Finance Policy for Rescue Mission for Street Life

Effective Date: January 2025

Policy Owner: Rescue Mission for Street Life (RMSL)

Focal Person: Ssempewo Edward (Executive Director)
Finance and Administration Officer: Busuulwa David (Finance and Administration)

---

1. Introduction and Purpose

Rescue Mission for Street Life (RMSL) is committed to ensuring the transparency, accountability, and proper management of financial resources entrusted to the organization. The Finance Policy is designed to ensure that all financial activities comply with legal standards, internal procedures, and best practices. The policy outlines the framework for the management of funds, budgetary control, accounting, reporting, and auditing to support the effective implementation of RMSL's programs and initiatives.

This policy applies to all employees, contractors, and partners involved in the financial management of RMSL.

---

2. Financial Management Objectives

RMSL's financial management is guided by the following objectives:

- **Transparency:** Ensure that all financial activities are conducted transparently and are open to scrutiny by internal and external stakeholders.
- **Accountability:** Hold individuals and departments responsible for the funds allocated to them, ensuring that all resources are used for their intended purposes.
- **Efficiency:** Optimize the use of resources by ensuring that financial decisions align with the organization's strategic goals.
- **Compliance:** Ensure that all financial operations comply with legal regulations, including taxation, labor laws, and donor requirements.
- **Sustainability:** Manage funds prudently to support the long-term stability and growth of the organization.

---

3. Financial Structure

The Finance and Administration Officer (Busuulwa David) is responsible for overseeing all financial operations at RMSL, which include but are not limited to:

- **Budgeting and Planning:** Developing and managing annual budgets.
- **Accounting and Reporting:** Maintaining accurate financial records and producing timely financial reports.
- **Cash Management:** Ensuring that funds are available for program implementation and that expenses are paid on time.
- **Financial Auditing:** Ensuring regular audits and reviews of financial statements and practices.
- **Donor Compliance:** Ensuring that financial records meet donor requirements and are used for their intended purposes.

---

4. Financial Planning and Budgeting

- **Annual Budget:** The Finance and Administration Officer will work with the Executive Director and other departments to prepare the annual budget for RMSL. This budget will include income projections, program costs, administrative expenses, and contingencies.
- **Approval of Budget:** The finalized budget will be submitted to the Board of Directors for approval before the beginning of the fiscal year.
- **Budget Monitoring:** The Finance and Administration Officer is responsible for monitoring expenditures against the approved budget throughout the year. Any variances must be reported to the Executive Director and the Board, with corrective actions recommended.
- **Donor-Funded Projects:** Separate budgets for donor-funded projects will be created and managed in accordance with donor agreements and requirements.

---

5. Financial Reporting and Record Keeping

- **Monthly Reports:** The Finance and Administration Officer will prepare and submit monthly financial reports to the Executive Director, including income statements, balance sheets, cash flow statements, and variance reports.
- **Annual Financial Statements:** An annual financial report will be produced at the end of each fiscal year, summarizing income, expenditures, and financial position. This will be shared with stakeholders and used for the annual audit.
- **Record Keeping:** All financial documents, including receipts, invoices, bank statements, contracts, and payroll records, will be kept in accordance with RMSL’s record-keeping policy and applicable legal requirements. All financial records must be available for audit at any time.

---

6. Cash Management and Internal Controls

- **Bank Accounts:** RMSL will maintain separate bank accounts for operational funds and restricted funds (e.g., donor contributions). The Finance and Administration Officer is responsible for ensuring that funds are managed separately according to their intended purpose.
- **Cash Flow Management:** The Finance and Administration Officer will ensure that RMSL has enough cash flow to meet its operational and program needs. Cash forecasts should be updated regularly to prevent liquidity issues.
- **Petty Cash:** A petty cash fund will be maintained for small operational expenses. The Finance and Administration Officer is responsible for ensuring that all petty cash transactions are documented and reconciled monthly.
- **Approval and Authorization:** All payments, including invoices and payroll, must be authorized by the Finance and Administration Officer and the Executive Director before disbursement. No payments should be made without proper documentation and approval.
- **Internal Audit:** Periodic internal audits will be conducted by an independent auditor or internal finance team to ensure the accuracy and integrity of financial records.

---

7. Procurement and Use of Funds

- **Procurement Policy:** All purchases, contracts, and procurements should be made in accordance with RMSL's procurement policy, which ensures fairness, value for money, and adherence to organizational procedures.
- **Authorized Purchases:** Only authorized personnel, such as the Finance and Administration Officer and Executive Director, can approve expenditures exceeding a certain limit as stipulated in the procurement policy.
- **Use of Donor Funds:** RMSL will ensure that donor funds are used for their intended purposes as outlined in donor agreements and will maintain proper records of how funds are allocated and spent.

---

8. Financial Compliance and Auditing

- **Compliance with Laws:** RMSL will ensure that all financial transactions comply with Ugandan tax laws, international financial reporting standards, and any legal regulations related to nonprofit organizations.
- **External Audit:** RMSL will engage an external auditor annually to review its financial statements and ensure compliance with accounting standards and regulations. The audit report will be submitted to the Board of Directors and donors.

- **Audit Response:** Any issues raised in the audit report will be addressed promptly by the Finance and Administration Officer in consultation with the Executive Director. Corrective actions will be taken to mitigate any identified risks.

---

9. Staff and Volunteer Financial Policies

- **Payroll:** RMSL will ensure that staff and volunteers receive their pay and benefits promptly and in accordance with their contracts. The Finance and Administration Officer will be responsible for maintaining accurate payroll records.
- **Expense Reimbursement:** Staff and volunteers may be reimbursed for expenses incurred while performing duties for RMSL, provided that receipts are submitted and the expenses are pre-approved by the Executive Director.

---

10. Risk Management and Insurance

- **Financial Risks:** RMSL will identify and assess financial risks and develop strategies to mitigate them. This includes ensuring adequate reserves, securing insurance, and managing foreign exchange risks for international transactions.
- **Insurance Coverage:** RMSL will maintain appropriate insurance coverage for its assets, staff, volunteers, and programs to minimize potential financial losses due to unforeseen events.

---

11. Policy Review

This Finance Policy will be reviewed annually by the Finance and Administration Officer in collaboration with the Executive Director and the Board of Directors to ensure it remains in line with evolving legal, financial, and organizational standards.

Signed,

Ssempewo Edward
Executive Director, Rescue Mission for Street Life

Busuulwa David
Finance and Administration Officer, Rescue Mission for Street Life