

## **MANUAL OF PROCEDURES FOR FINANCIAL MANAGEMENT AND SUPERVISION**

**Title:** Manual of Procedures for the Financial Management and Supervision of Proyecto Patria

### **3.1. Objective**

Establish accounting, internal control, and financial supervision procedures to ensure transparency, efficiency, and accountability in the administration of the organization's resources.

### **3.2. Scope and Application**

This Manual applies to all departments, projects, and committees of Proyecto Patria, with an emphasis on the work of the Treasurer, the Internal Audit Committee, and the Board.

### **3.3. Accounting and Recording of Operations**

**Accounting Method:** The organization will use the accounting method [accrual or cash basis, depending on the recommendation] according to the applicable standards for non-profit organizations.

**Accounts and Books:** Accounting books will be maintained that clearly reflect income, expenses, assets, and liabilities, including restricted and unrestricted donations.

**Financial Statements:** They will be generated monthly or quarterly for review by the Treasurer and the Audit Committee.

### **3.4. Cash Flow and Approvals**

**Annual Budget:** The Executive Director and the Treasurer will prepare an annual budget that will be approved by the full Board of Directors.

**Disbursements and Authorizations:** Any disbursement over \$500 USD will require the joint signature of at least two people (Treasurer and President, for example), or as indicated by the financial policy.

**Donations and Grants:** Restricted donations for specific purposes and general donations will be recorded separately.

### **3.5. Internal Control and Internal Audit**

**Internal Audit Committee:** Responsible for reviewing the correct implementation of these procedures and submitting periodic reports to the Board.

**External Audit:** The NGO may hire an independent external auditor to examine the financial statements annually or as required by donors or regulations.

### **3.6. Financial Report to the Board**

The Treasurer will present a financial report at each regular Board meeting, detailing the cash situation, budget execution, and pending commitments.

The Internal Audit Committee may complement this report with observations, findings, or recommendations.