</td>
</tr>
<tr>
<td></td>
<td>- amount</td>
</tr>
<tr>
<td></td>
<td>2. Attaches the Terms of Reference (ToR) and the request from partner to the Disbursement form, signs the disbursement form and forwards to the concerned Program Coordinator/DSG/SG as relevance for approval.</td>
</tr>
<tr>
<td>Program Coordinator/DSG/SG</td>
<td>3. Approves the disbursement form and forwards to the Finance officer for transfer of funds to the partner.</td>
</tr>
<tr>
<td>Finance Officer</td>
<td>4. Arranges with the bank for the transfer of funds to the partner.</td>
</tr>
<tr>
<td>Admin-Finance Coordinator</td>
<td>5. Prepares the payment voucher for the transfer of funds. Attaches the Terms of Reference (ToR) and the disbursement form to the payment voucher and forwards the Admin-Finance Coordinator for approval</td>
</tr>
<tr>
<td>Concerned Finance Officer</td>
<td>6. Reviews the payment voucher and compares with the ToR and disbursement form. If everything is in order, approves the payment voucher and returns the same to the Finance Officer.</td>
</tr>
<tr>
<td></td>
<td>7. Records the payment voucher to the computerized accounting system.</td>
</tr>
</tbody>
</table>
## Upon Receipt of Financial Report From Partner

<table>
<thead>
<tr>
<th>Accountable Personnel</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project/Program Coordinator</td>
<td>1. Upon received the financial report from partner, check the accuracy of the activities, the project title, reporting timeframe and the budget variance. If all in order, forward the report to Finance Officer.</td>
</tr>
<tr>
<td>Finance Officer</td>
<td>2. Convert the partner’s report to THB currency, prepares the payment voucher indicating the expenses included in the partner financial report. Indicates the project name and the expense account code.</td>
</tr>
<tr>
<td>Finance Officer</td>
<td>3. Signs the payment voucher and forwards to the Admin-Finance Coordinator for approval.</td>
</tr>
<tr>
<td>Admin-Finance Coordinator</td>
<td>4. Reviews the payment voucher and compares with the partner financial report. If everything is in order, approves the payment voucher and returns the same to the Finance Officer.</td>
</tr>
<tr>
<td>Finance Officer</td>
<td>5. Records the payment voucher to the computerized accounting system.</td>
</tr>
<tr>
<td>End of process</td>
<td></td>
</tr>
</tbody>
</table>
E. Organizational Funds

E.1 AIPP Admin and Human Resource Fund

E.1.1 Sources of Funds

- The Contribution from program/project and the cost allocation shall be based on the Appendix 26 – Guideline for the cost allocation.
- Coordination fee/facilitation fee/documentation fee
- Consultancy fees
- Bank interest
- Gain from exchange rate
- Private contribution
- In kind contribution

E.1.2 Uses of Funds

- Human Resources
- Staff Development
- Operational cost
  - Facilities
  - Communication
  - Equipment
  - Subscription and fees
  - Audit
  - Maintenance
- Token and social events
- Emergency Contribution
- IPs Day celebration
- Networking and Fundraising
- Field visit in Thailand

E.1.3 Fund Maintenance

- Any unspent balance at the end of the year will be allocated into - Admin fund and Human Resource Fund to cover the 3-months expenditures for the succeeding year. After allocating for the Admin and HR Fund, the balance will be allocated to AIPP fund 40%, Reserve Fund 60%

E.1.4 Accounting

The following entry should be prepared at the end of the year:

Debit Admin/Human Resource income xxx
Credit Designated Fund – AIPP Admin xxx
Designated Fund – Reserve Fund xxx
If a separate bank account is maintained for the designated fund, the following should be made:

Debit Cash in bank – Designated Fund xxx
Credit Cash in bank – Operating Fund xxx

**E.2 Designated Funds**

**Purpose**

The purpose of the Designated Funds for AIPP is to ensure the stability of the mission, programs, secretariat, and ongoing operations of the organization and to provide a source of internal funds for organizational priorities such as support to the members organization needs (refer to AIPP Fund), conduct of key organizational activities such as the General Assembly, sudden increase in expenses, key programme activities, or uninsured losses, and to sustain the operation of the secretariat at least 2-3 months in case of unanticipated loss in funding among others. At the worst case, it is also for the redundancy or severance payments needed for winding up the organization. The Designated Funds will be implemented in accordance with the governance and financial polices of AIPP and is intended to support the goals and strategies contained in these related policies and strategic and operational plans.

AIPP obtains two kinds of Funds under the Designated Funds: AIPP Fund and Reserved Fund

**E2.1 AIPP Fund**

**E2.1.1 Background**

Based on the request of member-organizations for direct assistance from the regional secretariat, the AIPP Fund has been set-up since 2006. The fund is coming from the balance of Administrative and Human Resource Fund and membership fees paid by AIPP members. The regional secretariat has been taking efforts to put aside funds for the AIPP Fund, which has relatively increased through the years and has been used to support the key activities of member-organizations.

In September 2012, the Executive Council noted the need to also earmark funds from AIPP Fund to support the budget for AIPP General Assembly and sub-regional meetings. This is referred to as the Reserve Fund (see E.3)

In order to systematize the management of this limited fund to ensure optimum benefits to member-organizations, as well in responding to urgent needs in a more equitable manner, this Guideline is being issued to serve this purpose as well as to strengthen further cooperation and solidarity of AIPP members.

This Guideline shall be reviewed by the Executive Council based on request by the secretariat, any member of the EC, or member-organization.
E2.1.2 Guidelines for Fund Usage

- The funds shall be used for emergency or urgent needs relating to organizational activities and for natural disasters.
- Only members are eligible to access the funds. Due to the limited amount and the big number of AIPP members, priority shall be given to members who are not project partners that are receiving funds from AIPP for project implementation.
- Each member organization can access this fund only once a year. However, if there are not many organizations accessing the funds, and there is an urgent need for the requesting member organization, this will be treated on a case to case basis.
- Priority shall be given to member organization who have not accessed the fund.

E2.1.3 Type of Support

- Disaster Support
  - The maximum amount of financial support that can be extended per case shall be $2,000 (maximum on a case to case basis). Secretariat can facilitate support from other organizations upon endorsement of members in the concerned country.
  - The amount earmarked per year shall be 1/3 of the total budget.

- Organizational Support
  - The maximum amount of financial support that can be extended per case shall be $1,000 to $5,000 (maximum on a case to case basis).
  - The amount earmarked per year for support to organizations shall be 2/3 of the total budget.

E2.1.4 Application Process

1. Applicants must send a request letter to the Secretary General (SG).
2. All request letters should be accompanied by a brief description of the activities and the corresponding budget of the activities.
3. The Secretary General shall process the request with the Executive Council (EC).
4. The request for support shall be granted only on approval by the EC.
5. The applicant shall be notified of the decision of the EC and if approved, the fund shall be transferred to the bank account of the member organization.
6. The applicant shall send an acknowledgement of funds to the finance officer and SG upon receipt of funds.

E2.1.5 Reporting
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- All beneficiaries are required to submit a brief report of the activity undertaken including financial report and the supporting documents to the SG/EC within one month after the completion of the activity.
- Non-compliance to reporting requirements can be taken as a ground for rejecting or not processing application of the organization in the future.

F2.1.6 Fund Maintenance

- Savings of at least $40,000 per year shall be created targeting the overall admin budget for the year.
- Replenishment of fund shall be drawn from savings equivalent to 40%.

E2.1.7 Accounting

The following entry should be prepared when making disbursement from the AIPP Fund.

```
Debit Designated Fund – AIPP Fund xxx
Credit Cash xxx
```

E2.2 Reserved Fund

E2.2.1 Purpose

- To provide an internal source of funds to maintain the operations cost of the AIPP Secretariat for at least 3 months in case of unanticipated loss in funding
- To fund the key organizational activities such as the General Assembly, a sudden increase in expenses and key programme activities.
- This is also intended as a source of internal funds for investment in infrastructure that will build long-term capacity, sudden increase in expenses, and one-time unbudgeted expenses or uninsured losses.
- At the worst case, it is also for the redundancy or severance payments needed for winding up the organisation.

E2.2.2 Sources of Funds

- 60% of the savings from the Admin Fund

E2.2.3 Uses of Funds

- Keep the organization running for 3 months in case of loss of funding
  - Operational cost
  - Human Resource cost
  - Fund raising related cost
- The cost of closing the organization down
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- closing down activities
- paying off staff
- terminating leases, etc.

- Funding for key organizational activities
- Funding for key programme activities
- Funding for infrastructure or major repair of the infrastructure

**E2.2.3 Fund Maintenance**

- Any unspent balance at the end of the year will be carried over to the succeeding year as beginning balance.
- Use of this fund for expenses of other funds must be first noted by the Secretary General and approved by the Executive Council.
F. Foreign Currency Transactions

F.1 Foreign Currency Policy and Procedures

AIPP operates in different countries and in these countries foreign currency is used for at least some if not majority of the transactions. The funding for the different programs may be in another currency different from the currencies of AIPP. Thus, it is important to provide the finance staff with the knowledge necessary to manage and account for foreign currencies.

F.1.1 Currency Management

AIPP should manage its foreign currency so as to reduce the risk and thereby minimize exchange gains and losses. It needs to monitor the impact of exchange rate changes to:

- determine if the exchange rate change necessitates a change in the spending plans for the program.
- provide accurate and consistent accounting to donors.

To minimize exchange risk, AIPP is required to keep foreign currency balances to a minimum. Foreign currencies are all currencies other than the reporting currency. For example – since Thai baht is the reporting currency, US dollars is the foreign currency. Regular analysis of cash requirements is the key to avoiding having large unusable foreign currency cash balances.

AIPP should set a policy on foreign currency exchanges, which sets the limits on the amount of foreign currency cash to be held and the process and authorizations required to initiate conversions. The amount should equal to the average weekly expenditures. For example, if AIPP spends an average of 150,000 Baht (US $5,000) weekly, this is the amount of foreign currency limit that will be held. This provides clarity and guidance and helps in controlling cash levels and exchange losses.

F.1.2 Foreign Currency Policies

1. The reporting currencies of AIPP is in Thai baht. The financial reports submitted to the donors are in US dollars or other currency as required by the donor. AIPP must convert all financial reports to US dollars.

2. Transactions should be recorded in the accounting system in the reporting currency of the transaction.

3. Functional currency transactions should be converted into the reporting currency using the exchange rate prevailing at the time of transaction (transaction rate).

4. Balance sheet accounts are revalued at the end of the financial year using the translation rate. Fixed assets are not revalued but are held at their historical rate.

5. Foreign exchange gains or losses are charged to exchange result under general expenses.

6. Finance officer should keep adequate documentation of the exchange rates used during the month. It should maintain a file with the following supporting documents for each month:

   - Bank receipts, or receipt for the cash exchange, if exchange not done with the bank
Definitions of terms:

- Reporting Currency – the currency in which the financial statements are prepared.
- Functional Currency – the original currency of the transaction. Example – if funding is received in US Dollars and recorded in Thai baht, US dollars is the functional currency.
- Transaction Rate – The rate used to convert foreign currency to the reporting currency. This is the exchange rate prevailing at the time of transaction.
- Translation rate – The rate used in revaluing the balance sheet accounts at the end of the financial year. This rate is the bank selling rate at balance sheet date. If there are no official rates available, the translation rate used is the rate received for the last currency exchange during the year.

F.1.3 Accounting for Exchange Gains and Losses

1. Balance sheet assets and liabilities are revalued at the end of the financial year using the translation rate. The revaluation and exchange gain or loss is calculated by restating the reporting currency equivalent of the foreign currency assets and liabilities to the new exchange rate.

Example:

a. Thai baht amount at base U.S. dollar amount
   Thai baht 30,000 = U.S. $1,000

b. Balance sheet exchange rate – U.S. $1 = 32 baht

c. U.S. dollar value of Thai baht with the new rate
   Thai baht 30,000/32 = $937.50

d. The difference between the original base and the new base is the exchange loss of $62.50

2. The asset will be revalued to the new exchange rate. After revaluation the financial statements will show a balance of $937.50 (financial statements are reported in U.S. dollar). AIPP will record an exchange loss of $62.50.

3. The accounting entry to record the revaluation and the exchange loss is shown below:

   Dr. Foreign exchange loss 62.50
   Cr. Cash in bank 62.50

   If the revaluation resulted to an exchange gain, the amount is credited to Foreign exchange gain.
G. Audit

G.1 Donor Required Audit

In most cases, the donor would require the project records to be examined by external auditors to ensure that donor’s funds were properly spent for its intended purpose.

The Admin-Finance Coordinator must coordinate with the Programme Coordinators in preparation for the audit. All financial records and communications with the donor/s must be prepared ahead of time.

The copy of the following communications to the donors must be forwarded to the Finance staff for reference purposes:

- Changes in project’s plans and activities
- Donor’s written approval for budget revisions
- Changes in staffing structure
- Amendment in the contractual agreement

G.2 External Audit

In most countries, organisations which are registered with the government are mandated to submit the audited financial statements certified by external auditors.

The Chief-Administrator/ Admin-Finance Coordinator will coordinate with the Finance Manager in preparation for the external audit.

Audit report package must be prepared by the Finance Manager. This includes the following:

- Finance report package
  - AIPP Annual financial reports (Balance Sheet and Profit and Loss Statement)
  - Bank reconciliation statement for all bank accounts
  - Schedule of all balance sheet accounts, i.e. accounts receivable, loans to staff, advances to staff, advances to partners, accounts payable, staff provident fund payable, accruals
  - Fixed Assets list
- Bank confirmation for all bank accounts
- Revolving cash fund certification for all cash funds
- Contracts and agreements

G.3 Internal Audit and Financial Monitoring

The Organization, as part of its monitoring activity, shall perform finance monitoring of the partners.
1. Financial monitoring is conducted to ensure that the financial policies and procedures being followed in the Partners’ Offices are in accordance with the approved Finance Manual. For the detailed finance monitoring procedures please refer to Appendix 22 Finance Monitoring Procedures.

Should AIPP establishes an Internal Audit Unit, an internal audit shall be performed on the partners.

Internal Auditing is an independent, objective assurance and continuing activity designed to add value and improve the partners’ operations.

