

# **Globally Connected**

## **FIELD OPERATIONS MANUAL**

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*Prepared by SAANED for Philanthropy Advisory*

# Globally Connected

## Field Operations Manual&Policies

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<sup>1</sup> / <sup>2</sup> / <sup>3</sup> Globally Connected shall take into account the specific requirements of donors with respect to eligibility of costs, agreed upon budget vs. actual costs reporting practices and additional due diligence requirements.

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<sup>4</sup> Additional or varying requirements, as per agreements with donors, shall be honored by GC

## 100 INTRODUCTION

### Introduction

The main components and Objectives of Globally Connected are:

a) Platform of European and Mena Region NGOs developing programs based on assets existing in those communities and enhancing those assets for the general welfare of that community,

b) To Build capacity of a team of Front liners working in Psycho- Social support for displaced people in Europe .

c) To Stimulate the practice of Local and Global Citizenship amongst Children and Youth, which is mainly focusing on how the positive citizenship could be done in local level in each country and in international level in others countries, which is Humanity approach thinking

d). Organizing, providing support and finance for small-scale projects aiming to improve Peace Process , living conditions , and Entrepreneurship .

e). To initiate projects and activities that are related to the above goals .

by co-founders Abir Hajibrahim , Ghada Rifai and Noha Chuck providing services and support to the GC.

The GC Support aims at supporting the GC in three ways:

- a. Assisting in building the network to be a platform for exchanging knowledge, in order to respond to the needs of communities and accordingly design convenient and suitable programs.
- b. Funding and technical support, and
- c. Providing training programs.

### 101 Purpose of Manual

- A. Globally Connected 's Field Operations Manual & Policy is the official document for the conduct of business and the accounting and administration for grants and contracts with funding sources.
- B. The Manual shall guide in the application of various laws and regulations as applicable to Globally Connected
- C. The Manual constitutes fiscal policies and standards that have been adopted by Globally Connected.

### 102 Scope and Organization

The organization of this manual is as follows:

Section 100 Introduction-- provides a description of the purpose of the Manual of Accounting Policies and its organization.

Section 200 Internal Control Policies-- describes the organizational systems and human controls in place to safeguard the assets of Globally Connected and to ensure business is conducted in an ethical manner.

Section 300 Financial Management Policies-- sets forth policies for the operation of the financial management structure of Globally Connected.

Section 400 Accounting for Assets, Liabilities and Net Assets-- establishes policies for accounting for resources, obligations and available fund balances.

Section 500 Revenue Policies-- reflects when and how income is recognized by Globally Connected from its operations.

Section 600 Cost Accounting Policies -- deals with the measurement, assignment and allocation of costs to Globally Connected's various cost objectives.

Section 700 Property Management Policies-- presents policies and practices over the identification, control and disposition of donor funded property and Globally Connected's owned property.

Section 800 Human Resource Policies-- establishes policies over the control of compensation, cost-related fringe benefits, the status of employees and consultants, and the expenditure of funds on behalf of Globally Connected by its employees.

Section 900 Office Policies-- introduces Globally Connected's policies relating to attending to work and travel-related missions, in addition to policies setting the tone and culture of the operating environment.

Section 1000 Procurement Policies-- sets a framework for the procurement practices and identifies Globally Connected's relevant risk analysis and mitigation measures.

## 103 Amending the Manual

Over the course of work, as additional matters require promulgation or changes to this Manual, officials of Globally Connected may amend this Manual.

200 INTERNAL CONTROL POLICIES

201 Business Conduct and Disclosure

- A. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies Globally Connected depend to a very large extent on the following considerations.

Each employee must apply his/her own sense of personal ethics, which should extend beyond compliance with applicable laws in business situations, to govern behavior where no existing regulation provides a guideline. It is a responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this code in specific situations, ask yourself the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with GC policy?
4. Am I sure that my action doesn't appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within GC or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?

You should be able to answer "yes" to all these questions before taking action.

Each supervisor is responsible for the ethical business behavior of his/her subordinates. Supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms and base their decisions on the guidelines provided by this code as well as their personal sense of right and wrong.

Implementation of the provisions of this code is one of the standards by which the performance of all levels of employees will be measured.

- B. In recommending or proposing a particular business transaction or course of action for approval, those involved must disclose to their superiors all the pertinent information they know about such transactions and the persons involved. The

disclosure should include significant information that they may have reason to believe has been omitted by others.

- C. Specifically, Globally Connected does not tolerate the willful violation or circumvention of laws pertinent to the operations of Globally Connected by an employee during the course of that person's employment; nor does the organization tolerate the disregard or circumvention of institutional policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents and intermediaries, what is directly forbidden.

Failure to comply with the standards contained in this code will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to Globally Connected for any losses or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this code will be afforded an opportunity to explain his or her actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against employees who authorize or participate directly in actions which are a violation of this code
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this code
3. Against any supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this code.

## 202 Compliance with Laws

### A. General

In complying with the laws and regulations that apply to work, hereunder information is useful.

### B. Disclosure of Organization Information

The organization's proposal/grant/contract data, financial, and administrative information is a valuable, intangible property asset. Protection of this information is vital to continued growth and ability to provide quality services to the community, donors and subgrantees.

Globally Connected's intellectual property assets are not always of a technical nature. Typical of such information are:

1. Proposal/grant/contract data
2. Organization business, research and new programs plans
3. Operating plans
4. Salary, wage and benefits data
5. Employee, funding source and vendor lists.

This list, while obviously not complete, suggests the wide scope and variety of organization information that must be safeguarded. Correspondence, printed matter, documents or records of any kind, specific process knowledge, procedures, and special organization ways of doing things are all the property of and must remain at the organization.

#### C. Political Contributions

To safeguard impartiality and values related to inclusiveness of Globally Connected, no funds or assets of the organization may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the organization for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. The organization also cannot be involved with any committee or other organization that raises funds for political purposes.

This rule does not apply in those cases permitted by law and expressly GC managers.

Following are examples of **prohibited** activities

1. Contributions by an employee that are reimbursed through expense accounts or in other ways
2. Purchase by the organization of tickets for political fundraising events
3. Contributions in kind, such as lending employees to political parties or using organization assets in political campaigns
4. Indirect contributions by the organization through suppliers, funding sources or agents.

#### D. Government Officials

The organization is prohibited from offering, promising, or bestowing money, gifts, loans, rewards, services, use of facilities, lavish or extensive entertainment, or other favors to a government official or employee with a view toward influencing or inducing such official or employee to use his/her influence to effect an action or decision.

No employee of Globally Connected will offer, give, or promise to offer or give, directly or indirectly, any money, gratuities or other thing of value to any government employee with current or possible responsibility on an award of the organization. A gratuity includes any gift, favor, entertainment or other item having monetary value of over \$50 per event or presentation (reviewed by the Executive Director on annual basis – any changes to be documented and kept on file). This includes services, conference fees, vendor promotional training, transportation, lodging and meals, as well as discounts not available to the general public and loans extended to anyone other than a bank or financial institution.

The provisions of this code apply fully to anyone who acts for Globally Connected.

#### E. Commercial Bribery

It is not allowed to make a payment either directly or indirectly or as a kickback to influence someone else, nor are you allowed to accept anything of value from someone who wants to do business with the organization. With the exception of government officials acting on a procurement, inexpensive advertising and promotional items are not considered to have "value," and an occasional business meal may be accepted or given if it has a value of under \$50 (reviewed by the Executive Director on annual basis – any changes to be documented and kept on file).

In some business relationships outside the government, an occasional gift is appropriate.

Globally Connected strongly discourages any gifts to any individual, but in the event a gift is proposed to be made, approval must be secured in advance from the Executive Director. However, acceptance of inexpensive gifts of an advertising and promotional nature is allowable. Gifts which do not fit this category must be returned. If the return of a gift is not practicable because of its nature, it may be given to a charitable institution and the giver informed of its disposition. It is not allowed to give or receive any lavish or expensive entertainment, but occasional normal and customary social business amenities are permitted.

Reporting to the immediate supervisor should be made upon being asked to made or accept a payment or gift in any form prohibited under this rule.

#### F. Record Keeping

To provide an accurate and auditable record of all financial transactions, Globally Connected books, records, and accounts must be maintained in conformity with acceptable standards. It is a responsibility to safeguard organizational assets under a person's control and for maintaining an auditable record of financial transactions.

Further, Globally Connected specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described on the books and records of the organization
2. Receipts and disbursements must be fully and accurately described on the books and records of the organization
3. No false entries may be made on the books or records nor any false or misleading reports issued
4. Payments may only be made for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

Reasons leading to a belief that the organization's books and records are not in accord with the foregoing requirements, requires reporting the matter to the immediate supervisor or the Executive Director.

### 203 Conflict of Interest/ Employee

#### A. General

There exists a primary responsibility to the organization. Accordingly, employees are expected to avoid any activity that may interfere, or have the appearance of interfering, with the performance of this responsibility. Similarly, employees may not use nor disclose confidential or proprietary information in any outside activity. A conflict of interest exists if certain outside business or other interests may adversely affect an employee's motivation or performance.

The testing criteria for recognizing the existence of a conflict of interest include not only whether an employee actually is improperly influenced but also whether the situation lends itself to improperly influencing the employee. Even for the most conscientious person, a conflicting interest may unconsciously influence him/her,

and the mere existence of that interest may cause the propriety of his/her acts to be questioned.

B. Outside Activities

An employee may not serve as a consultant to, or as a director, officer, or part-time employee of an entity that competes or deals with the organization or that seeks to do so, unless the employee obtains the prior express consent of his/her supervisor. Even if an employee is not to receive pay from the other entity and have no direct or indirect contact with it in his/her job, this conflict of interest exists because an employee may inadvertently disclose proprietary information to the other company or benefit it through Globally Connected contacts and general knowledge of how the organization operates.

An employee may also have a conflict of interest if his/her outside activities, which in and of themselves may not be conflicts of interest, are so demanding on an employee's time; that they interfere with job performance. Staff working with other employers, have the duty to make a declaration to Globally Connected.

