



CANOPY NEPAL FINANCIAL & CONTROL POLICY
June 2019

Introduction

The purpose of financial management in the operation of all Canopy Nepal activities is to fulfill the company's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, Canopy Nepal commits to providing accurate and complete financial data for internal and external use by the Managing Director and the Management Committee.

Authority

- The elected Management Committee consisting of 5 directors including the chairperson is ultimately responsible for the financial management of all activities of Canopy Nepal. The Chairperson and Treasurer are authorized to act on the Management Committee's behalf on financial matters when action is required in advance of a meeting of the Management Committee and/or the Annual General Assembly (AGM).
- The Managing Director is responsible for the day to day financial management of the company. The management committee authorizes the Chairperson and Managing Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts in accordance with the annual plan and directions given by the AGM.
- The Chairperson and another nominated representative from the management committee are authorized to jointly sign checks up to Nrs. 1,00,000. Checks for amounts greater than Nrs. 1,00,000 shall require the written approval of the majority of the members of the management committee and compulsory signature of either the Treasurer or Chairperson.
- The Managing Director and the chairperson are authorized to enter into contracts for activities that have been approved by the Management Committee as a part of budgets or annual plans. The Management Committee must authorize any contracts outside of these parameters and all contracts with a financial value greater than Nrs. 100,000.
- The Managing Director is authorized to coordinate with project/program managers and coordinators to manage expenses within the parameters of the overall approved budget, reporting to the Management Committee on

variances and the reason for these variances. The Management Committee must approve any use of the board designated cash reserve fund.

Responsibilities

The Chairperson/Managing Director shall:

- Account for donor-restricted and management committee designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds to program managers/coordinators.
- Ensure that the finance officer reports the financial results of Canopy Nepal operations according to the schedule established by the Management Committee, but at least quarterly.
- Ensure that all obligations are paid and required reports are filed in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the management committee.
- Ensure that fixed assets with purchase prices greater than Nrs. 5,000 are recorded as capital assets in accounting records.
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computers and other technology equipment.
- Obtain competitive bids for items or services costing in excess of Nrs. 100,000 per unit. Selection will be based on cost, service, and other elements of the contract. Canopy Nepal may award the bid to any provider and is not required to accept the lowest cost proposal.

The Management Committee shall:

- Review financial reports at each meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

Financial Transactions with Insiders

- No advances of funds to team members or directors are authorized. Direct and necessary expenses including events and other activities related to carrying out responsibilities shall be reimbursed.

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- In no case shall Canopy Nepal borrow funds from any team member, or director of the company without specific authorization from the Management Committee.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives, the Chairperson/Managing Director shall:

- Submit operating and capital budgets to the Management Committee in time for reasonable approval by the Management committee to each fiscal year.

Gift Acceptance

Canopy Nepal shall accept contributions of goods or services other than cash that are related to the programs and operations of Canopy Nepal. Any other contributions of non-cash items must be reviewed and approved by the Management Committee before acceptance.

Asset Protection

In order to ensure that the assets of Canopy Nepal are adequately protected and maintained, the Managing Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to directors, team members, or the company itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, and equipment.
- Avoid actions that would expose the company, its management committee, or team members to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

Agreed and Adopted on June 03, 2019