It helps the partners accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal controls and operational efficiency.

An internal audit is broader in scope as this is not limited exclusively to financial audit, but covers also operations and systems. Internal audit will also be testing for compliance with Operation Policy, Human Resource Policy.
H. Record Keeping and Retention

H.1 Record Keeping

H.1.1 Financial Documents

It is important that all financial records are properly filed in chronological and numeral sequence and secured for audit and reference purposes.

Inventory listing of accounting forms must be kept for proper monitoring.

A logbook of all accountable forms such as cheque, pre-numbered official receipts, etc. must be kept by a designated staff. The Finance staff must check the logbook on a regular basis.

Following are important financial records that need to be kept by the Finance unit:

- Payment vouchers and supporting documents
- Official Receipts and Receipt Vouchers – these documents all types of funds received by AIPP.
- General Ledger – this is the detailed listing of all the financial transactions of AIPP.
- Monthly Monitor Sheet – this report indicates project’s actual expenditures, budget, variance and its remaining fund per budget line item as of a given period.
- Assets Register – listing of all fixed assets of AIPP
- Financial Correspondence – relevant narrative documents supporting legitimacy of financial transactions and management decisions.
- Staff Employment Agreements and Job Descriptions – documents contractual agreement between AIPP and its staff and the duties and responsibilities of the staff.

Additional Recommended Files to be kept:

- Cash count sheet – documents actual cash count in the safe at month-end.
- Contract agreements with partners, consultants, etc. – contractual agreement between AIPP and its partners and consultants in carrying out duties as agreed with the projects’ donors
- Audit reports – result of the examination conducted by external auditors.
- Documentation for sale or disposal of assets – documents all sales and disposal of AIPP fixed assets such as deed of absolute sale for vehicle, deed of donation, etc.

H.1.2 Data Back Up
H.1.2.1 Objectives

1. To ensure that all financial records and documents in softcopies have been properly backed up on a regular basis and kept in a safe place.
2. To ensure that all back up files are not corrupted and proper storage of back up files are assigned.

H1.2.2 Definition of files to be backed up and frequency of back up

1) Accounting system back up files – this pertains to the back up files of the accounting software that AIPP is using (e.g. QuickBooks).
   Frequency of back up: Weekly back up

2) Financial reports and monitor sheet – this pertains to monthly, quarterly, annual financial reports (e.g. Balance Sheet and Profit and Loss Statement) and monitor sheets prepared.
   Frequency of back up: Monthly back up

3) Financial reports and schedules for donors – this pertains to all financial reports and schedules prepared and submitted to donors. These financial reports are based on the required format by donors. These reports are normally prepared in Excel files and can be organized by preparing donor folders.
   Frequency of back up: Monthly back up

4) Bank reconciliations, cash counts, schedule of receivables – this pertains to monthly bank reconciliations prepared by the Finance Staff supported with copies of bank statement and bank register, monthly cash counts of all cash funds and schedule of receivables or cash advances with details of the name of the staff and amount.
   Frequency of back up: Monthly back up

H.1.2.3 Retention period

1) Financial records and documents should be kept for at least five (5) years and in accordance with international standard on recordkeeping of back up hard drive and owncloud.

H.1.2.4 Person responsible for back up procedure and storage

1. The Finance Staff is responsible for performing and keeping the financial records and documents back up files.

H.1.2.5 Procedures

1. The Finance Staff should perform backup procedures for all the financial records and documents required for back up using the external hard drive.
2. Folders should be created and can be done using the information below
3. Back up procedure should be made every week or every month based on the required frequency of the files or documents.

4. After back up has been made, the back up logbook with checklist of files to be backed up should be accomplished by the Finance Staff and signed.

5. The hard drive should then be kept in the safe at the end of the day to protect from loss, theft or fire.

6. At the end of the month, the Admin-Finance Coordinator should check the back up logbook to ensure that proper back up has been made and should sign off the log book for the month.

7. Another hard drive should be used to back up the finance records and documents and this should be kept at the house of the Admin-Finance Coordinator. This should be recorded in the back up logbook and signed by the Finance Staff and Admin-Finance Coordinator.

8. On a quarterly basis, the Finance Staff should perform at random test of back up of accounting system files and financial reports and schedules to ensure that there are no files that have been corrupted and to enable easy retrieval of data to facilitate operation continuity.

9. The test of back up should be recorded by the Finance Staff in the back up logbook.

H.2 Retention of Financial Documents

H.2.1 Objectives

1. To set up policies on retention of financial records and documents
2. To organize proper filing and documentation of financial records and documents
3. To maintain financial records and documents in adherence to donor, government and international standards on document retention.

H.2.2 Types of documents to be retained and location
The finance staff in the Regional and Country Offices is responsible for retaining the following documents.

a) Finance vouchers and supporting documents – this pertains to all payment, receipt, journal vouchers and other accounting forms together with its supporting documents like receipts, invoices, quotations, quotation summaries, distribution lists and other supporting documents prepared by the finance staff.

b) Financial reports and monitor sheet – this pertains to monthly consolidated financial reports (e.g. Balance Sheet and Profit and Loss Statement) and monitor sheets prepared.

c) Financial reports for donors – this pertains to all financial reports and schedules prepared and submitted to donors. These financial reports are based on the required format by donors.

d) General Ledger or Transaction Detail by Account – this pertains to list of transactions by account to support the amounts reported in the financial reports. This is printed on a monthly or yearly basis.

e) Bank reconciliations, cash counts, schedule of receivables – this pertains to monthly bank reconciliations prepared by the accountant supported with copies of bank statement and bank register, monthly cash counts of all cash funds and schedule of receivables or cash advances with details of the name of the staff and amount.

f) MOUs, Donor contracts and other contracts – this pertains to Memorandum of Understanding signed by AIPP and the government or ministries, donor contracts and other contracts like rental contracts, consultancy contracts and others.

Original copies should be kept for filing. Copies can be made for contracts to be kept for filing and original can be kept in the current file for easy reference and verification

Current year financial documents are kept at the Finance Staff room locked at the end of each day. Previous years financial documents are kept at a locked record room where access is given to authorized personnel only.

H.2.3 Retention period

Retention period of financial documents shall be five (5) years in accordance with the requirements of the Thai government or the number of years required by the donor whichever is longer.

H.2.4 Procedures on Transfers/Movement/Storage of documents

a. No documents shall be taken from the finance room or record room unless it is authorized by the Chief-Administrator/Admin-Finance Coordinator.

b. All documents withdrawn from the finance room or record room shall be recorded properly in the document logbook.

c. Upon return of the documents, these shall be recorded in the document logbook and signed by the Finance Staff as received.

d. All documents borrowed from the finance room or record room should be kept properly and
returned as soon as the purpose for borrowing is achieved.

f. The financial documents shall be arranged by year and in chronological and serial order.

g. Contracts and agreement shall also be filed by year and in chronological order.

h. A master list should be prepared that contains all the documents kept in the record or document room.

i. A logbook should be maintained to record the receipt and withdrawal of documents in the record room.

This policy should be communicated to relevant personnel to ensure that all accounting documents are retained accordingly.

**H.3 Turn Over of Accounting Records**

AIPP anticipates that there will be staff turnover in the finance department over a period of time. In order to ensure that the financial records are kept properly and verifiable within the period required for record keeping, a proper turnover of accounting records should be made. Financial documents as well as data backup of financial reports and schedules should be properly handed over to the new staff to facilitate operation continuity.

As part of the clearance procedure of the staff, all documents maintained and kept by the old staff should be turned over to the new staff. The finance handover checklist shall be used for the handover procedure.
I. Special Policies and Procedures

AIPP expects its employees to maintain the highest standards of ethical conduct and to ensure compliance with all applicable laws and accounting principles. Any accounting fraud or other fiscal impropriety is strictly prohibited.

AIPP has established an anti-corruption policy that outlines the policies and procedures with regard to standards of conduct governing the performance of all AIPP officers and staff, as well as member-organizations and partners having direct project partnership with AIPP to ensure compliance with anticorruption laws. These include compliance with all domestic and foreign laws prohibiting improper payments, gifts or incentives/inducements of any kind to and receive from any person, agencies including private and public sectors. This policy also applies while dealing with any government and its agencies. This policy can be revised as needed and agreed by the Executive Council (EC) and/or simple majority of the members to make it more relevant and appropriate taken into account changes within and outside AIPP. All members, partners and staff are required to comply with this policy.

I.1 Irregularities/Fiscal improprieties

Some examples of fiscal improprieties include:

1. Unauthorized or unethical use of AIPP funds.
2. Fraudulent accounting or reporting
3. Improperly gaining or potentially gaining financial benefit
4. Illegal or unethical fiscal activities

I.1.1 Fraudulent Accounting and Reporting

*Manipulation of accounting entries and records is one example of fraudulent accounting.*

Accounting records can be manipulated by destroying, defacing, concealing or falsifying accounting records or knowingly furnishing false information and accounting entries can be manipulated by overstatement or understating amounts through a journal entry.

I.1.2 Improperly Gaining Financial Benefits

In the course of the work duties, AIPP staff may face situations where commissions, gifts or bribes are offered by any person seeking contractual, business or financial relationship with AIPP e.g. suppliers, vendors or contractors.

Staff is not permitted to accept cash payment resulting from any AIPP financial transactions. AIPP staff should not benefit directly or indirectly for any cash payments offered by the supplier, vendor or contractor.

Commission
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A commission is a percentage of sale (or contract price) paid by the suppliers or contractors to a person facilitating the transaction. It may also involve improper changing of amounts on receipts or invoices to amounts higher than what was actually paid.

Employees are NOT permitted to personally accept commission from suppliers or contractors of AIPP. When commission is offered, employees must:

Ask the seller to indicate the commission in the invoice as a discount (or reduction) from the total price of the goods or services. Staff should note this discount on the receipt or invoice.

Gifts and Gratuity

A gift or gratuity (gift of money) is a gesture of friendship or appreciation toward AIPP or its staff. However, gifts or gratuity given to influence the decision of AIPP staff may be a bribe (see next section). It is important to understand the reason for the gift.

Since employees are paid salaries by AIPP, asking or acceptance of gifts is NOT permitted. Any gift of money should be considered as a discount, and should be noted as reduction on the receipt or invoice from the supplier or service provider.

As staff is receiving the salary and benefits on a monthly basis, additional tasks outside the JD such as translation, interpretation, editing and drawing will not entitle the staff for additional payment.

Traditional holiday offerings with a value of less than 3,000 baht will be an exception.

Bribes

Bribe is any offering, giving, receiving or soliciting, directly or indirectly, of anything of value to improperly influence the actions or decisions of another party to gain and retain the vested interest. Anything of value that includes cash, gifts and courtesies.

Bribing is strictly prohibited in AIPP. All employees must demonstrate integrity, transparency and honesty in their work.

I.1.3 Illegal or Unethical Fiscal Activities

The following list of definitions includes the most common type of irregularities.

Corrupt practice means abuse of any entrusted power for personal gain and financial benefit in both private and public services and businesses undermining good governance and the rule of law.

Facilitative Payments means small sums paid to government officials or any other parties to facilitate or expedite the action or routing.

Fraudulent practice means any action intended to deceive another party in order to improperly obtain a financial or other benefit or avoid an obligation
Collusive practice means any secret agreement/arrangement between two or more entities without the knowledge of a third party, designed to improperly influence the actions of the third party.

Coercive practice means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or its property, or persons closely related to a party, to improperly influence the actions of that party.

I.1.4 Disciplinary Action

A Sanction Committee (SC) will be constituted of not more than five (5) members from amongst the EC members and designed person from the AIPP Advisory Board. The Chairperson of the EC will head the SC together with the designated person in the AIPP Advisory Board along with three other members from the EC or the Board.

The SC will review the findings of the investigation and decide on appropriate sanctions to impose on the party found guilty.

Based on investigation and sanctions, the EC will take actions for the corrupt person/officer/entity accordingly. The EC can also deliver it to Secretary General for necessary actions particularly for corrupt practices within the secretariat, whereas EC will decide and take actions to matters related to AIPP members and partners in consultation with SG and Program Committees, if necessary.

In most of the cases, EC and AIPP Advisory Board will handle the case of corruption internally in consultation with SG and secretariat, as appropriate. If the case is serious that needs legal process like Court case, the reliable lawyer shall be hired for additional legal support, as required.

Range of Sanctions

a. Letter of Reprimand/Warning – where there is a lack of oversight, or for isolated or minor violations of prohibited practices
b. Restitution/Financial Remedies – where there is a quantifiable amount to be restored
c. Termination of Contracts
d. Denial of further financial support
e. Legal Action as appropriate

I.2 Approval of Expenses Benefiting Staff

All staff authorized to approve Procurement Decision Form (PDF) or Payment Voucher must ensure that another authorized person approves the transaction where there is any possibility of “personal” benefit, gain or conflict of interest.

Another authorized staff should approve the transaction

- where a staff is involved in any “financial” aspect of a transaction such as
  a. If staff is collecting cash from cashier
  b. Bidding the price with the supplier
  c. Buying the goods
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• where a staff gains any (even if only small) benefit from a transaction
  a. Purchase of mobile phone for AIPP use that can also be used personally
  b. Purchase of resource books for AIPP use that are also of personal interest
  c. Restaurant meals charged to AIPP that also include the staff personally
  d. Approving a benefit (i.e. utilities) that relates to the AIPP staff rented house

• Where there is a personal benefit/ gain - requesting another staff to prepare the Payment Voucher for you to approve, is not permitted.

• Where the other party in the transaction is “related” (spouse, relative, close friend) in any way to the staff.
  a. Approving staff’s relative’s costs as a consultant to AIPP
  b. Buying stationery from the staff’s close relative’s stationery shop

It is important to avoid a conflict of interest or even a “perceived” conflict of interest (meaning that an outsider might reasonably think that the staff or the staff’s relative/ friend are personally gaining in the transaction).

AIPP staff are expected to be transparent, honest and open about transactions where there is any personal gain or benefit. If you are unsure or have any doubt, please ask another authorized person to approve.

I.3 Lost OR Stolen Assets

I.3.1 Rationale

Staff must exercise responsibility and care for AIPP assets assigned to them in the course of fulfilling their work responsibilities. Where assets are lost or stolen, the following guidelines should help establish where the responsibility should lie:

I.3.2 Guidelines

The guidelines below are intended to provide the principles that will govern decisions regarding the loss or stealing of assets.