C. Responsibility of Employees' Relatives

Since everyone tends to identify his or her interests with those of members of his immediate family, employees should keep such family members away from doing anything that would be improper for an employee to do. In addition, it is a good general rule not to discuss the organization's business with anyone, including relatives, who are not Globally Connected's employees. Members of immediate family should be asked not to discuss organization's business in the presence of others.

D. Globally Connected Assistance

Employees should review their personal and job situations and eliminate any possible conflicts of interest that exist. Employees should discuss possible conflicts of interest with their supervisors, who may in turn refer the matter to the Executive Director. Should employees wish, they may consult directly the Executive Director, with the understanding that he/she will hold disclosures in confidence unless they involve violations of law or failure to eliminate conflicts within a reasonable time.

E. Employee's/ Volunteer's Duty to Report Conflicts of Interest

It is the employees and volunteers duty to report to their supervisors or to the Executive Director any known conflicts of interest within the organization. Further, employees/volunteers should report instances that come to their attention where non-organization personnel misrepresent themselves and organization officials or

employees. The duty to report conflicts of interest equally applies to board members, and as further articulated in articles 204 and 206.

204 Ethical Standards in Bidding, Negotiation and Performance of Grants

- A. The organization will strictly observe the laws, rules and regulations which govern acquisition of goods and services by the donor agencies. Globally Connected shall compete fairly and ethically for such business opportunities. Globally Connected does not solicit or accept funds from parties who supply weapons or are politically affiliated.
- B. Employees involved in the negotiation of grants will make all reasonable efforts to assure that all statements, communications and representations to funding source representatives are accurate and current. Care should be taken by personnel in a position to know that there are no material substitutions from specifications and the products meet or exceed contractual specifications.

206 Organizational Conflict of Interest/ Self-Dealing

The organization may not be organized and operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to:

- A. Lending of money or other extension of credit between Globally Connected and an affiliated or unaffiliated organization or a private individual
- B. Transfer to, use by, or for the benefit of a private individual of the income or assets of an organization.

Thus, Globally Connected will be guided by the principle of arms length standards (e.g. this means that parties to a transaction are independent and on equal footing) with all affiliated or unaffiliated organizations or with a private individual(s).

207 Signature Authorities

Signature authorities will be in accordance to the matrix of responsibilities in place. Since all authorities lie either with the Executive Director, it is understood they can delegate signing authorities in which case it should be well documented and on file. The final list for individual with signature authority should be on file and always up to date.

A. Institutional Matters

Type of Expenditure Authority or Transaction by Position

- |  |                    |
|--|--------------------|
| 1. Major investments (capital expenditures, acquisitions, and construction-in-progress; sale/leaseback arrangements; major modifications or betterment; intangible assets) | Co Founder         |
| 2. Leases and rental transactions (direct and indirect)  | Executive Director |
| 3. Business meetings and business-related social activities  | Executive Director |
| 4. Overhead expenses   | Executive Director |
| 5. Consultants and representatives and executive search agreements   | Executive Director |
| 6. Legal fees and retainers  | Executive Director |

B. Business Commitments and Authorizations

Type of Expenditure or Transaction

- |  |                    |
|--|--------------------|
| 1. Proposals/grant/contract applications                             | Executive Director |
| 2. Contracts/grants  | Executive Director |
| 3. Authorization to incur costs related unfunded expenditure request | Co Founder         |
| 4. Procurements (including subgrants)                                | Executive Director |

C. Personnel Matters

- |  |                    |
|--|--------------------|
| 1. New hires                                       | Executive Director |
| 2. Temporary employees or contract labor personnel | Executive Director |

- |    |  |                    |
|----|--|--------------------|
| 3. | Transfers or changes in labor classification (direct to indirect and vice versa) | Executive Director |
| 4. | Employment agency fees and/or employment advertising                             | Executive Director |
| 5. | Salary action, transfer, promotion and termination                               | Executive Director |
| 6. | Job descriptions   | Executive Director |
| 7. | Leave of absence   | Executive Director |
| 8. | Education authorization and refund   | Executive Director |

D. Other Costs

- |     |                               |                    |
|-----|-------------------------------|--------------------|
| 1.  | Time card approvals           | Executive Director |
| 2.  | Exempt overtime authorization | Executive Director |
| 3.  | Association dues              | Executive Director |
| 4.  | Compensatory time off         | Executive Director |
| 5.  | Travel authorization          | Executive Director |
| 6.  | Travel advance                | Executive Director |
| 7.  | Expense reports               | Executive Director |
| 8.  | Employee activities           | Executive Director |
| 9.  | Employee incentive payments   | Executive Director |
| 10. | Severance pay                 | Executive Director |

208 Requirements for Globally Connected Checks

- A. All checks issued by Globally Connected shall be signed by the Executive Director and/or his delegate in accordance with Globally Connected policy for bank accounts.
- B. The practice of presigning blank checks is a specific violation of the Organization's internal control structure.

209 Equal Opportunity, Working Conditions and Environment

It is the organization's policy that all employment practices, including recruiting, hiring, transfers, promotions, compensation, benefits and termination practices, will be on the basis of job performance and without regard to race, creed, color, religion, national origin, sex or age. This policy also applies to qualified persons with physical or mental challenges. Participation in organization-administered training, education, tuition reimbursement, social and recreational programs will be offered on the same basis of equal opportunity to all employees. Safe and healthful working conditions will be provided employees at all locations. There will be compliance with all applicable regulations on matters relating to the protection of the environment.

210 Internal Controls over Cash Contributions

Because of the cash nature of participant contributions, Globally Connected shall exert special safeguards over such funds. At a minimum, the organization shall employ one or all of the following precautions: (1) legible and serially numbered Receipt Vouchers shall be maintained; (2) deposit the amounts intact; (3) deposits should be made on a daily basis to the extent possible; (4) until deposit, all cash contributions should be maintained in a secure place; (5) counts of cash should be regularly compared with the deposit receipts received from the bank.

211 Use of Suspense Accounts

Any cost the treatment of which as a direct cost or an indirect cost is unknown at the time of original incurrence will be recorded to the suspense account until its disposition has been resolved.

212 Access to Records

Finance Unit will provide access to the organization's records as required by the competent authorities, and provide supporting records as requested by auditors to facilitate the completion of such audits or reviews.

213 Security of Financial Data

- A. The organization's automated accounting system will have sufficient built-in general controls and application controls to preclude unauthorized access to data.
- B. Access to any computer-based financial data will be granted on a need-to-know basis.
- C. The system's accounting data will be backed up after use and stored in a safe location.

214 Use of Globally Connected Assets

No employee of Globally Connected may use any office property, equipment, material or supplies for personal use without the prior approval of the immediate supervisor.

215 Other Internal Control Policies

As an organization doing business with funding sources, Globally Connected has instituted the following additional internal control policies related to its funding grants, as part of the Finance Unit Operations:

- A. Cost data will be reconciled on a sample basis with the budgeted labor and materials distributions and verified with source records (i.e., time cards, purchase orders, etc.).
- B. Personnel charges will be periodically compared with work actually performed on a sample basis.

## 300 FINANCIAL MANAGEMENT POLICIES

### 301 Accounting Basis

Globally Connected will report its costs and its income on the accrual basis as required in ANBI. Accordingly, expenditures are recorded when a liability is incurred (i.e., when an invoice has been received or the amount can be readily estimated), but revenue is not recorded until actually earned by or is available to the grantee or subgrantee. "Available" means that the revenue is both recognizable and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

### 302 Incurred Costs

- A. As a basic rule, Globally Connected shall comply with donors requirements with respect to the eligibility of costs for funding, under the relevant funding instruments, and with the basics requirement of ANBI
- B. Charges made to a program may be reported on an accrual basis<sup>5</sup>. For reports prepared on the accrual basis, costs are:
  - The sum of actual cash disbursements for direct charges for goods and services;
  - The amount of indirect expenses incurred;
  - The value of in-kind contribution applied, for example the value of the volunteer work can be charged to grants and retained as part of Globally Connected general funds; and
  - Amounts owed for goods received/ services performed received and other amounts becoming owed under programs for which no current services or performance are required such as annuities and other benefit payments.

### 303 Globally Connected Financial Management System

- A. Globally Connected shall maintain records and make reports in such form and containing such information as may be required by its funding sources. Globally Connected will maintain such accounts and documents as will serve to permit expeditious determination of the status of funds and the levels of services, including the disposition of all funds received from its funding sources and the nature and amount of all charges claimed against such funds.
- B. At a minimum, Globally Connected will maintain records containing information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, outlays, income and liabilities.

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<sup>5</sup> Donors requirement, for reporting on actual cash outlays made to a funded program shall be honored by GC

- C. For the purpose of determining the adequacy of a subrecipient's financial management system, Globally Connected will maintain on a current basis as a minimum:
  - 1. A disbursements register.
  - 2. Fixed Assets Register for all acquired property and equipment.
  - 3. In-Kind Journal/Worksheets.
  - 4. Reconciled bank statements.

#### 304 Cash Management

- A. Globally Connected shall maintain a financial forecasting system to adequately forecast its fund flows and needs.
- B. The time elapsed between the transfer of funds from the donor agencies and disbursement by Globally Connected shall be minimized taking into account the funding cycle; respecting the cash requirements/ needs of Globally Connected, in order to be able to satisfy its contractual obligations, on timely basis, over the effective period of program(s) implementation.
- C. If required by a donor, Globally Connected will, to the extent feasible, limit cash advances to subgrantees; sufficient to cover the needs over an identified time period.
- D. Globally Connected's Finance Unit shall substantiate the existence of actual cash balances held by its subgrantees, through the review of relevant statements of bank accounts, and as noted in article 303 C(4).

#### 305 Budgets

- A. Globally Connected shall prepare an annual budget of revenues and expenses, seek the Strategic Planning and Communication Group (SPCG) approval there-to and regularly report on its utilization.
- B. Globally Connected shall maintain a budget of its indirect costs and its bases of allocation for the periods covering the implementation of grants.
- C. Globally Connected's budget is designed as a tool to monitor the financial activities throughout the year. The budget provides a benchmark or comparison point which is used as an early warning to point out that the financial goals and objectives may not be met. Globally Connected's budget is designed to provide this type of information and control for important elements that must be present:

1. The budget must be well conceived.
2. The budget must be broken down into periods corresponding to the periodic statements.
3. Financial statements must be prepared on a timely basis throughout the year and a comparison made to the budget, right on the statements.
4. Action must be taken where the comparison with the budget indicates a significant deviation.

Globally Connected's budget represents the end result of a periodic review by Senior Management of the organization's objectives and goals, expressed in monetary terms. The basic steps followed by Globally Connected in order to prepare the budget are as follows:

1. A list of objectives or goals of the organization for the following year are prepared. This is essentially a re-evaluation of the relative priority of the existing programs.
2. The cost of each objective or goal is estimated. For continuing programs, last year's actual expense and last year's budget are helpful in estimating this cost. For new programs or modifications of existing programs, substantial amount of work is necessary to accurately estimate the costs involved. The estimating process is done in detail since elements of a particular goal or objective may involve many categories of expenses and salaries. Input from the operating staff of the organization is deemed highly important for this step.
3. The expected income of the organization is estimated.
4. The total expected income is compared to the expense of achieving the goals or objectives. Usually the expected expenses will exceed income, and this is where value judgment will take place. The importance of what programs are looked at, where can expected costs be reduced, can some additional income be expected. The process of reconciling expected income and expenses is the most important step taken during the year because it is here that the program's blueprint for the coming year is fixed. Consideration is given to the reliability of the estimated income and expense figures.
5. The final proposed budget is submitted to the Strategic Planning and Communication Group (SPCG) for ratification.
6. Program/Project budgets follow the same guidelines as the overall corporate budget planning. For each program, especially new ones, special attention is given to current cost factors dealing with labor, fringe, indirect, other direct costs, travel and other relevant factors in preparing a concise realistic budget

for the program in question in order to ensure that Globally Connected is recovering all costs that it expects to incur and at the same time present a realistic budget to the funding agency that will be fair and economical. Globally Connected shall honor the reporting requirements of its donors, as the case maybe, while presenting a programmatic intervention's actual costs; should a specific budget monitoring framework be agreed upon in advance.

## 306 Record Retention and Disposal

### A. Type of Document

1. Critical and sensitive documents; including legal registrations, titles to properties, bylaws, contractual agreements, manuals and other institutional documents.
2. Administration and institutional documents; including administration logs, meeting minutes for the SPCG and different committees and Fixed Assets logs.
3. Financial and accounting documents; including accounting logs, payroll, attendance sheets, invoices and other supporting documents.
4. Projects; documents printed out from the systems, funding agreements, progress reports, financial reports and all other related documents

### B. Retention and Disposal of Documents

1. No original document of category 1 should be disposed. All such documents should be kept in a safe place or at lawyer's office or in a bank safe. Additionally, a scanned copy should be kept on a secured location on the main server.
2. Disposal of Records
  - Administration and institutional documents. Such documents shall be retained for five years, institutional documents have to scanned and electronically stored before disposal.
  - Financial and accounting records. Globally Connected's policy to keep all accounting records for five years. Post to that period, documents shall be burned or shredded.

- Project documentations: all documents after five years should be disposed. Selective important documents to be scanned and stored on server.
- C. If any litigation, claim, negotiation, audit or other action involving the records has been stated before the expiration of the relevant period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the relevant period, whichever is later.
- D. The disposal date determined under this policy will be the end of the fiscal year in which occurs the anniversary date of the required number of years from the act specified or, where not specified, from completion of a grant, date of final payment of a grant or year in which an entry is made charging or allocating a cost to a grant, as the case may be.
- E. Globally Connected shall give due consideration and honor other requirements entailed in (i) grant agreements with funding sources (ii) host country laws where Globally Connected is operating.
- F. Globally Connected shall maintain an appropriate referencing system for records in chronological order, organized by fiscal year.

### 307 Monitoring Subrecipients and Grantees

As part of its decision making processes for identifying and selecting partners to cooperate with, Globally Connected shall give a due consideration to the non-inclusion of the proposed partners in lists proscribed by donors or governments where Globally Connected operates (i.e. with respect to drug trafficking, money laundering, etc), and as maybe further be a donor requirement.

In addition, program and fiscal personnel shall be developing a criteria to categorize subrecipients and grantees as follows:

Category 1 -- Experience has shown that subrecipients and grantees may be relied upon to submit well prepared and documented grant applications, have highly qualified program and fiscal personnel and systems and can be relied upon to comply with the principal requirements. For organizations in this category, Globally Connected will arrange an annual fiscal assessment, rely upon the subrecipient's annual audit and respond to reports for technical and other assistance.

Category 2 -- Experience indicates that subrecipients and grantees in this category have fairly reliable procedures and controls. Globally Connected will rely upon periodic visits, contacts as grant resources permit, and the annual audit.

Category 3 -- Subrecipients who are known to be careless or less proficient in grant application preparation, grant cost accounting, reporting and grant/contract compliance. These subrecipients or grantees are regularly visited and must show full documentation for all expenses on a monthly basis. In a number of instances, Globally Connected may purchase commodities and services on their behalf and maintain necessary documentation.

Globally Connected shall develop a Subrecipient Monitoring checklist that should be adhered to at all times.

### 308 Financial Reporting-Globally Connected Support

Finance Unit shall maintain supporting records in sufficient detail to prepare the organization's financial reports, including:

A. Annually:

1. Financial statements for audit
2. Annual budget(s)
3. Indirect cost (e.g. overheads) submission calculation to be applied to grants.

B. Monthly:

1. Trial balance
2. Cost summaries and analyses, by grant and group of grants

C. Periodically

1. Financial status reports including details of cost transactions.
2. Returns (including taxes, as applicable) to the competent authorities subject to the operations of Globally Connected
3. Other reports upon request

### **Financial Reporting-Globally Connected Local Support Group (LSG)**

Designated personnel of the LSGs shall maintain supporting documentation in sufficient detail to prepare and provide *Globally Connected Support* the following:

1. Documentation for all expenses incurred for the month, categorized by source of funding
2. Interpretation and detail financial spreadsheet by line item and date incurred
3. Bank, petty cash and cash advances reconciliation analysis and supporting documentation
4. Projected budget expenses for the coming month

5. Cash request based on projected expenses
6. A monthly reconciliation to ensure all accounts have been charged
7. Unexpected budget changes/expenditures beyond normal

309 External Audit

Globally Connected shall annually conduct a full scope audit by a qualified independent public accountant.

310 External Audit Scope

The audit will cover the entire operations of Globally Connected.

1. The financial statements and the accompanying schedules of the organization, present fairly its financial position and the results of its financial operations in accordance with International Financial Reporting Standards.
2. The auditor shall is expected to issue a Letter to Management with respect to Globally Connected's accounting and control systems, and compliance with laws and regulations that may have a material effect on Globally Connected operations; including suggestions for improvement, as the case may be.

311 Procuring Audit Services

- A. In arranging for audit services, the organization will follow the procurement standards for retaining professional services. Regardless of the amount of the contract there should be three offers.
- B. In soliciting and retaining auditors to conduct the annual audit, Globally Connected shall make specific reference in its request for proposal and any resulting contract that the auditor shall need to be performed by in accordance with International Standards on Auditing and related International Financial Reporting Standards (IFRS). This would relate to the scope of the audit, standardized audit report, reportable events, plan for corrective action and resolution of audit findings.
- C. The audit solicitation and any resulting contract for audit services will make specific reference that "if it is determined that Globally Connected's audit work was unacceptable as determined by a competent authority, either before or after a reasonable time after a draft or final report was issued because it did not meet the granting agency's standards<sup>6</sup>, IFRS Standards or not being based on those promulgated by the International Standards on Auditing, the auditor may, at the written request Globally Connected, be required to re-audit at its own expense and resubmit a revised audit report which is acceptable.

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<sup>6</sup> Most donor agencies, in addition to a financial audit, require the auditor to report on GC's compliance with relevant articles noted in Grant Agreements.

- D. Globally Connected will award multi-year audit contracts of not longer than a five-year duration. At the end of such a multi-year period, Globally Connected shall observe competitive procedures in reprocurring audit services.

312 Audit of Subrecipients

- A. Unless otherwise stipulated by a funding source, each subgrantee expending \$250,000 or more shall be required to conduct an audit for the resources channeled by Globally Connected Support. All audit reports of Globally Connected's subgrantees will be made available to Globally Connected's independent public accountant.
- B. For grantees and cost-reimbursement contractors expending less than \$250,000 Globally Connected may employ substitute means to satisfy itself that its subrecipient spent its funds in accordance with applicable laws and regulations. These substitute means could include, but not be limited to, examination by Globally Connected's Finance Unit, program reviews, fiscal assessments, etc. The results of the substitute means will be documented and made available for review by representatives of donor agencies and/or Globally Connected's external auditors.

313 Oversight of Sub recipient Audits

- A. Globally Connected's independent public accountant retained to conduct the annual audit should include in its audit report an opinion on the costs incurred by the subrecipients (whenever it is practical to track) . This is normally accomplished by the auditor reviewing the subgrantees' unqualified audit report for the same period and otherwise satisfying himself or herself of the extent to which such audit report may be relied upon.
- B. Globally Connected shall provide its independent public accountant copies of all subgrantees' audits for an expression of an opinion on Globally Connected's overall financial operations
- C. Globally Connected or its independent public accountant shall review all subgrantee audits using the following guidance:
  - 1. In general, a determination should be made during the review of audited financial statements as to whether:
    - a. The audit reports includes a statement for the funds channeled by Globally Connected and their utilization by cost category.
    - b. The audit report:
      - (1) Identifies the statements examined and the period covered

- (2) States that it was conducted in accordance with the International Standards on Auditing.
- (3) Expresses an opinion as to whether the financial statements are fairly presented in accordance with International Financial Reporting Standards (IFRS) or other standards if so is requested by donors.
- (4) The nature of any qualifications, if an unqualified opinion cannot be expressed.

2. Report on Compliance

The auditor's report on compliance should contain an opinion with respect to compliance with laws, regulations and donor requirements pertaining to financial reports and claims for advances and reimbursements:

- a. A summary of all instances of noncompliance.
- b. An identification of total amounts in-eligible, if any, as a result of noncompliance.

3. Internal Control (by means of Letter to Management)

The review should consider audit recommendations, if any, appearing in a *Letter to Management* (normally issued by external auditors). This letter results from the study and evaluation of subgrantees internal control system of subgrantees, and is limited to matters coming through the conduct of the engagement.

4. Comments on Other Matters

The review should determine whether the recipient has provided comments on the independent auditor's findings and recommendations and its corrective action plan to address the recommendations.

5. Adequacy of Information Provided

The review should also determine whether the information provided by the auditor on findings identified in the report is sufficient to facilitate resolution by Globally Connected officials. If the findings contain insufficient information to enable resolution, Globally Connected officials shall contact subrecipient and arrange for corrective action.

314 Audit Quality Assurance Reviews

Globally Connected officials shall:

- A. Review the complete audit report and note any deviations in the report format from that prescribed in the audit grant scope of work.

- B. Prove the clerical accuracy of all footings, extensions, etc., of all statistical data in the report.
- C. Verify that all exhibits, schedules and supporting statements in the report are in agreement and reconcilable, where appropriate.
- D. Review and evaluate the propriety of ineligible costs, if any, presented in the report and/or other management and internal control weaknesses.

315 Audit Resolution

- A. Globally Connected shall systematically assure the timely and appropriate resolution of audit findings and recommendations.
- B. Globally Connected shall ensure that appropriate corrective action, including settlement and payment of any unacceptable or ineligible costs, is taken within six months after receipt of an acceptable audit report for a subgrantee.

316 Final Audit Adjustments

- A. Subgrantees will submit their unaudited adjusted year-end report 30 days after the end of the grant period.
- B. Because the exact accruals and adjustments the auditor may make will not be known until after the auditor submits its audit report, the final financial report frequently differs from the audited financial figures. The carry-over balance estimated by the subgrantee will frequently be different from that available after the auditor reports the costs incurred.

317 Chart of Accounts

The principal account groupings of Globally Connected are listed in its Chart of Accounts. The following is representative of the cost groupings in place, incurred by the different units as allocated to specified cost centers. In its reporting to donors, Globally Connected shall honor the agreed-upon reporting format and the line items as per the approved budget; expenditures coding.

**Personnel Cost**

- Basic salaries
- Severance pay
- Provident fund
- Paid vacations

Other allowances

**Professional Fees**

Audit  
Legal  
Monitoring and Evaluation  
Other consultancies

**Travel**

Local travel  
Vehicle costs  
External travel  
Per diems  
Accommodations

**Other Operating Costs**

Printings and publications  
Subscriptions  
Stationery, hospitality and office supplies  
Communication  
Advertising  
Utilities  
Rent  
Office and equipment maintenance  
Meetings and workshops  
Volunteer stipends

**Capital Expenditures**

Furniture  
Equipment  
Vehicles

**Other Programmatic Costs**

Sub-grants

400 POLICIES RELATED TO ASSETS, LIABILITIES AND NET ASSET BALANCE

401 ASSETS

402 Bank Accounts

- A. Establishment of bank accounts for the indicated purpose(s) and limitation(s) have been authorized by the Strategic Planning and Communications Group (SPCG) in accordance with its policy for management of bank accounts.
- B. To the extent practical, Globally Connected funds will be maintained in interest-bearing accounts.
- C. To mitigate the effects of local currency devaluation, funds shall be maintained in the same currency as received from donor agencies (US Dollars, Euros or other). The need for local currency shall be met by effecting exchange orders, from the foreign to the local currency bank account, in small tranches.

403 Petty Cash Disbursements

Petty cash payments will be made in an amount not to exceed the equivalent of \$100 for local expense reimbursement and small-dollar vendor purchases, provided proper documentation is furnished with each request. The total ceiling for the established petty cash fund stands at \$ 1,000. On monthly basis, or as the need arises, replenishment of the fund shall be initiated.

No salary payments and travel costs are to be made from the petty cash fund unless authorized in writing with justifications.

However, due to prevailing conditions in the country, the Executive Director can provide waiver to handle higher level of petty cash than stipulated here with a clear memo kept on file as for reasons for such action and level of petty cash tolerated when higher than \$1,000. Such a waiver is valid for a maximum period of three months subject to documented renewal if needed. Alternatively, cash advances can be paid to the field staff or representatives to allow them to implement programs. Those cash advances need to be reconciled on monthly basis.

404 Accounting for Contributions and Pledges

- A. Contributions received, including unconditional pledges, are to be recognized as revenues in the period received/ made (for pledges). Contributions in a form other than cash are to be measured at the fair value of the items received.
- B. All contributions received should be distinguished between contributions that increase permanently restricted net assets (i.e perpetual endowment contributions),

temporarily restricted net assets (i.e. grants restricted for a specific purpose) and unrestricted net assets (i.e. free donations) .

#### 405 Fixed Assets

- A. To be classified as a fixed asset, a specific piece of property must possess three attributes: (1) tangible nature, (2) a useful life of one year or more, and (3) a value of \$1,000 or more. All capitalized assets will be tracked through a register, and which includes all assets acquired with a cost of \$ 150 and above.
- B. All fixed assets acquired either by purchase from a donor source, own funding or donated to Globally Connected, will be immediately recorded in the Fixed Assets Account Group. Purchased fixed assets are valued at cost. Donated fixed assets are recorded at their estimated fair value at the time received by Globally Connected. All fixed assets owned shall be substantiated with adequate records, indicating the respective titles the sources from which the assets were acquired.

#### 406 Capitalization of Assets

- A. All tangible personal property with a useful life of more than one year and a unit acquisition cost of \$1,000 or more will be capitalized and depreciated over its useful life using the straight-line method of depreciation. Globally Connected will expense the full acquisition cost of tangible personal property below this threshold in the year of purchase.
- B. The basis of accounting for depreciable fixed assets is acquisition cost, and all normal expenditures, including installation costs, architect-engineer fees, etc., of readying an asset for use will be capitalized. However, unnecessary expenditures that do not add to the utility of the asset will be charged to the period incurred.

#### 407 Ownership of Assets Acquired with Donor Funds

Unless otherwise noted in contractual agreements with donor agencies, ownership of all assets acquired with funds granted by donors will vest with Globally Connected.

#### 408 Donated Assets

Donated assets which, at the time of receipt, meet Globally Connected's criteria for capitalization will be capitalized at their fair or appraised value.

#### 409 Self-Constructed Fixed Assets

- A. For all long-lived assets constructed by Globally Connected, the following costs will be capitalized:

1. All direct costs incurred specifically in the construction of the fixed asset
2. Variable overhead and general and administrative costs
3. Interest costs that are material.

B. Fixed overhead costs will not be capitalized unless they are increased by the construction of the asset.

410 Betterments

Expenditures for significant betterments of existing properties are capitalized at cost. Maintenance and repairs are expensed as incurred.

411 Allowable Investments

Unrestricted funds not required to be used on a current basis will be invested in short-term interest-bearing accounts and/or investments consisting of certificates of deposit and other income-producing securities with maturities of less than one year. These investments should be readily convertible to cash and stated at the lower of cost or their market value.

412 LIABILITIES

413 Advance Payments

Should Globally Connected receive payment on some grants in advance (of their implementation period), then such revenues are deferred (i.e reported as temporarily restricted) and recognized as income in the period in which the related products or services are delivered.

414 Accrual of Unpaid Salaries

Salaries and wages earned, but unpaid will be reflected as a liability when entitlement to payment occurs.

415 Liability for Compensated Absences

A. Compensated absences arise from employees' absences from employment due to annual vacation entitlement. When Globally Connected expects to pay an employee for such compensated absences, a liability for the estimated probable future payments must be accrued if all of the following conditions are met:

1. The employee's right to receive compensation for the future absences is attributable to services already performed by the employee

2. The employee's right to receive the compensation for the future absences is vested or accumulates
  3. It is probable that the compensation will be paid
  4. The amount of compensation is reasonably estimated.
- B. Compensated absences not to be paid upon employee termination will be reflected when paid.

416 Losses (Gains) on Grants

Losses (gains) on grants/contracts are to be accrued when the losses (gains) become evident. Losses (gains) will be included in the income statement as an element of grant cost (revenue). Typical example of losses (gains) include rate-of-exchange differentials.

417 NET ASSETS BALANCE

Globally Connected's net assets is comprised of three classes of assets, as follows:

- Unrestricted assets; representing funds which Globally Connected is under no external (i.e. donor) obligation to spend on a specific activity or purpose.
- Temporarily restricted assets; representing the balance of available funds which Globally Connected is contractually bound, by agreements with external parties, for spending on a specific activity/ project.
- Permanently restricted assets; representing the balance of funds not allowed to be spent by Globally Connected. Normally, income generated by such funds may be subject to spending.

418 Endowment Funds

- A. Initial receipts for gifts, grants or bequests under an endowment agreement will be recorded as a capital addition based on the fair market value of the property received.
- B. Unrestricted investment income from endowment funds and term endowment funds will be recorded as investment income in the unrestricted operating fund. Restricted expendable investment income will be accounted for as deferred revenue. Investment income that must be added to the principal balance as required by a donor or grantor agreement will be recorded as a capital addition. Also, gains or losses from investments will be recorded as capital additions or deductions.

- C. When a term endowment fund expires, surplus resources will be transferred to the unrestricted operating fund or to a fund specifically designated in the donor or grantor agreement.

500 REVENUE SOURCES

501 Policy for Accepting Funds

Globally Connected shall be seeking, and accepting, funding which:

- A. Is aligned with its values.
- B. Does not impose programs which are in conflict with its mission, vision and objectives.
- C. Is politically neutral (does not have any kind of a political agenda).
- D. If donor is government, then the source should have ratified the UN convention on Human Rights and specifically the UN Convention on Children Rights.

502 Revenue Recognition

Revenue under cost reimbursement-type grants/contracts is recorded as costs are incurred.

503 Program Income

- A. Program income is gross income generated directly by a grant supported activity or earned only as a result of the grant agreement during the grant period.
- B. If authorized by the grant agreement, costs incidental to the generation of program income may be deducted from gross income to determine program income.
- C. Depending on the method provided for in the grant agreement, program income will be deducted from outlays, added to the funds committed to the grant agreement, or used to meet the cost sharing or matching requirements of the grant agreement.

504 Interest Earned on Grant Funds

Unless otherwise called upon in agreements, interest earned on donor funds will be used to cover the program's cost with no further consent of the donor, or for general administrative costs with prior consent of the donor.

505 Barter Transactions

Globally Connected records all barter (non-monetary) transactions at the time such agreements are consummated. The estimated fair value of goods or services received is recognized as revenue when the source is used.

506 Segregation of Revenues

Globally Connected will separately identify the source and application of funds provided for the implementation of its activities.

600 COST ACCOUNTING POLICIES

601 Cost Accounting Period

The fiscal year of Globally Connected will be January 1st to December 31st. The same accounting period will be used for all adjusting entries, accruals and deferrals as well as accumulating costs in an indirect cost pool and establishing its base.

602 Program Service Costs

- A. Costs will be classified in a manner that describes Globally Connected's work. The tracks (programmatic interventions) will be adequately described and will disclose all relating service costs.
- B. Globally Connected's personnel time and cost shall be allocated based on budgeted allocation time sheets reflecting planned effort for the various programs under implementation. The percentages of allocation shall be subject to modification, on quarterly basis, based on the realization of new grants, and their respective implementation dates, from different funding sources.

603 Administrative Costs

All costs for the overall operation of Globally Connected will be considered administrative. In general, the following list of costs which are considered necessary for the overall administration of Globally Connected will be included in this category--- to the extent (i) they relate to activities of a general nature and (ii) and are directed to the overall operation of Globally Connected :

- A. Personnel expenses of the Executive Director(s), Finance and Administration, Monitoring and Evaluation as well as certain consultants---- if not relating to any specific program/ track of work.
- B. Staff time devoted to planning activities, which are of a general nature and not assignable or allocable to a program such as: preparing public information, Media related work, public relations, etc, Globally Connected's overall program performance reviews and analysis of work effectiveness, and revision of Globally Connected's overall objectives and plans as necessary.
- C. Staff time assigned to coordination activities, not relating to a program under implementation, (which may include joint planning with other agencies), assisting in the development of Globally Connected's other tracks of work.
- D. Staff time spent in researching and acquiring other resources (fundraising) to be used for the development and expansion of Globally Connected tracks of work.

- F. Staff travel expenses for personnel activities charged to Globally Connected's administration cost center.
- G. General personnel management and record keeping related to employee benefits, as well as developing and implementing personnel policies and such activities as staff orientation and training of a general nature.
- H. Financial management of the entire operation such as maintaining necessary journals, ledgers and accounts, making requisite bank deposits and withdrawals, invoicing and payment processing, payroll administration and preparing periodic financial reports that encompass Globally Connected's overall financial status. The cost of project accounting for grant/contract activities may be treated as an allocable cost.
- I. The portion of Globally Connected's annual audit relating solely to the audit of its administrative functions. The portion of Globally Connected's annual audit cost allocable to its program activities may be allocated on a rational basis.

604 Management and General Expenses

Costs that cannot be related to a specific program or fund-raising activity will be classified as management and general costs. These costs generally include executive direction, legal, budgeting and accounting, and like kind of management and general activities.

605 Direct and Indirect Costs

- A. Costs incurred specifically for a final cost objective (e.g., a grant) will be treated as direct costs. Costs benefiting more than one cost objective will be consistently treated as indirect costs. Costs necessary for the overall operation of the organization will be treatment as management and general costs.
- B. Globally Connected's allocation of indirect costs is based on:
  - For rent; a pro-rata from the total office space occupied by each of the different 5 functions (General Management, Programs, Finance and Administration, Fundraising and Monitoring and Evaluation).
  - For utilities and office supplies and the like of common shared cost; a pro-rata based on the number of employees working in each of the 5 functions
  - For legal and audit fees; those incurred specifically in connection with a final cost objective will be allocated as a direct cost. Amounts benefiting more than one cost objective will be treated as an indirect cost.

606 Contributed Services and Materials

- A. Contributed services in the form of volunteer services will be recognized if all of the following conditions exist.
  - 1. The services performed are significant and form an integral part of the efforts of Globally Connected (i.e if not donated, Globally Connected, otherwise, would have to pay for getting such services).
  - 2. Globally Connected controls the employment and duties of the service donors.
  - 3. Globally Connected has a clearly reasonable basis for the amount to be recorded.
- B. Materials received as support will be recorded based on their estimated fair market value. When a reasonable fair market value cannot be determined, no support should be recognized.

607 In-Kind Costs

- A. To satisfy a matching or cost-sharing requirement on a grant or contract-- and as long as it does not contradict with donors requirements-- Globally Connected shall account for the following allowable in-kind costs:
  - 1. Charges incurred by Globally Connected as project costs, including non-cash items such as depreciation or use charges.
  - 2. Project costs financed with cash contributed or donated to Globally Connected (unrestricted contributions) and/or its subgrantees
  - 3. Project costs represented by services and real or personal property donated to Globally Connected and/or its subgrantees, provided such costs are:
    - a. Identifiable from grantee records
    - b. Necessary and reasonable for proper and efficient accomplishment of project objectives
- B. Several items are not normally counted as in-kind:
  - 1. Goods and services normally available free in the community and which would be available whether the project is operated or not.

2. Contributed time of elected officials of the Strategic Planning and Communications Group and the Advisory Council.
  3. Value of space donated for meetings and other purposes in the homes of individuals, especially staff members.
  4. Outdoor space such as playgrounds, park space and undeveloped lots.
- C. Valuation of third-party, in-kind contributions:
1. Volunteer services: unpaid services valued at rates paid by other activities of Globally Connected should be consistent with those paid for similar work in the same labor market. Rates of employees of other agencies should be priced at the base compensation rate exclusive of fringe benefits and overhead costs.
  2. Donated real or tangible personal property:
    - a. Tangible personal property and donated real property (land and buildings): purchase price or fair market value at the time of transfer.
    - b. Donated use of property: valued as if Globally Connected has rented the property and has paid the property's fair rental value.
    - c. Globally Connected may be required to establish the value of real property through the use of an appraiser.
  3. Other charges: adequately supported and permissible. Charges must be reasonable and properly justified.

#### 608 Accounting for In-Kind Costs

- A. Globally Connected recognizes several accepted methods of accounting for in-kind costs, including (i) accounting entries supported by worksheets detailing the in-kind costs, and (ii) worksheets details without recording in-kind in its official books of account.
- B. There is considerable concern that recording in-kind costs in the books of account could distort the financial position of Globally Connected, especially when more than minimum match is reflected. On the other hand, a true picture of Globally Connected's ability to achieve its mission would not be reflected if in-kind costs were not fully reflected.
- C. In situations where in-kind services, equipment or space represents a major element whereby Globally Connected can achieve its overall mission, in-kind costs should be recorded in the books of account.

609 Documentation of In-Kind Costs

Globally Connected will obtain the same kind of documentation, to be retained for the same period of time, as required for incurred costs. To the extent feasible and practical, Globally Connected will obtain independently generated documentation for in-kind costs: time sheets or log-in sheets for donated labor, written verification of the value of donated equipment or space, etc.

610 Depreciation Method

Depreciation will be done on the straight-line method, based on the estimated useful lives of the respective assets, as follows:

	<b>Years</b>
Properties	20
Computers	3 - 5
Office furniture and equipment	5 - 10
Vehicles	7

Globally Connected will maintain supporting records showing acquisition, use and disposition of each tangible capital asset or group of assets.

611 Gain or Loss on Disposition of Assets

Gains and losses from the sale, retirement or other disposition of depreciable property are to be included in the year in which they occur. The gain or loss for each asset disposed of is the difference between the net amount realized, including insurance proceeds from involuntary conversions, and its undepreciated balance.

612 Accounting for Compensated Personal Absences

The cost of earned, but untaken vacation will be accrued when earned, not when taken. The cost of all other compensated absences for illness, personal leave, etc., will be reflected when taken.

700 PROPERTY MANAGEMENT POLICIES

701 Assets Acquired with Donor Funds

Unless otherwise noted in contractual agreements with donor agencies, ownership of all assets acquired with funds granted by donors will vest with Globally Connected.

Globally Connected shall maintain detailed records of all assets acquired from donor ensure maintenance and disposal and not use it in any commercial activities.

702 Identification of Assets

A. Globally Connected will tag all assets upon receipt and will record assigned numbers on all applicable documents pertaining to the property control system.

B. Property records will be maintained that include:

- A description of the asset
- A serial number or other identification number
- The source of asset who holds title
- The acquisition date
- The cost of the property
- The location
- Use and Condition of the property,
- Any ultimate disposition date, including the date of disposal and sale price of the property.

703 Physical Inventories

A. Globally Connected will once every two years physically inventory the assets in its possession or control.

- B. Personnel performing the physical inventory will not be the same individuals who maintain the property records or have custody of the property unless Globally Connected's other staff are unavailable to perform the inventory count.

