



ACCOUNTING & FINANCE POLICY



World Patients Alliance

Accounting & Finance Policy

Overview

This accounting & finance policy documents the policies and procedures which WPA shall use to record and monitor financial transactions.

Documentation of accounting policies and procedures is important because it provides clarity regarding internal processes. The purpose of this document is to help WPA to:

- Record all financial transactions
- Monitor and control expenditures
- Satisfy statutory reporting requirements
- Ensure timely and accurate financial reporting to stakeholders

In general, this policy outlines the areas covered in the following sections, however, as WPA experiences growth in terms of level of activity and number of donors, it shall be necessary to update this policy accordingly.

1. Accounting policies

i. Accounting convention

- a. The accounting principles of WPA will be consistent with all applicable laws. These include: Accounting Principle and Financial Accounting Standards on the applicability of the accounting rules to non- profits making organizations.
- b. The accounts of WPA shall be prepared under the historical cost convention. The day-to-day transactions shall be recorded at the monetary value of the goods or services or fair market value of the donated services.

ii. Income

- c. Income represents grants from donor, sponsors, members' subscriptions and interest received from bank deposits and on investments.
- d. Sale from products and return on investments are recognized as income in the period in which they are received.

iii. Expenditure

- e. Expenditure represents expenses incurred by the organization to achieve its objectives.

iv. Currency of account

- f. Currency of accounts shall be US Dollar unless otherwise agreed with the donor or required for efficient functioning.

v. Bank account

- g. WPA Bank account will be maintained in a FDIC Bank (Federal Deposit Insurance Corporation). If required, more than one bank accounts may be maintained with the prior approval of the Board.

vi. Donor requirement

- h. Donor requirement will supersede any of WPA's policies define

2. Authorization

- The funds approval authorities and limits shall be as following:

| Authority | Approval Limit |
|-----------|-----------------------|
| Chair | Up to \$. 10,000/- |
| Board | \$ 10,001/- and above |

In case the Chair is unable to perform his/her duties mentioned in this policy due to any reason, the Chair Elect will perform any such duties for the smooth functioning of the financial operations of the organization with the prior permission of the Executive Committee.

3. Income

The income may be received from a range of sources, which includes the following:

- I. Donation
- II. Sponsorship
- III. Grant
- IV. Membership subscription
- V. Interest / return on investment
- VI. Sale of services / product

- On receipt of income, the Office Manger shall issue receipt to the payer [Annex - A](#)
- The Office Manger shall request the Chair to deposit the cash/cheque in the bank.
- The Chair will confirm deposit and send copy of the bank deposit receipt to inform the Office Manager.
- The Office Manager will enter income receipts in QuickBooks (QB)
- The Office Manager will maintain hard copies of the receipts and bank deposit slips in date wise arranged manner for evidence and control purposes.

4. Expenses

- The concerned person will request and seek Chair's approval for expense in advance
- After incurring the expense, the concerned person will send the [Expense Claim Form \(Annex-B\)](#) along with related receipts to the Office Manager
- The Office Manager will forward the case to Treasure for payment approval
- After approval, the Treasurer will forward the case to Chair for payment
- The Chair will make the payment through cheque /online
- After payment, the Chair will send payment receipt to Office Manager for record
- The Office Manager will inform the relevant person that payment has been transferred
- The Office Manager will make entries of the payment in QB
- Receiver to confirm back the transfer of funds

Note: In case of expense incurred against advance [Annex -c](#), the Office Manager will make entries of the advance

payment in QB. After the expense is incurred, the Payee will submit [Expense Claim Form](#) along with the required receipts. The office manager will make the adjusting entries in QB & INFORM Treasure that expense has been incurred against advance payment. [Annex - D](#)

5. Petty cash

- A petty cash of \$ 500 will be given to the Office Manager. If petty cash over \$ 500 is needed, Board approval will be required
- The petty cash will be utilized and disbursed by the Office Manager
- The Office Manager will make entries of the payment in QB and also keep record including receipt of expenditure in cash book.
- Upon utilization of the existing petty cash, the office manager will send a report of the expenses to the Treasurer and request to re-cope the float amount. Upon Treasurer's request, the Chair will again transfer the funds to the Office Manager.
- The Office Manager will maintain proper accounts of the petty cash and prepare a report to be sent to the Treasurer.
- The Office Manager must carry out monthly reconciliations and investigate differences if any.

6. Bank management

A. Bank receipts

- The bank will receive funds through the following ways:
 - I. Cheque
 - II. Online deposits
 - III. Cash

The Chair will inform the Treasurer and Office Manger about each deposit and provide the following detail:

- Bank Deposit Slip reference
- Donor reference
- Purpose of payment
- Online transaction number
- Amount deposited
- Date of payment made

- I. The Office Manager will prepare [Bank Receipt Voucher](#) (BRV) and post it in QB.
- II. The posted BRV with supporting copy of receipt will be filed in hard form.
- III. The Office Manager will review the Bank Ledgers reports, sign copy and place in file along with supporting documents.