1. If the asset is lost/ stolen within the AIPP office or during the carrying out of duties.
   - If loss is due to carelessness or neglect of staff, then staff will be held personally liable for the cost of the replacement
   - If staff have exercised a reasonable standard of care, and an asset is still lost or stolen, then they will not be held personally liable.

2. In the unlikely situation that the asset is lost during personal use, then the staff will be held personally liable.
Example: Borrowing of AIPP laptop for personal use, and the asset got lost or stolen, then the staff will be held personally liable for the loss.

3. If personal assets of staff are lost as a direct result of work related activities, some form of partial reimbursement may be considered. This is at the discretion of AIPP Secretary General and will be considered on a case by case basis.
   - size of the loss in dollar terms
   - degree of care exercised by the staff
   - reason for use of personal assets in the case of AIPP work
   - personal financial situation of the staff

I.3.3 Review and Approval

Where the staff are held to be responsible for the loss of AIPP asset, the amount that needs to be paid AIPP requires the approval of the Secretary General.

If in any event that insurance company covers the cost of the lost asset, the deductible amount from the amount insured will then be reimbursed by staff to AIPP.

With regard to payments for lost/ stolen assets, two options are available

1. One time payment or salary deduction if the cost is 50% of monthly salary or less;
2. Deduction of an agreed amount regularly from the staff salaries if the cost is more than 50% of the monthly salary.
J. Financial Risk Policies

J.1 Purpose

1.1. The purpose of this policy is to set the outline for the risk that AIPP is prepared to take with regard to all the AIPP's financial assets and liabilities. The policy also specifies the principles that apply to identifying, measuring, managing following up and reporting these risks.

1.2. This policy describes the lowest acceptable level for risk management and control. These minimum standards do not cover all possible situations and do not limit the responsibility of the heads of department for identifying, measuring, managing, following up and reporting financial risks within their departments.

J.2 Definition

Risk is uncertainty about future events and their negative effects on the operations, assets or reputation of AIPP. The management of financial risks entails identifying, measuring, following up and reporting the risks.

- The AIPP's financial risks consist of credit risk and liquidity.

Liquidity risk

- The exposure to loss as a result of the inability to meet cash flow obligations in a timely and cost-effective manner.
  
  o risk of a temporary cash flow problem;
  o risk arising from the organization’s inability to meet its obligation when they come due

Liquidity risk may arise as a result of:
  • Mismatches in cash flows;
  • No contingency plan to cover unexpected fund withdrawals during financial stress, emergency cases

Credit Risk

The exposure to actual loss or opportunity cost as a result of default (or other failure to perform) by a legal entity (the debtor) with which the organization has financial transactions.

J.3 Risk Assessment

The overall process of risk analysis and evaluation.
J.3.1 Steps to assessing risk:

1. Identify the risks
   Examples:
   - Low program quality
   - Lack of supportive government regulations on NGOs
   - Mismatch between our donor promises and program quality/impact
   - Low ability and competitiveness of organization to attract and retain good employee

2. Assess the potential impact and likelihood of occurrence

   The potential areas of impact could be:
   - Program operation efficiency
   - Funding
   - Staff life

3. Prioritize risks and select the critical to mitigate

   The organization might determine that order of priority to be as follows:
   i. mismatch between donor promises and program impact
   ii. low program quality
   iii. low ability and competitiveness of organization to attract and retain good employee
   iv. Lack of supportive government regulations on NGOs

4. Develop recommendations to mitigate risks.

   Examples:
   - Improve contact/communication between donor relation staff and program staff in the field throughout the entire program lifecycle.
   - All programs should have project design.
   - Review of salary and benefit structure and working environment

5. Implement risk mitigation plan

   Examples:
   - Communicate the risk analysis to all parties concern and gather inputs
   - Regularly review the mitigation and the risk analysis with considering any changes internally and externally.
   - Integrate risk management in the key performance indicators of the Programme Coordinator and Managers and measure progress regularly
   - Strengthen policy responses to potential external risks
   - Deliberately integrate risk analysis and consideration of risk drivers in the strategic management process at all levels

6. Formalize reporting on risk-related issues throughout the organization
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To manage risk properly, appropriate documentation is required. The staff members conducting or accountable for the activity shall in the first instance conduct the risk assessment and complete the documentation. The risk assessment and documentation is to be reviewed and accepted by the manager or next in line supervisor of the area conducting or accountable for the activity.

Projects, Operations, Programs and Departments are required to maintain risk registers insofar as risks impact on their respective responsibilities. Information from these registers is to be given to the Internal Audit Manager who will develop and maintain an Organization wide risk register. As a minimum, the risk register, treatment schedule and action plan will be maintained.

For each risk identified, a risk register records:

i. Source;
ii. Nature;
iii. Existing controls;
iv. Consequences and likelihood;
v. Initial risk rating; and
vi. Vulnerability to external or internal factors.

A risk treatment and action plan documents the managerial controls to be adopted and contains the following information:

i. Who has responsibility for the implementation of the plan;
ii. What resources are to be used;
iii. Budget allocations;
iv. Implementation timetables; and
v. Details of the control mechanism; and
vi. Frequency of review of compliance with the treatment plan

J.4 Risk Management

4.1. The management of financial risks at AIPP shall aim to limit potential losses on the AIPP’s financial assets so that the AIPP is always able to perform its tasks and meet its commitments.

4.2. All financial risks shall be quantified using the measurements that are most appropriate for the management and control of the respective types of risk.

4.3. Decisions that entail fundamental changes in the management of the AIPP’s financial assets and liabilities shall be preceded by a preparatory procedure in which all the divisions concerned shall participate and it shall be approved by EC.
Risk management is a continuing process so the management and concerned staff should keep track of the inherent risk of the organization, measure the risk and evaluate regularly.

J.5 Responsibility for Risk Management

General

Every staff member of the Organization is responsible for the effective management of risk including the identification of potential risks. The Management (at all levels) is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

Executive Council

The Executive Council is accountable for ensuring that a risk management system is established, implemented and maintained. Assignment of responsibilities in relation to risk management is the prerogative of the members of the Executive Council.

Audit Committee

The Audit Committee will be accountable for the oversight of the processes for the identification and assessment of the general risk spectrum, reviewing the outcomes of risk management processes, and for advising the Management Team as necessary.

Management Team

The Management Team members are accountable for strategic risk management within areas under their control including the devolution of the risk management process to Operational/ Program managers. Collectively the Management Team is responsible for:

- The formal identification of strategic risks that impact upon the Organization’s mission;
- Allocation of priorities;
- The development of strategic risk management plans; and
- Management Team will review progress against agreed risk management plans and will communicate this to the Audit Committee and to the Organization.

Program Managers and Unit Managers

Program Managers and Unit Managers are accountable to the Secretary General for:

- Implementation of policy within their respective areas of responsibility;
- Annual reporting on the status of the risk register, insofar as it impacts on their respective responsibilities, as part of the annual planning and review cycle;
- Ensuring compliance with risk assessment procedures.
Chief-Administrator/Admin-Finance Coordinator
In addition to the functions as a Department Head, this officer will be accountable for the Organization insurance portfolio and will ensure that a risk management plan is completed for the organization’s financial transactions.

Human Resources Manager
In addition to the functions as an Office Head, this officer will remain accountable for the occupational health and safety and workers compensation portfolio, procedures and administration.

Internal Audit Manager
The Internal Audit Manager will be accountable for the implementation of the policy in key areas of the Organization, maintaining a program for risk reassessment. Key areas will flow from the risk management plan developed by Management Team.
K. Forms and Documents

K.1 Disbursement Form

Prepared by : Any Staff
Frequency : As needed

K.1.1 Description

Disbursement Form is a request form to make any bank transaction payment to a third person (partners for transfer of funding, service providers for payment of consultancy fees, etc.)

Disbursement Form shows the following information:

1. The name of the organization/partner/individual
2. Program and project to be charged
3. Activity
4. Amount requested
5. Bank account details
6. Name and of the requesting staff, and date requested
7. Name and signature of the officer who checks verifies, and the date verified
8. Name and signature of the approving officer, and date approved

K.1.2. Preparation

1. The staff prepares the Disbursement Form based on the request of the budget holder.
2. The staff provides the complete information of the bank necessary to transfer the fund.
3. The reviewing officer signs the form as verified and indicates the date of the review.
4. The approving officer signs the form as approved and indicates the date of approval.
5. For fund transfers to the partners, the Finance officer prepares the bank remittance form and transfer the fund to the partner.

K.2 Request for Budget/Cash Advance

Prepared by : Staff
Frequency : As needed
K.2.1 Description

Request for Budget/Cash Advance is request form for budget for activity, travel, purchasing equipment, materials, supplies, etc. The advance is to be liquidated within the timeframe indicated in the policy.

Request for Budget/Cash Advance shows the following information:

1. The name and date
2. Program/Project and budget item
3. Funded by (source of funds)
4. Type of request – check the corresponding box
   - Attend meeting
   - Conduct project activity
   - Program/project monitoring/evaluation
   - Purchase goods/services
   - Others (specify)
5. Particulars
6. Amount
7. Prepared, verified and approved by respective personnel

K.2.2 Preparation

1. The staff prepares the request for budget/cash advance when there is something to be paid or purchased
2. Fills up the required information in the form and submits to the concerned reviewing and approving officers for review and approval.
3. Submits the form to the Finance Officer for release of cash.

K.3 Official receipt

Prepared by : Finance Officer
Frequency : As collection is received by the Finance Officer

K.3.1 Description
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Official receipt (OR) is prepared to support all collections made by the Organization except funding from donors. It is a preprinted, pre-numbered form and issued sequentially.

An official receipt shows the following information:

1. The date the official receipt is prepared
2. The name and address from whom money is received
3. The amount received in figures
4. A description of the transaction
5. The type of receipt – donor, project, other account
6. The name and signature of the person receiving

K.3.2. Preparation

1. The Finance Officer prepares the OR in triplicate to be distributed as follows:
   i. Original - from money is received (donor, payor, staff)
   ii. Duplicate – to be attached to Receipt Voucher
   iii. Triplicate – to be retained in the OR booklet for reference purposes
2. The OR is issued sequentially and dated on the date the collection is received
3. The Finance Officer signs the OR upon preparation or receipt of cash.
4. The OR is attached to the receipt voucher which is the basis in recording.

K.4 Receipt Voucher

Prepared by : Finance Officer
Frequency : Every time donor funding and other collections are received

K.4.1 Description

Receipt voucher is a form used to document every funds received from the donors/funders and used to record all other collections received.

The receipt voucher is preprinted form which contains the following information:
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1. The date of preparation and voucher number
2. The name of the donor/organization/individual from whom received
3. Project
4. Type of payment – whether by cash or cheque and the cheque number
5. Description of the amount received
6. Account code and account name
7. Amount
8. Name and signature of the staff who prepared
9. Name and signature of the reviewing and approving officer

### K.4.2 Preparation

1. The Finance officer prepares the Receipt Voucher upon receipt of funding and all other collections.

2. The Finance Officer signs the receipt voucher in the “prepared by” column.

3. Submits to the reviewing and approving persons for signature in the “checked by and approved by” columns.

### K.5 Payment Voucher

<table>
<thead>
<tr>
<th>Prepared by</th>
<th>: Finance Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>As disbursements, request for budget/cash advance and settlement of cash advance is required and authorized.</td>
</tr>
</tbody>
</table>

#### K.5.1 Description

Payment Voucher (PV) is a form prepared by Finance Officer to support every payment made by the Organization. The PV is numbered as issued in alpha-numerical sequence indicating the letter representing the type of transaction and number representing as year, project and the voucher number.

Thus, PV 16-27-002 means that is a payment transaction where the numbers represent:

<table>
<thead>
<tr>
<th>PV</th>
<th>16</th>
<th>27</th>
<th>002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of transaction</td>
<td>Year</td>
<td>IWGIA (project)</td>
<td>Voucher Number</td>
</tr>
</tbody>
</table>

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Payment Voucher is a preprinted form which shows the following information:

1. The date the voucher is prepared
2. The payment voucher number
3. The name of the payee
4. The project to be charged
5. A brief description of the transaction
6. The amount paid in figures
7. The account code and account name
8. The manner of payment, whether in cash or in cheque and the cheque number
9. The name of the person who prepares, verifies and approves the voucher and the name of the person who receives the payment

K.5.2 Preparation

1. The staff prepares the PV for every payment transaction.
2. Assigns a number in alpha-numerical sequence.
3. Fills up the required information in the payment voucher
4. Signs the “prepared by” column.
5. Submits to the reviewing and approving persons for signature in the “checked by and approved by” columns.
6. Pays the money and requests the payee to acknowledge receipt by signing as received on the payment voucher. Stamps “Paid” on PV and supporting documents upon payment.

K.6 Reimbursement Form

Prepared by : Any Staff

Frequency : As needed

K.6.1 Description

Reimbursement Form is a summary sheet of the office related expenditures paid by the staff out of his/her own personal fund. The original receipts/acknowledgement form must be attached to the form.

Reimbursement Form shows the following information:

1. The name of the staff making the reimbursement
2. Project to be charged
3. Activity
4. The date of reimbursement
5. The description of the expenditures
6. The amount in words and in figures
7. Name and of the requesting staff, and date requested
8. Name and signature of the approving officer, and date approved
K.6.2 Preparation

1. The staff prepares the Reimbursement Form indicating the complete information.

2. The staff signs the form in the “submitted by” column.

3. Submits to the approving officer for signature in the “authorized by” column.

4. Submits the form to the Finance Officer for release of cash.

K.7 Participant Reimbursement Form

Prepared by : Participant

Frequency : As needed

K.7.1 Description

Participant Reimbursement Form is a summary sheet of the expenditures incurred by the participants who are attending AIPP activities. The original receipts/acknowledgement form must be attached to the form.

Participant Reimbursement Form shows the following information:

1. The name of the participant and his/her email
2. The name of the participant’s organization
3. Activity
4. The date of reimbursement
5. The details of the expenditures
6. The amount in local currency and the equivalent in US dollars
7. The exchange rate used
8. Name and signature of the approving officer and the date approved
9. Name and signature of the Finance officer making the payment and the date paid

K.7.2 Preparation

1. The participant prepares the Participant Reimbursement Form indicating the complete information.
2. Submits to the approving officer for signature in the “authorized by” column.

3. Submits the form to the Finance Officer for release of cash.

4. Signs the form in the “received by” column.

**K.8 Cash Advance Liquidation Form**

Prepared by: Staff who requested for the cash advance

Frequency: Upon completion of activity

K.8.1 Description

Cash Advance Liquidation Form is a summary of all expenses incurred in the activity for which cash advance was taken. The original receipts/acknowledgement form must be attached to the form.

Cash Advance Liquidation Form shows the following information:

1. The date of cash advance liquidation
2. Program/Project to be charged
3. Activity
4. The name of staff making the liquidation
5. The amount of cash advance taken
6. The description of the expenditures
7. The amount in US dollars and in Thai baht
8. The account code
9. Name and of the reviewing officer and the date of verification
10. Name and signature of the approving officer and the date of approval

K.8.2 Preparation

1. The staff prepares the Cash Advance Liquidation Form indicating the complete information.
2. The staff attaches all the supporting receipts to the form.
3. The staff signs the form in the “prepared by” column.
4. Submits to the reviewing officer for signature in the “checked and verified by” column.
5. Submits to the approving officer for signature in the “authorized by” column.

6. Submits the form to the Finance Officer together with the excess cash to be returned, if any.

**K. 9 Acknowledgement Form**

**Prepared by**: Any Staff

**Frequency**: Every time an expense is incurred and receipt is not available or not possible to obtain.

**K.9.1 Description**

Acknowledgement Form is used to properly document expenses that have no receipts because it is not possible or available to obtain. The form is used for the following purposes:

- Payment to human resource/individual service provider such as translator cost, interpreter, editor, etc.
- Payment of minor expenditures such as food, taxi that do not provide receipts

The acknowledgement form is preprinted form which contains the following information:

1. The date of preparation
2. The name and address of the payee
3. The description, quantity, unit cost and amount of the item/service paid
4. Name and signature of the staff who certified
5. Name and signature of the person who substantiated and approved the expenses
6. Name and signature of the person who received the payment

**K.9.2 Preparation**

1. If payment is made to third parties, the Finance Officer prepares the Acknowledgement Form with sufficient information. If payment is made to AIPP staff, the staff prepares the Acknowledgement Form and submits to the Finance Officer for signature in the “certified by” column.

2. Submits to the approving person for checking and approval.

3. The approving officer checks and approves the expenses and signs on the “Approved by” column.

4. The payee signs on the “received by” column as acknowledgement of receipt of payment.

5. The acknowledgement forms are attached the payment voucher as supporting document of the expense or supporting document of the advance settlement.
K.16 Payroll Summary

Prepared by : Finance Manager
Frequency : Every payroll period

K.16.1 Description

The payroll summary is a summary of total earnings and the net amount payable to all staff. It serves as the basis for the preparation of the payment voucher as well as the individual pay slip.

The payroll summary shows the following information:

1. Payroll period covered
2. Name of staff
3. Money columns for the details of gross earnings of each staff
4. Money column for the details of amounts deducted from each staff’s earnings
5. The net amount due each staff
6. Column for the signature of the staff and the date

K.16.2 Preparation

1. The Finance Manager prepares the payroll summary pay period.
2. Computes for all gross earnings, salary deductions and net pay of each staff.
3. Signs the “prepared by” column.
4. Forwards to the authorized person for approval.
5. Prepares the payment voucher and the list of staff with the corresponding net pay.
6. Submits the cheque and list of staff to the bank for the transfer of cash to the individual bank accounts of the staff.
K.17 Pay Slip

Prepared by : Finance Manager

Frequency : Every payroll period

K.17.1 Description

The pay slip is prepared to support salary payment to every staff at the end of the payroll period. It is prepared in duplicate on the basis of payroll summary – the original to the staff and the duplicate as accounting file copy.

The pay slip shows the following information:

1. Name of staff
2. Position
3. Date
4. Payroll period covered
5. Details of deductions and the gross pay
6. Details of deductions and the net pay
7. Signature of the staff

K.17.2 Preparation

1. The Finance Manager prepares the pay slip in duplicate on the basis of pay payroll summary.

2. The original is given to the staff as a statement of his earnings and deductions for the period. The duplicate is signed by the staff to acknowledge receipt and returned to the Finance Manager.

3. The pay slips, together with the corresponding payroll summary, are attached to the payment voucher and filed in the finance folder.

K.18 Asset Sale/Transfer Slip

Prepared by : Admin Manager
ASIA INDIGENOUS PEOPLES PACT

Frequency: Every time an asset is to be sold or transferred or donated to another location or entity.

K.18.1 Description

Asset sale/transfer slip is used to document the sale of AIPP assets or when the assets are being donated to another organization or entity. This form will be used to update the asset register.

The asset sale/transfer slip form contains the following information:

1. The asset code, description, quantity and total cost of the assets to be sold, transferred or donated.
2. The information of staff name and project where the asset come from.
3. The information of staff name and project/organization where the asset will be transferred/donated.
4. Signatures of the staff who transferred and received the asset.
5. Amount of money received for assets sold.
6. Name and signature of the authorized person who approves the sale/transfer or donation of the asset.

K.18.2 Preparation

1. The Admin Manager prepares the asset sale/transfer slip and fills up the required information of the items to be sold/ transferred or donated.
2. Fills up the information of the origin of the asset and the new location/owner of the asset.
3. Fills up the amount received for assets sold.
4. The approving officer signs as approved on the form which will be used to update the asset register.

K.19 Per Diem Payment Form

Prepared by: Any Staff

Frequency: Every time staff entitle to claim the per diem.

K.19.1 Description

The Per Diem Payment Form is a form for staff to claim the per diem. The rate of the per diem shall be based on the AIPP’s policy.

The asset sale/transfer slip form contains the following information:

a. Date
b. Name
c. Project/Program
ASIA INDIGENOUS PEOPLES PACT

d. Account Code
e. Activity
f. Departure and Return Date
g. Total meal
h. Per diem rate/meal
i. Amount claimed
j. Requested By
k. Checked By
l. Approved By

K.19.2 Preparation
1. The staff prepares the Per Diem Payment Form by completed the information in the form and refer to the per diem rate according to AIPP’s policy.
2. Attached the travel itinerary to the form and forward it to the Program Coordinator/DSG/SG for approval.
3. Submit the completed form to Finance Officer to check and release the payment.

K.20 Purchase Requisition

Prepared by: Any Staff
Frequency: Every time staff purchases goods, services and consultancy

K.20.1 Description
The Purchase Requisition form serves as a request for the use of hotel and serviced, item or goods to be purchase for Organization activities or office operation. The Form shall be submitted to the Admin Manager for procurement processing.

The Purchase Requisition Form contains the following information:
1. Name
2. Date
3. Project/Program
4. Activity
5. Details of Office Supplies/ Materials / Stationaries/Publications
6. Details of Equipment/Service/Consultancy
7. Details of Hotel/Venue
8. Estimate Budget
9. Justifications and Specifications
10. Account Code
11. Requested/Purchased By
12. Approved By

K.20.2 Preparation
Purchase of Office Supplies/ Materials / Stationaries/Publications
a. For the purchase of Office Supplies/ Materials / Stationaries/Publications, staff informs the Logistic Officer by email or verbal communication. Logistic Officer, compile the purchase request of Office Supplies/ Materials / Stationaries/Publications in the Purchase Requisition Form and make sure the requester sign in “Requested By”.
b. Logistic Officer signs in the “Request/Purchase By” column and complete the information on the date and the position.
c. Submits the approved form to the Admin Manager for the approval or procurement process.
ASIA INDIGENOUS PEOPLES PACT

Purchase of Equipment/Service/Consultancy/Hotel and Venue
a. Staff completes the information in the Purchase Requisition Form and sign in “Requested/Purchase By”
b. Submit it to Program Coordinator/DSG/SG for approval
c. Submit the completed form to the Admin Manager for procurement process.

K.21 Procurement Summary (PS)

Prepared by : Admin Manager
Frequency : Any purchase that requires procurement process.

K.21.1 Description
The Procurement Summary form summarizes all the information obtained from the suppliers. These information includes the name of the supplier, contact address and numbers, description of the item/s to be purchased, brand, price quoted, warranty given. It also provides the final decision of which supplier/firm/item with accurate specification to be purchased.

The Procurement Summary contains the following information:

1. Name
2. Date
3. Project/Program
4. Activity
5. Budget Abailabel
6. Account Code
7. Supplier Summary
8. Decision Summary
9. Prepared By
10. Approved By

K.21.2 Preparation
1. The Admin Manager prepares the PS for the item/service/hote to be purchased based on all the price quotations obtained from the suppliers.

2. The Admin Manager writes down the recommendation and the name of supplier selected and the justification for choosing that supplier.

3. Signs the PS in the “prepared by” column and submits the PS to the authorized person.

4. The authorized person reviews the selection made and the justification and if in order, approves the PS.

K.22 Application for loan between project templates

Prepared by : Any Staff
Frequency : Any time when loan is needed.

K.22.1 Description
The Application for loan between project templates gives details of the load between projects or from the organization fund and details of when the loan will payback.

The Application for loan between project templates contains the following information:

1. Requested to (Name):
2. Position:
3. Program:
4. Name of the Project:
5. Subject
6. Request details and amount
7. Requested By
8. Approved By
9. Authorized By
10. Budget details of loan

K.22.2 Preparation
1. According to the policy in B.8.3 on the loan between project, staff completes the form and get it approve by the concerned Program Coordinator
2. Forward the template to the DSG/SG for authorization.
3. Attached the completed template to the Disbursement form and fill the required in formation.
4. Submit the Disbursement form and the completed template to Finance Officer
# Appendix 1 – Levels of Authority

<table>
<thead>
<tr>
<th>TYPE</th>
<th>APPROVALS/SIGNATORY</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AGREEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts (Staff)</td>
<td>• President of the Board (contracts submitted to the government); • Secretary General (official contracts) • ES for updated contract amended contract of the staff</td>
<td></td>
</tr>
<tr>
<td>Agreements/Contracts with Donors</td>
<td>SG/DSG</td>
<td>Review of the contract will be done by the concerned programme coordinator</td>
</tr>
<tr>
<td>Agreements/MoUs/ToRs with partners</td>
<td>Concerned Programme Coordinators</td>
<td></td>
</tr>
<tr>
<td>Consultants and professional services</td>
<td><strong>SG/DSG:</strong> For the contract related to organizational engagement. <strong>Programme Coordinators:</strong> For the sub-contract related to the programme/project activities</td>
<td>Review of the contract will be done by programme coordinator</td>
</tr>
<tr>
<td><strong>TRAVELS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advocacy and networking related</td>
<td>SG/DSG</td>
<td>cc communications to the Secretariat; programme can provide recommendation</td>
</tr>
<tr>
<td>Programme/project related travels (monitoring trips, partners meetings or activities, conduct programme/project activities at the country level)</td>
<td><strong>Programme Coordinator/Manager</strong>: if request is from programme/unit staff; in consultation with SG/DSG); <strong>DSG/SG</strong>: if request is from Programme Coordinator-Managers/ Chief-Administrator/Admin-Finance Coordinator/ Executive</td>
<td>have to be discussed within the programme first; before approval of travels that require inter-programme support, consultation meeting has to be conducted with all concerned; clear out in the travel plan the support needed from other programmes or units;</td>
</tr>
</tbody>
</table>
| **Staff Development**  (attend trainings for skills development) | **Programme Coordinator/Manager**: if request is from programme/unit staff; in consultation with SG/DSG);  
*DSG/SG*: if request is from Programme Coordinator/Managers /Chief-Administrator/ Admin-Finance Coordinator/Executive Secretary | have to be discussed within the programme first (source of fund, etc.); cc Executive Secretary for any staff development activities for recording and reporting purposes |
| **Travel missions reports** | **Programme Coordinator/Manager** : if request is from programme/unit staff  
*SG/DSG*: if request is from Coordinator/Managers / Chief-Administrator/Admin-Finance Coordinator/Executive Secretary | Report to be submitted within 2 weeks after the travel; Monitoring of follow up actions (DSG and programme coordinator/manager) |

**LEAVE**

| **Sick leave** | Maximum 12 working days/year if beyond 2 days staff are required to get medical certificate. If staff was not able to get the medical certificate, the leaves will consider as unpaid leaves. |
## ASIA INDIGENOUS PEOPLES PACT

<table>
<thead>
<tr>
<th>Leave Type</th>
<th>Within the policy:</th>
<th>Beyond the policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Leave</td>
<td><strong>Programme Coordinator/Manager</strong> (if request is from programme/unit staff;/ in consultation with DSG);</td>
<td>SG/DSG</td>
</tr>
<tr>
<td>Compensatory Leave</td>
<td><strong>SG/DSG:</strong> request is from Coordinator/managers/Chief-Administrator/Admin-Finance Coordinator/Executive Secretary</td>
<td></td>
</tr>
<tr>
<td>Unpaid Leave</td>
<td><strong>Maximum 22 days/year</strong></td>
<td></td>
</tr>
<tr>
<td>Paid/Unpaid Maternity Leave</td>
<td><strong>Maximum 12 days per leave request; With consideration on workload and proper turnover of tasks during the duration of the leave</strong></td>
<td></td>
</tr>
<tr>
<td>Paid/Unpaid Paternity Leave</td>
<td><strong>Per actual</strong></td>
<td></td>
</tr>
<tr>
<td>Incidental leave</td>
<td><strong>Applicable for urgent/emergency situations</strong></td>
<td></td>
</tr>
<tr>
<td>Driving License Leave</td>
<td><strong>Maximum 22 days/year</strong></td>
<td></td>
</tr>
<tr>
<td>Prolonged Illness Leave</td>
<td><strong>Maximum 5 day/year</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>For example, the sick of the family members, Death of family members, Marriage and etc..</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Maximum 2 day/year</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>leave with pay for a maximum 1 month and can be extended to three months without pay</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Any leave should be checked first by Admin Manager.
**Finance**

<table>
<thead>
<tr>
<th>Programme</th>
<th>Requested By</th>
<th>Main Approve Person</th>
<th>Noted By</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Head Budget <strong>The approval should be based on the annual budget approved in the beginning of the year, additional shall be first approved by Management</strong></td>
<td>Any staff (Budget request from THB 1-THB1,000)</td>
<td>Submit the request directly to finance staff <strong>Acknowledgement Form shall be approved by Admin Manager first before submit to the finance staff</strong></td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Any staff (Budget request from THB 1-THB25,000)</td>
<td>Admin Manager</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Any staff (Budget request from THB THB25,0001 and above)</td>
<td>Admin-Finance Coordinator</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Human Resource Budget (Salary and benefits)</td>
<td>Any staff</td>
<td>SG/DSG</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Hotel Procurement</td>
<td>Admin Manager</td>
<td>Programme Coordinator of the lead programme</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Goods Procurement (including equipment, furniture, thumb drive and etc.) under AIPP Admin or Project Budget</td>
<td>Programm/ Admin Staff</td>
<td>Admin Manager/ Programme Coordinator (in consultation with the Management Team) As equipment/furniture needed will be presented and approve in the planning at the beginning of the year. So Admin Manager/ Programme Coordinator can approved based on the approved budget. However, the management can reallocate the budget if needed.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Admin Manager/ Programme Coordinator</td>
<td>Management Team (represented by DSG)</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Consultancy Services Procurement</td>
<td>Any Staff</td>
<td>SG/DSG: For the contract related to organizational engagement. <strong>Programme Coordinators:</strong> For the sub-contract related to the programme/project activities MT will discuss and include programme staff as needed</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

If the main approval person is offsite the following person can authorize on S/he behalf in consultation with the main approval person; If the Manager/Coordinator is absence the transactions can be approved by DSG If the DSG is absence the transactions can be approved by SG If the SG is absence the transactions can be approved by anyone of management team member that is ES/AFC
<table>
<thead>
<tr>
<th><strong>ASIA INDIGENOUS PEOPLES PACT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff Development Budget</strong></td>
</tr>
<tr>
<td>Any staff</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Reserved Fund, AIPP Fund</strong></td>
</tr>
<tr>
<td>AFC/ES</td>
</tr>
<tr>
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<tr>
<td><strong>Salary Advance</strong></td>
</tr>
<tr>
<td>Any staff</td>
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<tr>
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<tr>
<td><strong>Provident Fund Withdrawal</strong></td>
</tr>
<tr>
<td>Any staff</td>
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<tr>
<td></td>
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<tr>
<td><strong>Core Funds</strong></td>
</tr>
<tr>
<td>Programme and Project Officers/Project Coordinator/Admin Staff</td>
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<tr>
<td>DSG</td>
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<tr>
<td></td>
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<tr>
<td><strong>Project Funds</strong></td>
</tr>
<tr>
<td>Programme and Project Officers/Project Coordinator/Admin Staff</td>
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<tr>
<td>Programme Coordinators</td>
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<tr>
<td><strong>Inter-Program Budget</strong></td>
</tr>
<tr>
<td>Any staff</td>
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</table>

**Remarks:**
1. The cost of SG will be authorized by DSG and if the DSG is offsite, the authorization can be done by any one of Management Team member (ES/AFC).
2. The approval person CANNOT authorize their own expenses requested by other staff
3. When the approving person signed in “Approved By” it means that the approval person has to check the accuracy of
the information (CoA, Job Code and etc..) in the request including checking the completeness of the required supporting documents and compliance with the finance policy.

4. When the noted by person signed in "Noted By" it means that the person acknowledge the fund utilization and the release of fund from the program.
Appendix 2 - Receipt

![Receipt Form]

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

**TOTAL**

Received by

Date: __________/________/______
Appendix 3 – Receipt Voucher

RECEIPT VOUCHER

Date: ................................. Project: .........................................................

From: ........................................................... Amount: ................................

By  □ Cheque No: .......................... □ Cash □ Bank

For: ........................................................................................................

........................................................................................................

........................................................................................................

........................................................................................................

........................................................................................................

........................................................................................................

........................................................................................................

Code | Account | Dr. | Cr. |

|     |         |    |     |

|     |         |    |     |

|     |         |    |     |

|     |         |    |     |

|     |         |    |     |

TOTAL

(..........................) TOTAL in words

Prepared by: ____________________________
Date: ......./....../........

Checked by: ____________________________
Date: ......./....../........

Approved by: ____________________________
Date: ......./....../........

Received by: ____________________________
Date: ......./....../........
# Appendix 4 – Reimbursement Form

# Appendix 5 – Payment Voucher

## ASIA INDIGENOUS PEOPLES PACT FOUNDATION

176 Moo 4, Tambon Conmam, Amphur Suanl, Chiang Mai 50110, Thailand
Tel: 065(0)53 345630, 066(0)53 345640
Email: aippsetd@nliwed.org | Website: www.aippsetd.org

## PAYMENT VOUCHER

<table>
<thead>
<tr>
<th>Code</th>
<th>Account</th>
<th>Dr.</th>
<th>Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(........................................) TOTAL in words

Prepared by ________________

Date ......./........./........

Checked by ________________

Date ......./........./........

Approved by ________________

Date ......./........./........

Received by ________________

Date ......./........./........
Appendix 6 – Acknowledgement Form

Date: __________________

Name/Family name: _____________________________

Address: _______________________________________

Received from: _________________________________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Total _________________________________________

I certify that the official receipt of the payment mentioned above cannot be issued and the payment was done for the operation of the project/activity only.

Certified By: ___________________ Received By: ___________________ Approved by: ___________________

F-002

Appendix 6 Per Diem Form
Appendix 8 – Budget/Cash Advance form

### REQUEST FOR BUDGET/CASH ADVANCE

**SECTION A: GENERAL INFORMATION**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program/Project:</td>
<td></td>
</tr>
<tr>
<td>Activity:</td>
<td></td>
</tr>
<tr>
<td>Funded by (for fund covered by other source/s):</td>
<td></td>
</tr>
<tr>
<td>Date of expected budget release:</td>
<td></td>
</tr>
</tbody>
</table>

**SECTION B: TYPE OF REQUEST (please check one box)**

1. Attend meeting
2. Conduct Project Activity
3. Program/Project Monitoring/Evaluation
4. Purchase goods/services
5. Others (specify)

**No. (for finance only):**

**SECTION C: AMOUNT REQUEST**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>THB</td>
</tr>
<tr>
<td></td>
<td>USD/ EURO</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exchange rate:

### SECTION D: SUPPORTING DOCUMENTS REQUIRED

Refer to SECTION B above.

For no. 1, 2 and 3: the relevant documents are as follows: approved travel mission request, travel itinerary, meeting program and detailed budget.

For no. 4: the relevant documents are: Purchase Requisition, Purchase Procurement, and Procurement Decision.

### SUBMITTED BY

NAME: ____________________________

DATE: __________/_____/_______

### NOTED BY**

NAME: ____________________________

DATE: __________/_____/_______

### AUTHORIZED BY

NAME: ____________________________

DATE: __________/_____/_______

### RECEIVED BY

NAME: ____________________________

DATE: __________/_____/_______

Remark: Noted By** shall be signed by Programme coordinator. In case the request is from another programme or from the project/programme staff under the programme.
### Appendix 9 Cash Advance Liquidation Form

**ASIA INDIGENOUS PEOPLES PACT FOUNDATION**

110 Map 1, Tambon Sapan, Amphur Sanpat, Chiang Mai 50210, Thailand  
Tel. No.: +66(0)53 543558; Fax no.: +66(0)53 543549  
Email: aippmail@aippinc.org  
Website: www.aippinc.org

#### CASH ADVANCE LIQUIDATION FORM

<table>
<thead>
<tr>
<th>Particular</th>
<th>USD</th>
<th>THB</th>
<th>A/C Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Advance:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EXPLANATION:**

PREPARED BY

DATE: .........../.........../......

CHECKED & VERIFIED BY

DATE: .........../.........../......

AUTHORIZED BY

DATE: .........../.........../......

**REFERENCE OF C.A.**

<table>
<thead>
<tr>
<th>PV NO.</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
</table>

**RECEIVED BY**

DATE: .........../.........../......

Note: 1. Attach the “Payment Details Sheet” and the original receipts of all expenditures  
2. Attach “Participants Registration List” of the activity
ASIA INDIGENOUS PEOPLES PACT

Appendix 10 – Salary Advance

Appendix 11 Application for loan between the project

Appendix 12 Purchase Requisition

Appendix 13 – Procurement Summary
## PROCUREMENT SUMMARY FORM

**Reference of Purchase Request**: No. (for Admin only)

**Name/Family name**: 

**Date**: 

**Programme/Project**: 

**Budget Available**: 

### Activity (if applicable)

Please purchase the following items:

<table>
<thead>
<tr>
<th>No.</th>
<th>Supplier Name and contact details</th>
<th>Quantity</th>
<th>U/M</th>
<th>Unit Price</th>
<th>Amount</th>
<th>Quality Features/Consideration</th>
</tr>
</thead>
<tbody>
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</table>

### Recommendations

### DECISION SUMMARY

**Date of decision**: 

**Selected Company**: 

**Approval Justification**: 

Prepared by: 

Date:

Approved by: 

Date:

**Note**: Each Procurement Summary is only applicable for one project.
### Appendix 14 – Payroll

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Position</th>
<th>Salary</th>
<th>Longevity Pay</th>
<th>House rent</th>
<th>Insurance</th>
<th>Tel. fees</th>
<th>Total benefits</th>
<th>Total salary &amp; benefits</th>
<th>Deduct</th>
<th>Net salary</th>
<th>Overall date</th>
<th>Payment System</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

**Note:**
- Cheque No. __________________________
- Transfer
- Bank fee
- Total __________________________

**Prepared By**

**Checked By**

**Authorized By**

**Cheque No.** __________________________
- Cash
- Total __________________________
Appendix 15 – Deed of Absolute Sale

DEED OF SALE

This Deed of Sale is hereby entered into by and between Asia Indigenous Peoples Pact (AIPP), an organization with present address at ____________, represented herein by Mr./Ms. (Secretary General), hereinafter referred to as the SELLER, and the organization represented herein by ____________, with present address at ____________, herein referred to as the BUYER.

This Deed of Sale is entered into by the Seller and the Buyer under the following terms and conditions:

1. That for value received in the amount of USD ____________, the Seller hereby transfer the ownership of the ____________, subject of this sale to the Buyer;
2. The ____________, subject of this sale bears the following technical description:
   Make:
   Model:
   Color:
   Engine Number:
   Chassis Number:
   Plate Number:
3. The Buyer hereby accepts the above mentioned ____________, in its present condition and in accordance with the terms and conditions as set forth in this Deed of Absolute Sale;
4. By this acceptance, the Buyer hereby granted ownership holds full and complete responsibility and authority over the ____________, including holding himself liable for any claims, legal or otherwise, that may arise from such ownership;
5. If the vehicle, the official Of number plates will be removed and returned to the Seller;
6. The Buyer holds himself liable to pay for any transfer fees or taxes which may be levied as a result of this sale;
7. The appropriate government office including the (Relevant Ministries of the Country Offices), etc. shall be furnished a copy of this Deed of Absolute Sale.

PARTIES, in full agreement to the above mentioned terms and conditions hereby affix their signatures on this Deed of Sale this ____ day of _____ in the year of ________

Asia Indigenous Peoples Pact (AIPP)  (OTHER PARTY)

Name (________________) (________________)
(Secretary), The Seller (Name): (Position), The Buyer

WITNESSES:

_________________________  __________________________

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ACCOUNT STRUCTURE AND PROJECT CODES

A budget is drawn up using a specific accounts structure. An ‘accounts structure’ is the way in which costs are categorized. (For example, costs may be categorized as: local staff, international staff, travel, etc.) It is generally difficult to move from one accounts structure to another, once a project is under way.

The choice of accounts structure is set by the AIPP. However, if in the future there are some external donors that have strict accounts structures this must also be accommodated. If AIPP is receiving external funding for its project, then this must be looked into, as early as possible.

AIPP uses project codes also to track down or monitors the income and expenses of different projects. Project codes give a more detail information on the income and expense of the projects. For more details of the structure of project codes please refer to Chart of Accounts Section of this manual.

BUDGET APPROACH

AIPP uses a standard budget layout for budgeting which details the required information of the budget. Please see below the standard layout of the budget.

<table>
<thead>
<tr>
<th>Budget Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program : Name of the Program</td>
</tr>
<tr>
<td>Office</td>
</tr>
<tr>
<td>Period:</td>
</tr>
<tr>
<td>Local Currency:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acc. No.</th>
<th>Project Code</th>
<th>Item</th>
<th>Qty</th>
<th>Unit cost</th>
<th># of Unit</th>
<th>Unit type</th>
<th>Total (THB)</th>
<th>Total (%)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-1100</td>
<td>LASV10-9-CDCD-02</td>
<td>Program Coordinator</td>
<td>1</td>
<td>1,500</td>
<td>6</td>
<td>Month</td>
<td>9,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Budget details
All budgets must include basic information about the project, including the name, the period covered in the project, and the currency used. AIPP uses account and project to monitor its expenses. Each AIPP Partner uses its local currency in accounting for its financial transactions. However, AIPP uses THB as its official currency in financial reporting to management, AIPP and other stakeholders.

2. Account Code
The accounts code for each item should be written in the ‘Acc code’ column. The codes will be made up according to the accounts structure, of AIPP. Please see Chart of Accounts section of this manual for more details.

3. Project Code
Project codes are used by AIPP for tracking the specific expenses of the project as required by donors. These project codes will provide detailed information for the project, management and donors for verification or inquiry purposes. Project codes are structured to include information of the donor, project, nature of expense and others. For details please see Chart of Accounts section of this manual.

4. Item
A short description for each type of cost should be written in the ‘Item’ column. This should be as detailed as possible, and should be unique for each item.

It is also important that descriptions are as precise as possible. For example, ‘electricity for the office’ is much more useful than ‘power’.

5. Quantity
This pertains to the number or quantity that the budget line needs. For example if the project line is program manager and it needs 2 program manager, the budget holder should indicate “2” in the “Qty” column.

6. Unit Cost
The cost of one unit (of the units given) should be written in the ‘unit cost’ column. All costs that are written in this column shall be in local currency. For example if the specific budget line is the program coordinator, and his/her monthly is USD1,500 per month, then the USD 1,500 will be inputed in the “Unit cost” column.

7. Unit type
Unit type pertains to the type of the unit of measure that the budget line is using. For example the specific budget line is the program manager salary, he/she is paid on the monthly basis and his unit cost is per month, therefore the unit type is “Month” should be indicated in the “Unit Type” column.

Examples of common units used are:

For long-term staff:
Person
Person-year
Person-month

For short-term staff:
Person-day

For vehicle running costs:
Vehicle-month
For daily allowances, subsistence and accommodation costs:
Person-day
Person-night

The rule of thumb is that you should choose units which correspond to how you will actually make payments for each item. This means that there will be different units for different items.

8. Sub-total (Local Currency)
The sub-total cost column pertains to the computation of the specific budget line. For example, the specific budget line of program coordinator salary, the unit cost is THB 50,000, the quantity is one, the number of unit is 12 and the unit time is month, so the sub-total is THB 600,000 and this should be indicated or inputted in the “Total” column.

9. Total cost (Local Currency)
This pertains to the summation of the total sub-totals of the specific budget lines in local currency.

10. Total cost (THB)
The pertains to the summation of the total sub-totals in THB of the specific budget lines.

11. Notes
This column will provide useful notes on the budget lines. The budget holder, finance and operation staff are encouraged to provide budget notes to give a clearer picture or information about the budget. For example, the salaries are budget based on previous year cost or AIPP salary scale plus 5% inflation, consultancy fee compose of 4 consultants to perform monitoring and evaluation, IT, Organization developments, internal audit.

12. Monthly Budgeting

Not presented in the format above. It is recommended that budget is broken down into 12 months. The Project coordinator will then allocate the budgets to the months to be implemented based on its project documents. With this, monthly or year to date budget comparison will be made against actual expenditure for close monitoring of expenses.
Appendix 18 Budget Monitoring Report

<table>
<thead>
<tr>
<th>No.</th>
<th>Acc. Code</th>
<th>Budget Items</th>
<th>Budget USD</th>
<th>Expenditures</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>THB</td>
<td>USD</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary</th>
<th>THB</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Received</td>
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<tr>
<td>Interest</td>
<td></td>
<td></td>
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<tr>
<td>Total Fund received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance</td>
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</tbody>
</table>

**Fund balance reconciliation in THB**

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<tr>
<th>THB</th>
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</thead>
<tbody>
<tr>
<td>Fund in bank</td>
</tr>
<tr>
<td>Advance</td>
</tr>
<tr>
<td>Loan</td>
</tr>
<tr>
<td>Total Balance</td>
</tr>
</tbody>
</table>

Prepared By

Date

---

**ASIA INDIGENOUS PEOPLES PACT**

**AIPP Finance Manual**

Prepared: April 2016

**I. APPENDICES**

Amended:
Appendix 18 - Budget Review Guidelines

**Budget Review Guidelines**

The following guidelines should be followed when reviewing budget:

1. Mathematical accuracy of the budget – manually test (spreadsheets often have formula errors) accuracy of totals, subtotals and horizontal calculations (i.e. rate x months = total)

2. Key staff listed in proposal are covered in the attached budget

3. Amounts referenced in the proposal agree with the budgeted amounts

4. Activities referenced in the proposal are reflected in the budget (i.e. contracts, vehicles, materials for large projects, etc.)

5. Applicable benefit percentages are used in calculations

6. Budget line items are allowable, allocable and reasonable as per AIPP or Donor requirements.

7. Headings/descriptions are accurate (i.e. be particularly careful with the use of terms such as Overhead)

8. Completeness – ensure all applicable line items are included (i.e. If there is a vehicle, then there should be insurance, fuel, maintenance, etc.) Note: a good way to ensure all items are included is to compare budgeted line items with the AIPP chart of accounts and follow the required budget format.
Appendix 19 - Partner File Checklist

As AIPP is financially and legally responsible for its partners, donors, relevant government authorities and other relevant stakeholders, the following is a list of items that must be kept on file, separately for each partner:

(Please check “on file”, if yes and “none”, if not on file) On File / None

1. Assessment of partner completed prior to award, including narrative of why the particular partner was selected

2. Signed partner agreement, including proposal, budget, agreement, provisions, etc.

3. Copies of the organization’s local registration documents

4. Financial and program reports (Cash Transfer Requests, requests, quarterly reports, etc.) which correspond to the requirements of the particular partner agreement

5. Copy of the partner’s fixed asset listing

6. Any modifications to the partner agreement

7. Schedule of Internal Audits to be performed by AIPP

8. Internal Audit and financial monitoring documentation, findings and recommendations

9. Miscellaneous correspondence between AIPP and the partner.
Appendix 20- Partner Agreement or MoU

**CONTRACT/Memorandum of Agreement (MoA)**

Between

Asia Indigenous Peoples Pact (AIPP), Thailand (herein after referred to as the First Party)

and

(Name of the Partner) (herein after referred to as the Second Party)

For implementing “Name of the Project” from Project Period XXX

This is an agreement between Asia Indigenous Peoples Pact (AIPP) and ............... (Name of the Partner) for implementing ...................... “Name of the Project” from ............... (Project Period). This project is funded by ...... (Donor Name) and its over-all goal is to “---overall goal---”.

The Second Party will be responsible for the implementation of the project component in accordance to the project documents and contract between AIPP and …Donor’s name…….

Both parties, AIPP and ............... (Name of the Partner) agree to carry out the project activities according to the project document with the following conditions:

A. The activities shall be implemented with the consent of the communities involved and in compliance with the existing legal norms and policies of the country.

B. The organization shall be sensitive and supportive of indigenous peoples’ rights and cause.

C. The organization shall have a sound finance management system in place that is consistent with the finance policies and guidelines of AIPP.

I. Tasks and Responsibilities of the First Party

AIPP, as the regional coordinating organization for this project shall comply with the following tasks and responsibilities listed hereunder:

1. Overall coordination of the project implementation and submission of the reports (both narrative and financial) to the donor.

2. Conduct regular monitoring of the partners’ activities and provide technical backstopping to the partner when needed and as appropriate.

3. Timely disbursement of project funds to the partner for project implementation on installment basis in accordance with the agreed terms and conditions as stated in this contract and the project document.

4. ---add more (if any)---

The First Party may decide to withhold the disbursement, wholly or in part, if substantial deviations from the agreed plan, and budget occurred, if the main proposal/project objective is endangered; if the work plans and reports are not delivered as agreed; or if the program develops unfavorably in terms of objectives in any other important respect. Before taking such a decision, the First Party shall initiate discussions with the Second Party.
II. Tasks and responsibilities of the Second Party

The Second Party shall comply with the following tasks and responsibilities listed hereunder:

1. Full and effective implementation of the project activities in accordance with objectives, expected results and overall program goals as stipulated in the MoA, the concept note submitted by .............. (name of partner) to AIPP (considered as an integral part of this MoU) and other project documents.

2. Submission of both narrative and financial report as stipulated in the timeframe below. Narrative report should include, among others, ----. If any major modification and changes in the project activities and budget are necessary, the Second Party should notify the First Party and get approval for this. The First Party will cover no additional cost.

3. Submission of the following:
   a. 5-10 photos with appropriate captions to be attached in the narrative reports.
      - photos should be action photos and not just group photos
      - size: 3 MB JPEG
   b. Publications/educational materials/media clips/press released produced from the project

4. Maintain regular communication and provide updates to the First Party on project implementation and other related matters.


III. Reporting Schedule (This may vary as per donor’s requirement)

<table>
<thead>
<tr>
<th>Project duration</th>
<th>Reporting Deadline</th>
<th>Report type</th>
</tr>
</thead>
<tbody>
<tr>
<td>From</td>
<td>To</td>
<td>Progress Report and Finance Report along with the supporting documents</td>
</tr>
</tbody>
</table>

IV. Mode of payment:

The fund will be transferred to the bank account details provided below in two instalments:

First Instalment (80% of total fund) upon signing of the contract
Final Instalment (20% of total fund) upon acceptance of the narrative and finance reports

Bank Details
Name of Account holder: Name of the Partner
Address of Account Holder; (please specify details as below-this is required by bank in Thailand)
   Address No:
   Sub District:
   District/City
   Province/State
   County:
   Postal/Zip Code
I. APPENDICES

Name of Bank: Name of the Bank
Bank Address: Address of the bank the fund will be deposited to
Account Number:
SWIFT Code:
IFSC Code:
IBAN No. (for Europe, US country):

V. Termination of the project
The First Party can at any time terminate the contract with justifiable reason of non-compliance, or no execution of the project, or violations of the AIPP Finance developments in the political situation of the country that restricts the implementation of the project activities among others. The Second Party will be given a written notice one month in advance.

VI. Anti-corruption clause
The second party shall study and abide by the anti-corruption policy of AIPP. Any corrupt or illegal behaviors of the partners shall not be accepted. In such cases, it shall be taken as violation of the contract and shall be the basis for termination of the contract as well as the recourse to the supplementary measures in accordance with applicable legislation.

VII. Acknowledgment Clause
The second party shall explicitly recognize the contribution of the First Party in the implementation of the activities/projects by the Second Party as an act of courtesy and transparency of the First Party’s support (e.g. identifying AIPP as partner or co-organizer or funder).

VIII. Gender Policy
A gender perspective is applied in all stages of programme and project development processes. For more details refer to AIPP’s Gender Policy.

IX. Safeguards on Traditional Knowledge and Information
All information on traditional knowledge and practices, culture, traditions of communities generated by this project shall be honored and safeguarded. Consent of the community has to be acquired prior to data gathering and for its use. They shall be informed on the utilization of the information gathered. Copies of publications, reports shall be provided to the communities.

X. Duration
This project contract will cover the time period from Project Period. This agreement becomes binding once it is signed by both parties and will be in effect until the project has been completed.

XI. Annexes
1. Project proposal/Concept note
3. Anti-Corruption Policy
4. Gender Policy
5. Financial reporting and documentation for partner
6. Approved Budget
7. Work Plan

For AIPP: For PARTNER:
Name: Name:
Position: Position:
Date: Date:

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Appendix 21- Finance Review Checklist

Finance Review Checklist

Explanation of Checklist
The purpose of the "Financial Review Checklist" is to obtain an understanding of the applicable partner’s capabilities for handling AIPP funds and conforming to AIPP regulations. It is **not** an "audit", which would include much more in-depth procedures.

After all data has been gathered, a report should be submitted to the appropriate AIPP Official and filed in the partner’s file. The report should basically be divided up into three sections; Procedures performed (by AIPP during the review), Findings (errors or lack of controls) and Recommendations (for improvement of project’s system. The questionnaire may be attached if requested by the AIPP Official. Again, be sure to document all samples examined (i.e. type of document, dates, amounts, etc.).

General Tips
Always inform a project several days in advance of a review. No surprise visits. Perform the review when it is convenient for the project.

Do not use the term "audit."

Always meet with the Director or "In Charge" of the project first and explain your intentions. Do not proceed immediately to the Finance Staff and start to ask questions.

If the project is relatively small or short-lived, do not expect an extravagant system or a system at all. In some cases, many questions will not be applicable. These are the types of projects where 100% of the expenses should be vouched.

There is no need to obtain copies of any documents, unless you come across a major finding. In this case, it is appropriate to obtain evidence to support your finding(s).
Finance Review Checklist

1. Name and address of the organization:
   
   Name: 
   Address: 

2. Name & contact details of *focal person for Finance* for AIPP activities within organization:

   Name (s) of focal person: 
   Position: 
   Tel: 
   Fax: 
   Email address: 

3. Briefly describe the general background of your organization and main activities of your organization: 

4. Briefly describe the Financial System currently existing in your organization for Financial Management: 

5. Briefly describe the Banking arrangement existing in your organization: 

6. Briefly describe the experience you have thus far gained in managing other donor funds (name of donors, and partners):

   • If you have multiple donors, please describe name, amount of grant, disbursement and reporting procedure of each donor. 

<table>
<thead>
<tr>
<th>Donor</th>
<th>Budget in USD</th>
<th>Reporting</th>
</tr>
</thead>
</table>

   • What is the total budget amount (all grants) managed by your organization? 

7. Are there currently the following written policies and procedures in place governing the overall operation of your organization? 

   i. Employment Policies 
   If yes, please attach. Does it adequately describe the benefits accorded to all employees, methods of employee evaluation and evaluating compensation?
I. APPENDICES

If no, are there consistent employment practices which can be summarized in writing? Please describe or attach.

ii. Travel Policies
If Yes, please attach. Does it adequately outline policies for reimbursement of per diem and other travel costs that are reasonable?

If No, are there practices in relation to travel which can be summarized in writing? Please describe or attach.

iii. Procurement Policies
If Yes, please attach. Does it define a threshold at which competition must be sought?

If No, are there procurement practices which can be documented? Please describe or attach.

v. Financial Management Policies and Procedures
If yes, please attach. Does it adequately describe the accounting system, levels of authority within the accounting system, purchasing procedures and internal controls?

If No, are there practices which can be described in written summary form. Please attach.

8. Briefly describe the internal controls methods applied within your organization, to be accountable to other donors.

9. Does your organization utilize accounting software in financial management?
   • If yes, please specify the name of accounting software, version, and donor?

10. Does your organization need the training on financial management for your finance staff in AIPP financial procedures and formats? If yes, please specify:
    • Type of training preferred (workshop or on-the-job training)?
    • Proposed length of time for such training?
    • Who should organize this training (AIPP or other organizations)?

11. Has your organization had an external audit so far? If yes, please specify: name of external auditor, date of last audit, supported/required by which donor? If no please to refer to question number 13.
12. What issues/problems in financial management were faced by your organization recently?

13. If you have not been audited or reviewed by a certified auditor please answer the following question?

**Cash Disbursements Cycle:**

i. Do the documented policies of your organization, if they exist, establish who, out of the executive officers of the organization, have the authority to enter into agreements, events or transactions, and who has the authority to sign certain documents? If yes, please summarize below: Name and title:

Name: ..............................................................................................................................
Title: ....................................................................................................................................
Authorized to: ....................................................................................................................

ii. Are there written By-Laws for the organization? If so, please attach them to this questionnaire.

iii. Does the organization deal with large sums of cash, i.e., greater than a petty amount of cash, in order to pay their employees, vendors and suppliers?

iv. If you do deal with large sums of cash, do they have a safe? If so, who has the combination?

v. If you do deal with large sums of cash, who is responsible for custody of this cash?

vi. If you do deal with large sums of cash, who records the amounts into the accounting system that accounts for this cash?

vii. Is there a receipt involved with each transaction?

viii. If you do deal with large sums of cash, who does the periodic cash count and reconciles the amount on hand with the amount recorded in the accounting system?

ix. If they do deal with large sums of cash, are there occasional surprise test counts? If so, who are they done by?

Name and title: _____________________________________________

x. Who is responsible for ordering and purchasing supplies, merchandise and/or services?
xi. Who is responsible for approving cash disbursement vouchers?

xii. Who is responsible for receiving supplies, merchandise or services?

xiii. Who is responsible for preparing checks for signing?

xiv. Who signs the checks?

xv. If your organization sends bank wire transfers, who approves the bank wire request when submitting to the bank?

xvi. Are key records/documents matched up before a transaction is approved for payment? For example, purchase order (or equivalent), receiving report (to make sure the supplies or merchandise was received), and vendor’s or supplier’s invoice? If yes, who is this done by?

xvii. Who records the cash disbursements into the accounting system?

xviii. Who receives the bank statements and reconciles the organization’s bank accounts?

Cash Receipts Cycle:

i. Who is the person responsible for first receiving checks in the mail?

ii. Who is responsible for making the bank deposit?

iii. Are copies made of all checks received prior to making the bank deposit, and does there exist documentation for properly recording the cash receipts into the accounting system?

iv. Who records the cash receipts into the accounting system?

v. Does there exist a cash receipts log or list of all checks that are received by the organization? If so, who is it maintained by?

vi. Are bank reconciliations periodically reviewed by someone other than the person performing the bank reconciliations? If so, by whom?

Payroll cycle

i. Does the organization use an outside payroll processing company or agency to process the organization’s payroll, either in whole or in part? If yes, what is the name of this company?

ii. Is there a master list of authorized employees who are currently on payroll? If so, who maintains this list?
How often is payroll paid? Frequency:

iii. Who is responsible for preparing the payroll information prior to running payroll?

iv. Is all payroll information tracked and calculated on a computer-based software system, such as Microsoft Excel? If yes, please state the name of the computer program used:

v. Does someone independent of preparing the payroll check the calculation of payroll prior to being paid? If so, by whom?

vi. Are timesheets used by the organization? If so, are they used as the basis in the calculation of payroll for employees who are paid by the hour or day?

vii. If timesheets are used by the organization, who is responsible for receiving them, checking them, and storing them for safekeeping?
    Name and title: ________________________________

viii. If payroll is paid by cash (currency), who is responsible for handing out the cash on payroll day?

ix. If payroll is paid by check, who hands out the payroll checks?

x. If payroll is paid by cash, is the employee required to sign a receipt and give back to the organization?

xi. Are salaried employees paid on the basis on approved rates? If so, who is responsible for approving these rates?

xii. Is there an approved list of holidays for the organization? If so, who approves this list?

Vehicle Use

i. Does your organization maintain a vehicle log book?

ii. Is the vehicle log book reviewed by an authorized officer?

14. List of Human Resource with designation for the project (including email, phone no., skype id, Fb acc.)

15. Delegate of Authority

    Who authorizes/ approved transection/procurement?
    Who checks the request/release the fund?
    Who keeps the record?
    Who disbursed the funds?

16. Fixed Assets
I. APPENDICES

Are all equipment included in the asset register and inventoried?
How often is the inventory reviewed/updated?

17. List of the Accounting Forms being used by the organization and the purpose of the form

18. Bookkeeping

   Accounting system: Double-entry or Single-entry
   Bookkeeping system: (Manual or computerized (specify which software)
   The frequency of record keeping

12. Petty cash/Cash on Hand

   Limits of petty cash/Cash on hand
   Petty cash/Cash on Hand record

13. Supporting documents

   List the Supporting documents practice by the org.
   How long are documents kept before being discarded?
   Frequency that records are filed

14. Budget

   - Does the staff know about the budget of the project
   - Has the budget prepare in the realistic cost

15. Reporting

   - How often the finance report is produced?

16. Coordination

   - How often the finance staff and coordinator meet to discuss the project fund status

17. Monitoring of the compliance to the policies

   - Is there a monitoring system followed by the staff in checking compliance to the policies?
   - Is there any sanction to the non-compliance to the policies

18. Budget review

   - Are budget formats acceptable to AIPP?
   - Are expenditures identified by budget line item?
   - How and by whom are budgets prepared?
   - Who reviews and approves budgets? Is there evidence of review?
ASIA INDIGENOUS PEOPLES PACT

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>I. APPENDICES</td>
<td>Amended:</td>
</tr>
</tbody>
</table>

19. Capacity
   - Does the potential partner have the capacity to carry out the activities of the proposed subgrant proposal?

20. Procedures to be performed
    - Review sample of expenses for accountability and accuracy and if allowable? Trace expense through system. (i.e. from purchase requisition to canvassing to receipt to final disposition)
    - Reconcile cash on hand and in banks to books.
    - Observe documentation of all controls/accounting procedures.

20. What are your suggestions to AIPP in the area of financial management of the Project?

Note: If you have question on this Questionnaire, please contact Finance Team, of AIPP (write telephone number and email address)

Appendix 22 - Finance Monitoring Procedures

Finance Monitoring Procedures
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### A. Cash monitoring

1. **Surprise cash count**
   a) Inform the cash custodian that cash count will be performed and all cash funds should be prepared.
   b) Count the cash in the presence of the custodian.
   c) List down any cash advances and income that are not recorded in the system.
   d) Reconcile the cash count with the balance in the system.
   e) For any differences, the cashier should explain in the cash count.
   f) The cash count should be signed as prepared by the cashier and checked by the Finance Staff who performed internal auditing.

2. **Monthly Cash counts**
   a) Review the monthly cash count performed by the cashier if properly checked by senior personnel.
   b) Check for mathematical accuracy.
   c) Verify if the cash count was reconciled with the balance in the system.
   d) Checked if there are any differences in the cash count, if properly explained and adjusted to the system as necessary.

3. **Bank reconciliations**
   Review the monthly bank reconciliations prepared by the Finance Staff and if checked or approved by the Program Coordinator or Regional Director.
### I. APPENDICES

<table>
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<tbody>
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<td></td>
<td>Amended:</td>
</tr>
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</table>

#### a) Check for mathematical accuracy

#### b) Check if the balance in the bank reconciliation is the same with the balance in the system

#### c) Match the balance in the bank reconciliation with the balance in the bank statement

#### d) Check if the bank reconciliation was supported by the copy of the bank statement or bank book.

#### e) Ensure that all bank accounts have been prepared with monthly bank reconciliations and balances are reconciled with the system.

### B. Fixed asset monitoring

#### a) Obtain fixed asset listing from the Finance Staff or Operations Staff

#### b) Select the items to be tested or checked and consider the items that has material amount and recently bought.

#### c) Trace the items in the accounting ledger and checked it the purchase has followed the procurement procedure statement in the finance manual.

#### d) Check if the fixed asset listing was signed as prepared by the custodian and checked or approved by the Finance Staff and Program Coordinator/Director respectively

#### e) Check if asset stickers are properly prepared and attached to the items.

#### f) Match the asset code indicated in the fixed asset listing with the asset sticker on the item.

### C. Salary payments
### I. APPENDICES

<table>
<thead>
<tr>
<th>Procedures</th>
<th>Done by/Date</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Select a salary period.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Check if the voucher was properly prepared and approved by the Country Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Check for mathematical accuracy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Trace the pay slips if the amounts in the payroll summary are the same with the pay slips. Ensure that pay slips are properly sign as received by the staffs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Verify the balances in the pay slips with the employment contracts to ensure that salaries are paid based on the signed employment contracts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Financial report monitoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Management reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Obtain the checklist of reports and schedules from the accountant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Check if all the reports in the checklist are prepared by the Accountant and checked or approved by the Manager or Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Check for mathematical accuracy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Verify if the amounts reported in the financial reports are the same or reconcilable with the financial reports in the system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Check if the budget reflected in the financial reports for computer with the actual expenses are based on the approved budget and high budget variances are explained properly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Check if the reports are submitted on time based on the finance policy.</td>
<td></td>
<td></td>
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</tbody>
</table>
2. Donor Reports

a) Obtain the checklist from the Finance Staff for the reports prepared for the donor

b) Check if the reports are properly signed as checked by the Finance Staff and approved by the Program Coordinator/Director

c) Check for mathematical accuracy

d) Verify if the financial report format are in accordance with the format required by the donor.

e) Verify if the balances in the donor report match or reconcilable with the financial reports in the computerized accounting system.

f) Check if high budget variances (more than 10% of the budget lines) were properly explained and approved.

g) Check if the reports are submitted on time based on the schedule of submission in the funding agreement or donor agreement.
3. Documentation

1) *Proper documentation*

- a) Select the account to be checked or verified based on the transaction listings provided by the accountant or finance officer
- b) From the selected samples checked for the following:
  - Vouchers were properly prepared and approved
  - Expenses are properly coded
  - Amounts are correct based on the supporting documents
  - Receipts and invoices have the following information
    - Name of the shop
    - Address
    - Date
    - Telephone number
    - Description of the item
    - Quantity of the item
    - Signature of the seller
- c) Expenses are properly coded to the correct budget line or account code based on the nature of transactions
- d) If the transaction are capital purchase, ensure that it follows the procurement policy and procedures based on the finance manual
- e) If payments of rental, consultancies confirm the amount in the signed contract with the Organization

### Appendix 23- Standard Provisions

**Standard Provisions**

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1. The partner shall maintain books, records, documents and other evidence relating to the program in accordance with International Financial Reporting Standards (IFRS) formally prescribed by the International Accounting Standards Council (IASC) to sufficiently substantiate charges to this sub-grant. Accounting records that are supported by documentation will as a minimum be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the cost of the program supplied by other sources, and the overall progress of the program.

2. The partner shall provide the AIPP and “funding agency” or the duly authorized representative, access to any books, documents, papers and records of the partner which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcripts.

3. All records of this sub-grant shall be retained for a period in accordance with AIPP Finance Manual on Record Retention and may be audited by the “funding agency,” the AIPP and/or their representatives. All records shall be maintained for such longer period, if any, as is required to complete an audit, to resolve all questions concerning expenditures unless approval has been obtained by the Grant Officer to dispose of the records. “Funding agency” follows International Financial Reporting Standards (IFRS) in determining that there has been proper use and accounting of sub-grant funds.

➢ If any litigation, claim or audit is started before the expiration of the ten-year period, the records shall be retained until litigation, claims or audit findings involving the records have been resolved.

4. AIPP has the right to perform finance monitoring with the partner. The finance monitoring will be performed during the period of the project to perform spot checks, check on financial documentation and confirmation of project expenses.

5. The partner as agreed in the TOR or MoU agrees that it shall have annually either an organizational or a program audit of the funds provided under this sub-grant and or the financial statements of the organization as a whole. AIPP may select or approve the use of an independent auditor based on the experience and level of expertise of the auditor. The audit shall be a financial audit performed in accordance with the International Standards on Auditing (ISA).

6. The audit report shall be submitted to the AIPP within 90 days after the completion of the audit, but the audit shall be completed and the report submitted within 90 days following the sub-grant completion date. The AIPP shall ensure that appropriate corrective actions are taken on the recommendations contained in the partner’s audit report; consider whether the partner’s audit necessitates adjustment of its own records, and require the partner to permit independent auditors to have access to records and financial statements as necessary.

REFUND

The partner will be required to submit to the AIPP all unused funds for forwarding to the “funding agency” within thirty (15) days of the final financial report submission.
TERMINATION AND SUSPENSION

The sub-grant may be terminated at any time due to breach of contract. In the event of termination and/or suspension of the sub-grant, the partner will be notified in writing by the AIPP. Upon notification, the partner shall take immediate action to minimize all expenditures against the sub-grant.

No expenses can be charged against the grant after the effective date of termination. The partner will be required to submit a final accounting and to refund all unspent funds provided under the sub-grant to the AIPP within thirty (30) days of termination.

The partner will be required to refund all amounts that have been disbursed for purposes which are not in accordance with the terms of the sub-grant. In addition, in the event of termination for cause, the partner may be subject to other legal or administrative remedies as appropriate.

During the suspension period, the partner will return, on demand, to the AIPP any remaining cash balance. The partner is required to submit a Financial Report as of the date of suspension. The partner cannot use the available funds to incur project expenses.

DISPUTES

The AIPP Program Coordinator, in consultation with the AIPP Secretary General, shall decide any dispute under this sub-grant. The partner has the right to appeal and shall be given opportunity to be heard and to offer evidence in support of its appeal. Any appeal made under this provision shall be made in writing and addressed to the Program Coordinator, AIPP.

NON-LIABILITY

Neither the AIPP nor “funding agency” assume liability for any third party claims for damages arising out of this sub-grant.

LIMITATION

It is expressly understood that neither the AIPP nor the “funding agency” by making the sub-grant have any obligation to provide other additional support to the partner for the purposes of this program or any other purposes.

AMENDMENT

The sub-grant may be amended, in writing, and by formal modifications to the basic sub-grant document.

Appendix 25 Guidelines on Financial Report and Documentation for partners

Guidelines on Financial Report and Documentation

1. Financial report template
**FINANCIAL REPORT**

Name of Organization:
Project/Activity Title:
Project/Activity Start Date:
Project/Activity Finish Date:
Report /Activity Duration:
Funder:
Currency:
Exchange Rate and Date:

<table>
<thead>
<tr>
<th>No.</th>
<th>Budget Items (according to the approved budget)</th>
<th>Budget approved</th>
<th>Actual Expenditure</th>
<th>Budget balance (USD (1)-(2)= (3))</th>
<th>Variance % (3)*100/(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>USD (1)</td>
<td>Local Currency</td>
<td>USD (2)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Air fare</td>
<td>14,850</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Local transport</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Etc..</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Summary:**

<table>
<thead>
<tr>
<th>Local Currency</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Fund Received from AIPP:</td>
<td>XX</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>XX</td>
</tr>
<tr>
<td>Fund Balance (deficit)</td>
<td>XX</td>
</tr>
</tbody>
</table>

---

**Note to the Financial report template:**

1. Please make sure the financial report is fully signed by the concerned person before you post/handover it to AIPP.
2. Any variance beyond 10% requires a written approval from AIPP.
3. **For exchange rate using in the report:**
   3.1 If partner only received fund from AIPP in a single installment, partner shall use “the exchange rate according to the fund received date”.
   3.2 If partner received fund from AIPP in a multiple installments, partner shall use the “average exchange rate”. The calculation of the average exchange rate is detailed below;

<table>
<thead>
<tr>
<th>USD</th>
<th>Local Currency</th>
<th>Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st received</td>
<td>1500</td>
<td>90,750</td>
</tr>
</tbody>
</table>
2. Listing and arranging the supporting document to submit to AIPP
   - The supporting document shall be arranged and kept per budget item
   - Each set of the document should have the summary sheet.
   - In case one receipt is used for two budget items, the division of the cost should be explained in the receipt. For such receipt, it will be placed only in one budget item set of document, so the others can provide the reference in the column “Remarks”

Example of summary sheet (refer to Financial report template)

<table>
<thead>
<tr>
<th>Budget item: (2) Local transport</th>
<th>Date</th>
<th>Payment Details</th>
<th>Amount</th>
<th>Ref. No. (do not use ref. no. in the receipt but rewrite the ref. no. in the receipt as 1,2,3...)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>21/11/16</td>
<td>Pickup Mr. A from airport</td>
<td>7$</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21/11/16</td>
<td>Pickup Ms. B,C and D from airport</td>
<td>10$</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23/11/16</td>
<td>Bring participant to the city</td>
<td>50$</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25/11/16</td>
<td>Etc</td>
<td>100$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>167$</strong></td>
<td></td>
<td><strong>The 167$ then will be placed in the financial report under Local transportation.</strong></td>
<td></td>
</tr>
</tbody>
</table>

3. Documentation Guidelines
   - The partner shall issue the official receipt for fund received by AIPP and if possible accompany this with the bank statement from the bank
   - The receipt should state the following:
     - Name, address, shop # (if bought in the market) of the vendor
     - Signature of the vendor
     - Date of payment
     - Clear description, quantity of items, type of services
   - The thermal paper receipt shall be photocopied and both original and photocopy shall be kept together.
   - All supporting documents should be properly marked and stamped “PAID” to prevent duplicate payment.
   - If a mistake is made on the receipt, corrections must be signed by both the buyer and the seller. White-out paint is not permitted.
   - The payer may write notes or explanations in English on the receipt that will be helpful in understanding the transactions.
   - Written note/memo is not considered adequate as financial supporting document
   - Acknowledgement Form Or Receipt Replacement Form shall be used for the documentation of expenses that have no receipts because it is not possible or available to obtain
   - The following guidelines of documentation shall be observed for any Reimbursements, Direct Payments and Settlement of Cash Advances done for AIPP activities;
1. APPENDICES

✓ Accommodation
  o The documentation of the accommodation claim should be the original receipt. However, if the accommodation was in the village or homestay it can be reimbursed by using the Acknowledgement Form*** with the explanation of the valid reasons for staying in such places.

✓ Airfare
  o In purchasing for airfare, the economy flight should be a preference.
  o The airfare purchase via travel agent should obtain original receipts including those of the participants attending AIPP’s activity. However, if traveler has not made the payment to the travel agent, the travel agent can issue the Bill, Invoice, Statement of the cost instead of the Receipt. The air ticket purchased online should obtain electronic receipts. All these documents should be supported by the boarding pass of the traveler for any claims made.

✓ Local Transportation
  o The local transportation cost such as bus, train and taxi cost can be reimbursed upon presenting the original receipts. However, in the case where the original receipts could not be obtained, the Acknowledgement Form*** shall be used as the supporting document of such costs.

✓ Per Diem
  o The Per Diem Payment Form shall be completed for any claim of the per diem OR in case of a meeting; the list of per diem payment shall be prepared in one sheet with the signature of the Payee. Also, in the sheet, it should contain the information of “Prepared By” and “Approved By” and fully signed by the concerned person.
  o Per diem only covers cost of food (Breakfast, Lunch and Dinner) and minor local transportation from hotel to meeting venue.
  o Per diem rate shall apply to all AIPP funded travels including for EC, secretariat, members and partners
  o Additional costs such as local transport from hotel to meeting venue that is beyond the per diem shall be reimbursed based on actual cost
  o The partners shall followed their organization per diem rate.

✓ Contribution
  o For any contribution such as contribution to the community (for field visit), the Acknowledgement Form*** shall be completed and kept as supporting document
  o For any contribution to the host organisation such as contribution to Admin and Coordination cost, the official receipt shall be provided by the host organisation.

✓ Other costs
  o Other costs such as communication for work (Internet/phone charge), visa fee, airport taxes/re-entry Permits, and official baggage slip, the original copies of these costs should be obtained as supporting documents.

In case the participant’s accommodation/taxi/meal is needed for both ways (coming and going back) BUT they only have the receipt on the day they came, the costs of going back shall be filled in the Acknowledgement Form for reimbursement.

4. Direct expenses that are NOT reimbursable are as follows (the list is NOT exhaustive):
   • Laundry
I. APPENDICES

- Personal tips (exceptional cases where it is required)
- Personal baggage fee
- Personal telephone calls
- Leisure travel expenses
- Alcohol

***Acknowledgement Form

Acknowledgement Form Or Receipt Replacement Form is used to properly document expenses that have no receipts because it is not possible or available to obtain. The form is used for the following purposes:

- Payment to human resource/individual service provider such as translator cost, interpreter, editor, etc.
- Payment of minor expenditures such as food, taxi that do not provide receipts

The acknowledgement form is preprinted form which contains the following information:

1. The date of preparation
2. The name and address of the payee
3. The description, quantity, unit cost and amount of the item/service paid
4. Name and signature of the staff who certified
5. Name and signature of the person who substantiated and approved the expenses
6. Name and signature of the person who received the payment
Appendix 26

Guidelines for cost allocation

A. Background

In November 2017, the Embassy of Sweden in Bangkok has appointed the consultant for the assessment of internal management and control of Asia Indigenous Peoples Pact (AIPP) and one of the key recommendation is to use a cost allocation system for share cost to distribute costs across donor budget lines. In responding to the recommendation, the guidelines was developed with the consultancy with the Finance Manager and Admin Manager. The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that this organization will use to allocate costs to various projects, grants, contracts and agreements.

B. General Approach

- All allowable direct costs are charged directly to projects, grants, activity, etc.
- All other allowable overhead costs are allocated to projects, grants, etc., based on the ratio of each project’s expenses (direct costs other than salaries & benefits). However, in projects that the overhead cost is not allowed, the following cost allocation below should be applies.

C. Definition overhead costs

The overhead costs are the costs that benefit all projects but cannot be identified to a specific project. It is a central administrative cost that the organization have to pay to run the organization and cost that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. The following activities constitute to the organisation’s overhead costs:

- Administrative cost
  Administrative cost is a the day to day operational cost such as office maintenance, office utilities, communication costs, office materials and equipment, and other related administrative cost such as auditing, bank fee and etc.

- Staff, Volunteer, Social Events and contribution on the emergencies needs.
  Staff welfare and volunteer includes the cost for token and social with the Thai Government agencies that link to the visa and work permit requirements. Staff birthday, staff development, retreat and emergency support are also categorized under this item.

<table>
<thead>
<tr>
<th>Allocation of Costs</th>
<th>Type of expenses</th>
<th>Cost Allocation Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Salary and benefits</td>
<td>Time contribute to the project</td>
</tr>
<tr>
<td>b)</td>
<td>Travel cost</td>
<td>Staff Salaries</td>
</tr>
<tr>
<td>c)</td>
<td>Professional Services Costs</td>
<td>Expenses of project</td>
</tr>
<tr>
<td>d)</td>
<td>Office Expense and Supplies (including office supplies and postage)</td>
<td>Expenses of project</td>
</tr>
</tbody>
</table>
I. APPENDICES

<table>
<thead>
<tr>
<th></th>
<th>Expenses of project</th>
</tr>
</thead>
<tbody>
<tr>
<td>e)</td>
<td>Equipment</td>
</tr>
<tr>
<td>f)</td>
<td>Printing</td>
</tr>
<tr>
<td>g)</td>
<td>Insurance</td>
</tr>
<tr>
<td>h)</td>
<td>Communications</td>
</tr>
<tr>
<td>i)</td>
<td>Office Maintenance and Resource center</td>
</tr>
<tr>
<td>j)</td>
<td>Training/Conferences/Seminars (including staff development and team building)</td>
</tr>
</tbody>
</table>

a) **Salary and benefits** - Documented with timesheets showing time distribution for all employees and allocated based on time spent on each project or grant. Salaries and benefits are charged directly to the project for which work has been done. Costs that benefit more than one project will be allocated to those projects based on the ratio of each project’s salaries to the total of such salaries (see Example 1).

b) **Travel Costs**
   - Allocated based on purpose of travel. All travel costs (local and international) are charged directly to the project for which the travel was incurred.
   - Travel costs that benefit more than one project will be allocated to those projects based on the ratio of each project’s salaries to the total of such salaries (see Example 1).

c) **Professional Services Costs (such as consultant and auditing services)**
   - Allocated to the project benefiting from the service. All professional service costs are charged directly to the project for which the service was incurred.
   - Costs that benefit more than one project will be allocated to those projects based on the ratio of each project’s expenses to the total of such expenses (see Example 3). Costs that benefit all projects will be allocated based on the ratio of each project’s expenses to total expenses (see Example 4).

d) **Office Expense and Supplies (including office supplies and postage)** : Allocated based on usage. Expenses used for a specific project will be charged directly to that project. Costs that benefit more than one project will be allocated to those projects based on the ratio of each project’s expenses to the total of such expenses.

e) **Equipment**
   - AIPP depreciates equipment that has one year and above life span. Items has life span below one year are reflected in the office supplies category and expensed in the current year.
   - The equipment used solely by one project are not depreciated and it is charged directly to the project using the equipment.
   - If more than one project uses the equipment, then an allocation of the depreciation costs will be based on the ratio of each project’s expenses to the total of such expenses.

f) **Printing**: Expenses are charged directly to projects that benefit from the service. Expenses that benefit more than one project are allocated based the ratio of the costs to total expenses.
g) **Insurance** - Insurance needed for a particular project is charged directly to the project requiring the coverage. Other insurance coverage that benefits all projects is allocated based on the ratio of each project’s expenses to total expenses.

h) **Communications** - Long distance and local calls are charged to projects if readily identifiable. Other telephone or communications expenses that benefit more than one project will be allocated to those projects based on the ratio of each project’s expenses to the total of such expenses.

i) **Office Maintenance and Resource center** - Allocated based upon usable square footage. The ratio of total square footage used by all personnel to total square footage is calculated. Facilities costs related to general and administrative activities are allocated to project based on the ratio of project square footage to total square footage. (see example 3)

j) **Training/Conferences/Seminars (including staff development and team building)** – Allocated to the project benefiting from the training, conferences or seminars. Costs that benefit more than one project will be allocated to those projects based on the ratio of each project’s salaries to the total of such salaries

### Example 1

Expense Amount = $5,000

Costs that benefit two or more specific projects are allocated to those projects based on the ratio of each project’s personnel costs (salaries & applicable benefits) to the total of such personnel costs, as follows:

<table>
<thead>
<tr>
<th>Grant</th>
<th>Personnel Costs</th>
<th>%</th>
<th>Amount Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1</td>
<td>$20,000</td>
<td>20%</td>
<td>$1,000</td>
</tr>
<tr>
<td>Project 2</td>
<td>$30,000</td>
<td>30%</td>
<td>$1,500</td>
</tr>
<tr>
<td>Project 3</td>
<td>$50,000</td>
<td>50%</td>
<td>$2,500</td>
</tr>
<tr>
<td>Total</td>
<td>$100,000</td>
<td>100%</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

### Example 2

Expense Amount = $4,000

Costs that benefit two or more specific projects are allocated to those projects based on the ratio of each project’s expenses (direct costs other than salaries & benefits) to the total of such expenses, as follows:

<table>
<thead>
<tr>
<th>Grant</th>
<th>Project Expenses</th>
<th>%</th>
<th>Amount Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1</td>
<td>$120,000</td>
<td>30%</td>
<td>$1,200</td>
</tr>
<tr>
<td>Project 2</td>
<td>$130,000</td>
<td>33%</td>
<td>$1,320</td>
</tr>
<tr>
<td>Project 3</td>
<td>$150,000</td>
<td>37%</td>
<td>$1,480</td>
</tr>
<tr>
<td>Total</td>
<td>$400,000</td>
<td>100%</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

### Example 3

Facilities Expense Amount = $10,000

Facilities costs are allocated based on square footage. Square footage for each project and management and administrative activity is considered in the analysis. General and administrative
facilities costs are further allocated to each project based on the square footage of each grant projects to the total square footage of all grant projects. The calculation is as follows:

<table>
<thead>
<tr>
<th>Grant</th>
<th>Square Footage</th>
<th>%</th>
<th>Amount Allocated</th>
<th>Management &amp; Administrative</th>
<th>Total Amount Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1</td>
<td>300</td>
<td>30</td>
<td>$3,000</td>
<td>$2,000^</td>
<td>$5,000</td>
</tr>
<tr>
<td>Project 2</td>
<td>100</td>
<td>10</td>
<td>$1,000</td>
<td>$667</td>
<td>$1,667</td>
</tr>
<tr>
<td>Project 3</td>
<td>200</td>
<td>20</td>
<td>$2,000</td>
<td>$1,333</td>
<td>$3,333</td>
</tr>
<tr>
<td>Management &amp; Administrative</td>
<td>400</td>
<td>40</td>
<td>$4,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>1000</td>
<td>100</td>
<td>$10,000</td>
<td>$4,000</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

^50*4000/100 (300*100/600=50%)