#### 704 Disposal of Assets

A. The Administration Unit is entrusted the responsibility for protecting Globally Connected's assets from loss, their maintenance on timely basis and their eventual disposal as the need arises. Disposal of assets may:

1. Occur as a result of an employee informing Globally Connected of the non-usability of a certain asset for operations. This can be due to normal wear and tear.
2. Be identified by the physical count conducted by Globally Connected to corroborate the availability of assets for its operations; including their working condition.
3. Be as a result of strategy to renew assets after an identified number of years lapse since their first use (i.e. computers); linked to availability of financial resources.

B. When fixed assets are old and/or unusable, the Administration Unit shall be responsible to draft a memo seeking approval of the Executive Director to start the process.

C. The Executive Director shall appoint a committee composed of three persons to evaluate the status of assets, write up a recommendation and eventually evidence the disposals process; once approved.

D. Disposal of an asset may entail:

- Donating the asset to another organization. This shall be documented through a confirmation letter for the receipt of assets by the other organization.
- Selling the asset for a certain value.
- Getting rid of the asset for no value; with a due consideration given to protecting the environment.

E. The Finance Unit is be kept engaged throughout the process and for advice regarding (i) the book values of the assets to be disposed (if not fully depreciated), (ii) source of

funding through which such assets were originally obtained by Globally Connected and (iii) any limitations imposed by donors prior to their disposal.

F. A track record for all disposed assets is to be maintained by Finance and Administration.

## 800 HUMAN RESOURCE POLICIES

### 801 Compensation Policy

It is the policy of Globally Connected to seek to match the total compensation--base compensation and fringe benefits--offered by other organizations for personnel performing comparable work in the same labor market area.

### 802 Survey of Salaries of Key Officials

Globally Connected shall obtain data from a survey of the comparability of position-holders in the labor market area. This survey data should be obtained from comparable organizations, with the appropriate same number of employees and revenue level in the local geographic area. This survey should especially seek to obtain salary data from comparable grantees. The results of this salary survey should be used to periodically adjust Globally Connected's salaries and be maintained on file.

### 803 Initial Salary Determination

This is the process by which Globally Connected arrives at the salary that it will offer to any given applicant for a position and the range of salaries within which it will negotiate in order to retain the services of any given individual. Globally Connected sets its initial salaries in accordance with the candidate's years of experience and relevant work in social projects. Globally Connected has developed a salary scale, which shall be used as a point of reference.

### 804 Fringe Benefits

Globally Connected's personnel shall be entitled to the following benefits, as further explained in the articles of this 800 section:

- End of service termination benefit (ART 813)
- Provident Fund; with Globally Connected's matching share of 5% and employee's contribution of 5%
- 21 annual leave days (ART 815)
- 14 sick leave days (ART 816)
- 15 holidays to commemorate national and religious holidays (ART 819)

805 Salary Administration and Changes in Salaries

- A. Salaries and wages of all new employees, quoted at an annual rate, will be established when making an offer of employment and approved by the Executive Director. All new employees are subject to a three month probation period during which time they will be informed if they will become a full-time employee.
- B. Each employee's salary will be formally reviewed annually and adjusted based upon the results of each employee's performance appraisal.
- C. Salary increases are periodic and designed in part to recognize and reward achievement and personnel contributions, as well as account for cost-of-living adjustments. Globally Connected's policy is to reward good performance by giving deserving employees annual salary increases in the anniversary of their employment. Salary increases shall be approved in writing by the Executive Director.

806 Salary Payment Procedures

- A. Employees payroll shall be processed on monthly basis, no later than the 30<sup>th</sup> of the month. Payment shall be made by bank check or via wire transfer to their bank accounts.
- B. Finance Unit shall make all deductions required by law (i.e. income tax and social/health insurance contributions), and ensure eventual transmission of such deductions to the competent authorities.
- C. Finance Unit shall provide employees pay slips indicating their gross salaries, nature of deduction made and net amount earned.

807 Current Job Description and Resumes

For all paid positions, Globally Connected will maintain an up-to-date and complete job description. This job description should cover the scope of each position-holder's duties and responsibilities and minimum entry-level standards of performance. These job descriptions should be updated as job content changes or any reorganization of duties or jobs. For service level agreements and consultancies, a terms of reference document needs to be in place listing, amongst other, the needed qualifications of the service provider; to be evidenced with a curriculum vitae or capability statement of the service provider.

808 Labor Distribution Reporting

- A. Charges to grants for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible supervisory official. The allocation of time worked must be supported by either:
- (1) Load distribution reports (time sheets), which shall be prepared and controlled according to the following minimum standards:
    - a. Employees are responsible for preparing their own timesheets.
    - b. Employees should be provided clear instructions of the work to be performed and the activity to be charged.
    - c. Timesheets should be filled out as work is performed.

OR

- (2) Time percentages approved to-be-applied as per specific funding agreements, whereby Globally Connected shall maintain a record reflecting the total time effort made by an employee during a certain month.

#### 809 Consultant Utilization

Whether used in a direct or an indirect capacity, the utilization of all consultants, grant personnel and consulting firms will be sufficiently evidenced with:

- A. Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed
- B. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed (if contract is not based on a lump sum modality), and
- C. Consultant's work products and related documents, such as trip reports indicating persons visited and subjects discussed, minutes of meetings and reports.

#### 810 Personnel Documents on File

The Finance and Administration Unit is responsible for ensuring that all files are complete and up to date. Such documents shall include:

- Resume and copy of educational certificates.
- A copy of an identification card.
- Terms of reference (job description).

- Employee data card, which includes amongst other, the bank account to which payroll funds shall be wired.
- All other documents generated in connection with the employee's employment with Globally Connected, such as employment contracts, performance evaluations, insurance policies, payroll change forms, leave request forms, etc.

#### 811 Probation

Probation is a previously specified period of time at the beginning of employment during which Globally Connected and the employee test each other and either party may terminate employment for any reason whatsoever. Globally Connected's policy is that all employees, regardless of classification, are hired on probation. The probation period is three months for all employees and is to occur only once during the period of employment with Globally Connected.

#### 812 Termination of Employment

- A. Termination of employment is the final, permanent, and irrevocable severance of the employment relationship between Globally Connected and the employee, which may occur for a variety of reasons and may be initiated by either Globally Connected or the employee. Different types of termination of employment require different policies, although the procedures tend to be routine and more of less similar, except for a few added procedures in cases of involuntary termination for cause, as discussed below.
- B. Voluntary termination-- is the decision by an employee to terminate his/her employment relationship with Globally Connected by resigning prior to the conclusion of the term of employment specified in his/her employment contract. Voluntary terminations may occur for any number of reasons including changes in personal circumstances, dissatisfaction with the work, or a better opportunity elsewhere, including a degree of permanent job security which Globally Connected cannot offer. Globally Connected's policy, is to discourage such terminations to the extent possible, since they interrupt the workflow and are therefore costly. Globally Connected does so by trying to make the work and the employment relationship as satisfying and rewarding as possible, and by trying to resolve problems in the job situation to head off voluntary terminations. However, Globally Connected shall under no circumstances make exceptions to its policies, such as matching salary offers from other firms, in order to induce an employee to stay.

In the event that an employee resigns, the Executive Director or his designee shall meet with the departing employee in order to determine the cause of resignation. Depending on the cause, the Executive Director shall then determine whether or not any further action is necessary, such as further improvements to the work environment or a market adjustment.

- C. Assignment and/or project completion-- all fixed term employees are hired to complete a specific work plan task or set of tasks, or to provide support to those who do. As such, employees are routinely terminated upon completion of the task. Such terminations usually form the basis of the employment understanding between Globally Connected and its employees and are anticipated in the employment contract which specifies the exact duration of the term of employment.
- D. Termination due to unforeseen circumstances-- this is an involuntary termination resulting from unforeseen causes beyond either Globally Connected's or the employee's control. Unforeseen circumstances arise for a wide variety of reasons, including:
- A reorganization of the content of the project in response to donor requirements that would affect the employee's suitability for the new position description.
  - A reduction in the scope of the project, which would require a proportional reduction of staff.
  - A change causing the funding agency to cut short the project or a portion of it.
  - Early close-down of the project due to political or economic conditions.

In such situations, Globally Connected's policy is to give its employees 60 days notice when circumstances permit.

- E. Involuntary termination for cause-- this termination is initiated by Globally Connected for a variety of reasons including failure to perform, a significant drop in the quality of performance, excessive unapproved absence, willful misuse of project property, gross misconduct, use of alcohol or other controlled substances on the job, or otherwise damaging the interests of Globally Connected and/or the project. Globally Connected's policy is not to take such terminations lightly and to document the whole process through performance evaluations.

#### 813 End of Service Benefit

- A. Employees (i) voluntarily terminated, (ii) terminated due to end of assignment/ end of project or (iii) involuntarily terminated due to unforeseen circumstances--shall be paid the equivalent of one month of pay per each year of service, and fractions there-of, based on the last earned gross salary.
- B. Globally Connected reserves the right to withhold making a severance pay for involuntary terminations for cause.

#### 814 Final Salary Payment

- A. Categories of employees whose employment is terminated in accordance with article (A), shall have their last salary processed within 10 days of termination. Exceptions shall be in case the employee has failed to relinquish all project property in his/her possession or has not reimbursed any outstanding charges or advances. In this case, final salary, or an amount equivalent to the cost of such property and/or charges, may be withheld Globally Connected until such time as the property is returned undamaged or the charges are reimbursed.
- B. The final salary shall consist of all as yet unpaid amounts due to the employee, less all deductions or other amounts due to Globally Connected. Unpaid amounts due to the employee shall include regular monthly salary, unused accrued annual leave (as described in Article 815C), as well as all other amounts for as yet unreimbursed expense reports. Deductions shall be defined as per the provisions of article 806 (B), as well as unpaid amounts due for use of personal use of Globally Connected assets (i.e long-distance telephone charges, faxed, etc.)
- C. Finance shall prepare the final salary payment upon notification by the Executive Director/ immediate supervisor of an employee's impending termination. At the same time, Administration shall coordinate with Finance of all anticipated dues and deductions.

#### 815 Vacation Policy

- A. Annual leave is normal vacation time, given for rest and relaxation. The vacation year begins on hired date and ends on anniversary of employment. Full-time employees will be entitled to receive (21) days of paid vacation at the normal rate of compensation, which accrues at 1.75 days/month for any given month.
- B. Employees intending to take vacation leave will notify their supervisors sufficiently in advance of when time off is to be taken to permit work schedules to be met.
- C. Globally Connected strongly encourages its employees to use their annual leave during the year in which it is accrued or immediately after it. However, in the event that an employee does not use accrued annual leave for any reason, those days may be carried over from one year to the next, provided that not more than 21 days of unused annual leave is accumulated. In the event of termination of employment, the employee shall receive a lump-sum payment for unused leave.

#### 816 Sick Leave

- A. Sick leave is provided to allow employees to recover from illnesses or accidents while remaining on the payroll. Employees are entitled to 14 days a year for sick leave. Sick leave shall be used with supervisory notice for personal illness or an emergency or illness involving a family member.

- B. No carryover for any unused sick leave will be made.
- C. Employees will only use sick days when unable to work due to illness or injury. If an employee is absent for more than three continuous working days at one time, he/she must submit a doctor's note to his/her supervisor.
- D. If an employee has no further time balances, under special circumstances Globally Connected may allow him/her to borrow either from future time balances or take days off without pay.

#### 817 Other Leaves

Special arrangements can be made for unavoidable absences, including:

- Bereavement leave: time off to attend the funeral and otherwise fulfill the social obligations associated with the death of a close family member--defined as a parent, child, spouse, sibling, or parent-in-law. Globally Connected's policy is to grant three days of bereavement leave with no limit on the number of times it may be taken during the term of employment. The employee should notify his/her supervisor as soon as possible after the death and upon returning to work, he/she is responsible for completing a leave request form and obtaining retroactive approval)
- Marriage leave: limited to 3 days
- Maternity leave: limited to 70 days before or after giving birth; in addition to thereafter care needs (lasting for one year from the date of birth).
- Paternity leave: limited to one week granted to the father of a newly born child.

#### 818 Compensation Time

Employees are eligible to receive compensation time for approved Globally Connected's work (i.e. working on weekends or for extended hours beyond the required 8hrs/ day). However, all compensation time must have the prior approval of the supervisor before it can be earned.

#### 819 Holiday Policy

These are generally official days of leave designed to commemorate national and religious occasions of significance. 15 days of authorized holidays shall be distributed at the beginning of each year by Finance and Administration.

#### 820 Employee Insurances

- A. Globally Connected shall fully cover the cost of protection against possible effects which maybe available when illness, accidental injury or death is job-related; otherwise known as workman insurance.
- B. Globally Connected shall also provide its employees with health and other and social security benefits (i.e, disability, unemployment, retirement and other) in accordance with the laws-in-force, per the geographical areas it operates in.

821 Compliance with Labor Laws

All benefits granted to personnel and deductions made from pay checks shall, as a minimum, conform and meet the requirements of the labor laws in place.

900 OFFICE POLICIES

901 Office Assets

Globally Connected's premises, vehicles, equipment, communication facilities and other assets are solely intended for its operations (business purposes). Employees should maintain the use of office assets strictly for that purpose.

902 Working Hours

- A. Globally Connected full time employees are required to work a minimum of 40 hours per week. At this point in time the work hours are set at 8:00 - 4:30 Monday through Friday with 1/2 hour for the lunch break. During the month of Ramadan, the official working hours shall be reduced to a total of 30 hours/ week.
- B. Globally Connected recognizes the need for flexible working hours. Accordingly, Globally Connected entitles a flexible time arrangement, provided:
  - It does not jeopardize Globally Connected's work schedules, contractual commitments and employee's responsibility from being met on timely basis.
  - It does not create inconvenient challenges and time demands from other parties (from whom Globally Connected receives or grants services to) or office colleagues.
  - The employee respects the deadlines set by his/her colleagues for tasks to be performed on his/her side.
  - It is limited to two days per week as working from home, as requested by the employee, and approved by the manager.

C. If an employee is unable to report to work, he/she must notify his/her immediate supervisor by 10: A.M. on the first day of absence.

903 Transportation

Employees who use of their own vehicle for work purposes shall be reimbursed at the standard mileage rate as determined by Globally Connected's Administration and announced every quarter. In addition, parking fees and tolls incurred in business travel are reimbursable.

904 Vehicle Policy

A. Employees whom have been furnished a vehicle shall maintain an up-to-date log of the use of such vehicle and account for its use at the end of the month.

B. Personal use of a vehicle is not allowed. All mileage relating to personal use must be reimbursed by the employee.

905 Employee Travel

If otherwise accommodation is not on a full-board basis, employees travelling internationally for work purposes shall be entitled to a daily allowance to cover their subsistence. Current daily rates adopted by Globally Connected stand at \$ 5 (for breakfast if accommodation is not on a bed/breakfast basis) and \$ 15 and \$ 20 for lunch and dinner; respectively. These rates shall be announced on annual basis to the staff by the administration unit and might need to be cleared with donors where necessary. No receipts are necessary for per diem entitlement

International business travel is to be made on an operational need, and is to be approved by Globally Connected's Executive Director (or her/his delegate). Internal travel and mission trips have to be coordinated (and approved by) the immediate supervisor.

Further, it is Globally Connected's policy to resort to using 4 stars hotels and with the sharing of transportation (to the extent possible).

906 Anti-fraud

Globally Connected is committed to conducting business in accordance with the highest ethical and legal standards. Globally Connected has a zero tolerance towards fraud, bribery and corruption and will thoroughly investigate and seek to take disciplinary and/or legal action against those who perpetrate, are involved in, or assist with fraudulent or other improper activities in all its operations. Globally Connected employees shall maintain a professional and competent conduct in the areas of operation.

Fraud is a dishonest activity causing actual or potential financial loss to any person or organization including theft of money or other property by employees or persons and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.

Bribery is offering, promising, giving or receiving financial or other offerings (including gifts, loans, fees and rewards) with the intention of encouraging or ensuring a particular outcome.

Corruption is a dishonest activity in which a director, executive, manager, employee, contractor or any other person acts contrary to the interests of Globally Connected and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

#### 907 Anti-Drug, Smoke Free and Alcohol Free Environment

Anti-Drug refers to the manufacture, distribution, dispensing, possession or use of any controlled substance by any Globally Connected staff, or its subcontractors; inside or outside office premises. Smoke and alcohol free environment refer to the premises where work and tasks are performed; where smoking is limited to designated areas, during working hours, trainings and outside activities. Smoking Nargila and alcohol consumption are not eligible for payment by Globally Connected.

Globally Connected's management has the right to examine and inspect any valid suspicious individual and premises for a controlled substance or alcohol consumption, at its direction with or without a prior notice.

Violators of this policy could be subject to citations, warnings, terminations of employment and contracts, and repayment of all costs incurred to perform the needed examination and inspection if found to be in fault.

#### 908 Money Laundering

*Money Laundering* refers to the process whereby the origin of funds generated by illegal means (drug trafficking, gun smuggling, corruption...etc) is concealed as though they are derived from a legitimate source, and inserting them into circulation with the rest of Globally Connected's legally-acquired funds.

Globally Connected shall monitor any unusual or suspicious financial transaction of any sum of money taking place in relation to its transactions where it has a reason to believe the money is derived or will be used from/in illegal activity. Globally Connected shall also keep full records of any incoming / outgoing transfers regardless of amount along with all supporting documents. Globally Connected shall report to competent authorities any suspicious transaction (unconfirmed belief) concerning such transfers regardless of amounts.

## 909 Sexual Harassment

Sexual harassment refers to sexual advances, request for sexual favors and verbal or physical conduct of a sexual nature when:

1. Submission to or rejection of such advances, requests or conduct is made either explicitly or implicitly a term or condition of employment, or as a basis for employment decisions.
2. Such advances, requests or conduct have the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, humiliating or offensive work environment.

Globally Connected considers explicit or implied requests or gestures by any staff in exchange for actual or promised job benefits, favorable evaluation, monetary or in-kind compensation, promotions and or continued employment as constituting a sexual harassment which may include, but not limited to:

- Unwelcomed sexual advances, whether involving physical touching or not.
- Sexually-oriented jokes, written or oral references to sexual conduct, gossip regarding one's sex life and comments on an individual's body.
- Displaying or emailing sexually-suggestive objects, pictures and cartoons.
- Unwelcomed leering, whistling, brushing against the body, sexual gestures and suggestive or insulting comments.
- Inquiries to one's sexual experiences and discussion of one's sexual activities.

Any staff member who feels that s/he has been a subject of a sexual harassment, the concerned staff has to file a written signed complain to the Administration Manager within 48 hours of such incident. The Administration Manager shall start a fair and expeditious investigation of the allegations. The investigation may, as appropriate, include private interviews with the concerned staff, witnesses, references, evaluations, views of colleagues and reputation of concerned staff. The Administration Manager will then put the case in front of a Committee to review the case and make recommendations to the Executive Director. Concerned staff will be notified confidentially of the outcomes of the investigation.

If it is determined that an inappropriate action or conduct has been engaged by the concerned staff, an immediate action will take place including but not limited to counseling, citation, warning, or termination. False claims shall be a ground for termination.

## 910 Gender Equality

In pursuit of its work objectives, Globally Connected shall:

- A. Consult women, men and transgender people in implementing and promoting accountability for gender equality, and include gender representation data in equality monitoring across a range of roles and activities.
- B. Address sexism, discrimination and harassment and promote gender equality.
- C. Promote work-life balance and flexible working arrangements.
- D. Promote an organizational culture through gender-sensitive and inclusive language, attitudes and behaviors.
- E. Address unjustified inequalities as may be identified through equal pay reviews.

#### 911 Child Protection

Globally Connected is committed to protect children from abuse, exploitation and organizational negligence. Globally Connected does not allow for child labor within its operations, and it supports the educational and vocational work for children. For activities involving children, all stakeholders are committed to a fundamental duty of care, and must always address any allegations or concerns about actual or suspected cases of abuse.

#### 912 Code of Ethics

Commitment to ethical professional conduct is expected from every member/staff of Globally Connected. Globally Connected recognizes the importance of codifying and making known to all stakeholders and the general public the ethical principles that guide its work.

The code of ethics of Globally Connected addresses the following:

- I. Purpose, policies and compliance
  - a. The purpose is to work with and for building trust and understanding to support sustainable development within the various Syrian Communities.
  - b. The policy and outlook is determined independently from that of any donor or Government Agency.
  - c. Globally Connected is not and will not be aligned or affiliated with any political party.
  - d. Globally Connected carries out its activities without discrimination on the basis of race, ethnicity, political loyalties, national origin, religion or sex.

- e. Globally Connected functions within the laws of the countries subject to its operations.

## II. Implementation of programs and projects

- a. Globally Connected respects the dignity, values, history, religion, and culture of the served communities.
- b. Globally Connected facilitates self-reliance, self-improvement and sustainable development.
- c. Globally Connected aims to improve and strengthen the institutional and human resources of the served communities.
- d. As its fundamental concern, Globally Connected has the well-being of the served communities.
- e. Globally Connected promotes and empowers the advancement of women and children.
- f. Globally Connected ensures that procured materials, construction, and infrastructure development meet or exceed internationally accepted standards.
- g. Globally Connected is non-partisan in any advocacy, public policy and lobbying; with which it is involved.

## III. Partnership and cooperation with donors and beneficiaries

- a. Partnership with donors and beneficiaries will be on the basis of equality, mutual respect and priorities.
- b. Donors and beneficiaries will share relevant project information and cooperate at the field level to avoid overlapping, duplication, and disruption of each other's programs and projects.
- c. Donors and beneficiaries recognize the independence and autonomy of Globally Connected and clarify and share the development priorities.
- d. Globally Connected ensures that relations with donors and beneficiaries are honest, transparent and expects the same in return.
- e. Globally Connected ensures that it will honor and comply with all contractual obligations and funding agreements.

## IV. Relations with the concerned governments

- a. Globally Connected strives to create an atmosphere of mutual and transparent respect, and will uphold the code of ethics when in conflict with the applicable law.
- b. Globally Connected shall coordinate with the concerned Government in countries of operation, and as is necessary in order to promote the interest of the served communities.

## V. Relations within Globally Connected

- a. Globally Connected shall be governed fairly, impartially, and responsibly by an independent board and its constituted committees.
- b. Globally Connected prohibits direct and indirect conflicts of interest by board members, employees and volunteers.
- c. Globally Connected conducts its affairs and performs assigned tasks with integrity and truthfulness. The activities and records shall be open and accessible to scrutiny and audit by the concerned donors and auditors.
- d. Globally Connected opposes and takes no part in any wrong doing, corruption, bribery, financial and administration improprieties and/or illegal acts
- e. Globally Connected recognizes that all programs and projects impact the public perception and image of Globally Connected. Accordingly all members and staff share a significant responsibility to enhance the public trust.
- f. All employed staff, or under training, have an implied obligation to give honest, faithful, quality and worthy services to Globally Connected.
- g. Staff are obliged to utilize work time and Globally Connected's assets efficiently and effectively.
- h. Staff are prohibited from disclosing confidential information gained during the course of employment to external sources, in a manner that will undermine the mutual confidence upon which the employment relation is based.
- i. Globally Connected staff are encouraged and protected to pass their concerns to the next hierarchical level, if they have reasonable grounds and supporting evidence to believe that there is, or that there has been a serious malpractice within the organization; such as a criminal offense, failure to comply with approved policies and procedures, financial or administration malpractice and fraud.
- j. Globally Connected provides opportunities for individual growth and development based on performance evaluation and commitment to the organization.
- k. Globally Connected provides competitive compensation and promote the rights and well-being of all employees and trainees.
- l. Globally Connected ensures the accountability of managers to their subordinates and superiors.
- m. Globally Connected strives to promote participatory and democratic management practices.

## 1000 PROCUREMENT POLICIES

### 1001 Objective

Globally Connected shall ensure a fair and transparent procurement processes for goods or services needed for its operation. Further, Globally Connected shall take into account and comply with specific requirements and/or different procurement methods, thresholds and basis of evaluation (i.e. cost-quality considerations and weights) as noted in grant agreements with its external donors.

Procurement refers to the purchase of materials, supplies, and services in the best interest of Globally Connected, its partners, sub-contractors, and beneficiaries and the maintenance of good relations with approved vendors. To the extent possible, Globally Connected's procurement shall be based on competitive bidding

### 1002 Procurement Methods/ Thresholds

Globally Connected resorts to:

- A. Direct purchase for items costing up to \$ 1,000.
- B. Obtaining offers for items whose cost ranges between \$ 1,001 - \$ 20,000 (with sealed offers for procurements costing more than \$ 5,000)
- C. Placing a public tender for items costing more than \$ 20,000

## 1003 Globally Connected's Commitment to Best Practices

While complying with its procurement practices, Globally Connected shall give due consideration to:

- I. Maintaining an approved vendors list and updating it on a bi-annual or more frequent basis. Vendors are approved based on reputation and actual utilization which proves fair dealing and prices, good quality and on-time delivery.
- II. Engaging with vendors included in its approved vendors list. Accordingly, the Administration Unit shall draw up a list of not less than three approved vendors for any product / service to be purchased from outside sources according to clear and written criteria.

In case of inability to solicit three offers (due to exclusivity) or in case of purchasing from a vendor that is not on the already approved vendor list for reasons of expediting an order or otherwise, the concerned Unit/ Project Manager shall explain in writing the reasons for not-abiding, and the Executive Director shall sign a waiver indicating his/her approval.

- III. Preparing a procurement plan at the beginning of each year (and ensuring its regular update) in order to allow for procurement in bulk (contributing to economies of scale) and ensuring the availability of goods on timely basis.
- IV. Maintaining and promoting the operation of a sound internal control structure.
- V. Promoting a culture which encourages staff to declare *conflict of interest situations* (as they may arise) with a mitigation of not having such staff involved in the making of a decision for a certain procurement.
- VI. Not dissecting the procurements in order to avoid complying with Globally Connected's method of procurement.

## 1004 Responsibilities

Globally Connected's Administrative Assistant shall be responsible to monitor, report and seek the Administration Unit's Manager approval on procurement practices. Specifically, the Administrative Assistant shall:

1. Be the focal point for receipt of procurement requests (form no. 20)
2. Take lead in analysis of quotations (jointly with other Globally Connected personnel).
3. Follow up purchase orders. Purchase orders shall be communicated to the vendor by acceptable means of communication and should contain all terms and conditions to be adhered to. Delivery must be made as indicated unless an act of force majeure prevents such timely delivery.
4. Follow up the inspection process of the received materials or services (jointly with other personnel of Globally Connected).
5. Update the rating of the vendor and its inclusion in the Approved Vendors List. Globally Connected staff are obligated to place orders impartially and give approved vendors equal opportunity to bid and refuse any gifts or favors. Approved vendors who may abuse this policy will be removed from the vendors list.
6. Make sure that non-conforming materials are not used by any party or employee, either accidentally or intentionally, through proper labeling, identification, or otherwise.

#### 1005 Placing a Public Tender

For items over US \$ 20,000, a tendering process has to be applied. A tender document shall be prepared by the relevant Unit/ Project Manager (in coordination with the Administration Unit) and approved by the Executive Director (or his/her delegate)

The Executive Director (or his/her delegate) shall head and nominate the technical and financial committees members and determine the weights and the criteria.

The Technical committee shall utilize an assigned weight (consistent with the ToR) for each criteria and shall submit its conclusion to the Executive Director (or his/her delegate).

The Financial Committee shall open the financial offers of those who passed the technical evaluation.

The Financial Committee shall apply the pre determined weights for technical and financial offers and submit its recommendation to the Executive Director (or his/her delegate)

The Executive Director (and/or his/her delegate shall instruct the Finance and Administration Unit to prepare a contract for the winning tenderor and submit letters to losing tenderors along with any submitted bank guarantees

1006 Managing Procurement Risks

Globally Connected recognizes the standard risks inherent to procurement practices. Accordingly, Globally Connected had instituted the following mitigation measures:

Instance	Relating Risks	Globally Connected's Mitigation
Not complying with Globally Connected's established procurement mechanisms (direct purchase, soliciting offeres and placing a Public Bid/ Tender).	Purchases made without obtaining the necessary approvals.  Inability to optimize the maximum value for money spent.	Maintaining the Administration Unit as an independent contact responsible to ensure compliance with Globally Connected's procurement practices.
Dealing with vendors not existing in Globally Connected's <i>Approved Vendors List</i>	Contracting suppliers who do not meet expectations. Henceforth, limiting the realization of maximum value for money spent on a proactive basis.	Ditto
Lack of segregation of duties in-between receiving/ soliciting quotations (ones which do not require submission of sealed envelopes) and simultaneously being SOLELY involved in the evaluation process	Threatening the objectivity and fairness of the procurement process.  Limiting Globally Connected's ability to obtain best offers; thus not achieving competitive prices, quality and reliable performance.	Committee to be established in order to evaluate the price quotations received.  Formal determination of the committee members, to include their roles and responsibilities is to be made by Globally Connected's Executive Director.

for the received quotations		Rotation in the membership of the committee is to be considered.
Not inspecting purchases (once delivered to Globally Connected)	Accepting non-conforming purchases.	Maintain Acceptance in an official documented manner.
Procurement procedures are silent regarding the utilization of a log sheet to record the date date and time (amongst other) of received tenders.	Limiting an Evaluation Committee from: (i) making informed decisions, (ii) confirming that tenders were received during the allowable time period, and (iii) confirming that all received tenders are subject to evaluation.	Maintain a log sheet with an independent party who is not involved in evaluation.