B. Bank payment cycle

Bank payments will be made for:

- I. Consultancy charges / salaries
 - II. Acquisition of assets and purchases
 - III. Administrative expense
 - IV. Projects & activities
- The Office Manager will prepare **Bank Payment Voucher (BPV)** for all payments, which will be approved by the Treasurer
 - Once approved by the Treasurer, the Chair will make payment through cheque/online
 - The following details will be incorporated in the QB:
 - I. Bank A/C No. of Organization/ Individual
 - II. Bank A/C No. of payee
 - III. Purpose of payment
 - IV. Online transaction number
 - V. Amount deposited
 - VI. Date of payment made
 - VII. And other necessary details.
 - In case of payments via cheques, the Chair shall send a copy of cheque to the Office Manager
 - The Office Manager will review the Bank Ledgers reports and signed copy will be placed in file along with supporting documents.

C. Bank reconciliation

The Office Manager will prepare financial documents on monthly basis

- Bank Ledger (s) with Bank Statement (s)
- Cash Ledger with Cash Payments and Receipts
- Stock Ledger with Physical Stocks
- Bank reconciliation statement

D. Bank account maintenance

- The Chair will primarily manage the bank account(s). The Chair Elect will also be given access to manage bank account(s) in case the Chair is not available and Chair Elect is required to manage the account in Chair's absence.

7. Credit card/ debit card

- The Chair will be authorized to use WPA Debit Card and Credit Cards. These will be used for WPA expenses only.
- The Chair will send the copies of the Debit Card and Credit Cards monthly bills along with expense receipts to the Office Manager.
- Monthly statements of Debit Card and Credit Cards shall be prepared by the Office manager, which will be presented to the Board on quarterly basis by the Treasurer. Each billing cycle of the credit card will be required to have expenditures coded with receipt that each expense can be accounted for and put into the correct category of expenditures.

8. Fixed assets

Fixed asset details shall be maintained by the Office Manager in fixed asset register. Depreciation will be charged to whole class of the fixed asset at same rate.

9. Taxation

- All tax related transactions will be conducted under the applicable laws of the United States of America
- Annual income tax return form 990 will be filed annually.
- State of incorporation tax forms will be filed annually.
- All the required financial reporting/reviews/audits shall be conducted as per the laws of the United States of America

10. Reporting

- The Office Manager shall prepare the following periodic financial reports:
 - Financial reports to the Treasurer
 - Financial reports to the Board
 - Financial reports and reconciliations forms for donors (if required)
 - Statutory reports (e.g., annual audited accounts)
- In addition to the above, the Office Manager will also share bank statements for the given period with the Chair and Treasurer.
- Reports may be prepared monthly, quarterly, semi-annually and/or annually depending on the needs of each category of users/donors and as instructed by the Board.

11. Retention of records

The WPA shall retain its records for a period of 07 years or as required by Law/Donor.

This will apply both to physical written records (ledgers, receipts, etc.) and to electronic records (QB) to manage the finances of the organization.

12. Role of management

The Treasurer shall ensure that WPA complies with all the financial and operational procedures and exceptions are noted and reported promptly.

The Office Manager shall present monthly financial reports to the Treasurer for review and approval. The Treasurer shall present quarterly financial reports to the Board for review, approval and oversight.

ANNEX-A



**World
Patients
Alliance**

BANK RECEIPT VOUCHER

NO: BRV-YY-MM-No

| Ref. No. | Description | Account Head / Code | Debit USD | Credit USD |
|---------------|-------------|------------------------|--------------|---------------|
| | | | | |
| Column Totals | | | | |

Approved By: _____

Date: _____

Authorized By: _____

Date: _____

Prepared By: _____

Date: _____

Comments if any:



Expense Claim Form

Permanent Address: 333 E. City Ave. | STE PL-14 | Bala Cynwyd, PA 19004 USA

| Reimbursement claim By | | | |
|----------------------------------|-------------|--------------------------|---------------|
| Title: | | | |
| Purpose of Expense | | | |
| Date | Description | Cost PKR | Cost \$ |
| | | | \$0.00 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | TOTAL | \$0.00 |
| Expense Against | | <input type="checkbox"/> | Advance |
| | | <input type="checkbox"/> | Reimbursement |
| | | Date: | |
| Attach Receipts | | | |
| Bank Details | | | |
| Swift/BIC Code: | | | |
| Bank Name: | | | |
| Bank Address: | | | |
| Beneficiary Name (Account Title) | | | |
| Beneficiary IBAN No. | | | |
| Beneficiary Account No. | | | |
| For WPA Office Use Only | | | |
| Approved By: | | Date of approval: | |
| Mode of approval | | | |
| Comments If any: | | | |



Request for Advance

| | |
|-------------|--|
| Request By: | |
| Purpose: | |
| | |

Amount: _____

Date requested: _____

Date needed: _____

Additional comments

Mode of Payment Online Cheque Other: _____

| Payee Bank details | |
|----------------------------------|--|
| Swift/BIC Code: | |
| Bank Name: | |
| Bank Address: | |
| Beneficiary Name (Account Title) | |
| Beneficiary IBAN Number: | |
| Beneficiary Account Number: | |

For WPA Official use only

| | |
|-------------------|--|
| Approved By: | |
| Mode of Approval: | |
| Date of Approval | |



BANK Payment VOUCHER

NO: BRV-YY-MM-No

| Ref. No. | Description | Account Head / Code | Debit USD | Credit USD |
|---------------|-------------|---------------------|-----------|------------|
| | | | | |
| Column Totals | | | | |

| | |
|----------------------|-------------|
| Approved By: _____ | Date: _____ |
| Authorized By: _____ | Date: _____ |
| Prepared By: _____ | Date: _____ |

Comments if any: