Children Relief Service

Children Relief Service (CRS)

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CHILDREN RELIEF SERVICE FINANCIAL POLICY

Established: 11 May 2017
Organization: Children Relief Service (CRS)
Location: Dzaleka-Lilambwe, Dowa District, Malawi
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1. Introduction

Children Relief Service (CRS) is committed to responsible, transparent, ethical, and accountable management of all financial resources entrusted to the organization.

The CRS Financial Policy establishes the principles, procedures, responsibilities, and internal controls that govern the planning, receipt, management, expenditure, reporting, safeguarding, and accountability of CRS funds and assets.

All CRS directors, officers, staff, volunteers, consultants, contractors, and other persons authorized to handle or manage CRS resources are expected to comply with this policy.

CRS recognizes that strong financial management is essential to maintaining the trust of children, families, communities, donors, partners, supporters, regulators, and other stakeholders.

2. CRS Mission

The mission of Children Relief Service (CRS) is:

To protect children's rights and empower vulnerable children, youth, women, and families through education, child protection, sustainable livelihoods, food security, and community-led development.

All financial decisions shall support this mission and the lawful purposes of the organization.

3. Purpose

The purpose of this Financial Policy is to:

- Ensure transparency and accountability in the management of CRS financial resources.
- Establish clear financial responsibilities and internal controls.
- Guide financial planning, budgeting, expenditure, and reporting.
- Safeguard CRS funds, assets, records, and other resources.
- Prevent fraud, theft, corruption, misuse, and unauthorized expenditure.
- Ensure that funds are used for their intended organizational and programme purposes.
- Ensure compliance with applicable laws, regulations, donor requirements, agreements, and Board-approved policies.
- Promote responsible, efficient, and value-for-money use of organizational resources.
- Strengthen confidence among donors, partners, beneficiaries, and other stakeholders.

4. Scope

This policy applies to:

- The Board of Directors.
- The Founder and Executive Director.
- Finance personnel.
- Programme and project managers.
- All CRS staff.
- Volunteers and interns involved in financial activities.
- Consultants and contractors where applicable.
- Partner organizations or individuals who receive or manage CRS funds on behalf of the organization.

Where a donor agreement or applicable law establishes stricter financial requirements than this policy, CRS shall comply with the stricter applicable requirement.

5. Financial Management Principles

CRS financial management shall be guided by the following principles:

5.1 Transparency

Financial activities shall be properly documented, recorded, reviewed, and reported.

5.2 Accountability

Every person entrusted with CRS funds or assets shall be accountable for their proper use and safeguarding.

5.3 Integrity

CRS prohibits fraud, theft, bribery, corruption, falsification of records, unauthorized use of funds, and other financial misconduct.

5.4 Stewardship

CRS resources shall be treated as organizational resources and used only for authorized organizational purposes.

No member, director, officer, staff member, volunteer, or other individual shall acquire personal ownership of CRS funds or assets solely because of their position within the organization.

5.5 Efficiency and Value for Money

CRS shall seek to obtain reasonable value for money while maintaining appropriate quality, safeguarding, and programme standards.

5.6 Segregation of Duties

Where practical, financial responsibilities shall be divided among different individuals so that no single person controls an entire financial transaction from authorization through payment and recording.

5.7 Compliance

CRS shall comply with applicable laws, regulatory requirements, donor agreements, contractual obligations, and approved organizational policies.

6. Roles and Financial Responsibilities

6.1 Board of Directors

The Board shall:

- Approve the annual organizational budget.
- Provide financial oversight and governance.
- Review financial reports.
- Approve major financial decisions in accordance with the organization’s governance framework.
- Monitor financial risks and internal controls.
- Review audit findings and management responses.
- Ensure that CRS resources are used for the organization’s approved purposes.

6.2 Founder and Executive Director

The Founder and Executive Director shall:

- Provide overall management oversight of CRS financial activities.
- Ensure implementation of Board-approved budgets and policies.

- Authorize expenditures within delegated authority.
- Ensure donor and programme financial obligations are met.
- Work with the Finance Officer to monitor financial performance and risks.
- Report significant financial matters to the Board.

The Founder and Executive Director shall not exercise personal ownership over CRS funds or assets. All CRS financial resources and assets belong to the organization and shall be managed for its approved not-for-profit purposes.

6.3 Finance Officer

The Finance Officer shall:

- Maintain accurate and complete financial records.
- Record income and expenditure promptly.
- Prepare financial reports.
- Monitor expenditure against approved budgets.
- Maintain supporting documentation.
- Reconcile bank and cash records.
- Support budgeting and financial planning.
- Assist with audits and donor financial reporting.
- Report significant financial irregularities to the appropriate authority.

6.4 Programme Managers

Programme managers shall:

- Ensure programme expenditure remains within approved budgets.
- Request funds according to approved procedures.
- Provide adequate supporting documentation.
- Monitor programme-related expenditure.
- Report financial concerns or budget variances promptly.

7. Annual Financial Planning and Budgeting

CRS shall prepare an annual organizational budget covering expected income and expenditure.

The annual budget shall:

- Reflect CRS strategic priorities and programme activities.
- Be based on realistic income and expenditure estimates.
- Identify major programme and administrative costs.
- Consider donor restrictions where applicable.
- Be reviewed and approved by the Board of Directors.

Significant changes to an approved budget shall be documented and approved by the appropriate authority.

8. Income and Fund Management

All income received by CRS shall be properly recorded and supported by appropriate documentation.

Income may include:

- Grants and donor funding.
- Donations.
- Programme-related contributions.
- Fundraising income.
- Other lawful organizational income.

Restricted funds shall be used only for the purposes for which they were provided unless the donor or funding source formally approves a change.

CRS shall maintain appropriate records showing the source, amount, purpose, and use of restricted funds.

9. Bank Accounts and Banking

CRS shall maintain organizational bank accounts in the name of the organization where practicable.

CRS bank accounts shall not be used for personal transactions.

Bank accounts shall have authorized signatories approved through the organization's governance procedures.

Where practicable:

- More than one authorized person shall be involved in significant payments or transfers.
- Bank reconciliations shall be performed regularly.
- Bank statements shall be reviewed by an authorized person independent of the person preparing the reconciliation.
- Changes to bank signatories shall be properly authorized and documented.

No CRS funds shall be deposited into a personal bank account unless there is an exceptional, documented circumstance and appropriate authorization and controls are in place.

10. Cash Management

CRS shall minimize the use of physical cash where practical and shall encourage secure electronic payments and banking methods.

All cash transactions shall:

- Have a legitimate organizational purpose.
- Be authorized.
- Be supported by receipts or appropriate documentation.
- Be recorded in the financial records.
- Be reconciled regularly.

CRS shall establish appropriate cash-handling limits and procedures based on operational needs and available financial controls.

Cash held by CRS shall be safeguarded against loss, theft, or unauthorized use.

11. Expenditure and Authorization

All CRS expenditure shall:

- Be for an approved organizational purpose.
- Be within an approved budget or properly authorized.
- Be supported by appropriate documentation.
- Be reviewed and approved by an authorized person.
- Be recorded accurately in the accounting records.

No individual shall approve their own personal expense.

Where possible, the person requesting an expenditure, the person approving it, and the person processing or recording the payment should be different individuals.

12. Procurement

CRS shall seek fairness, transparency, competitiveness, quality, and value for money when purchasing goods and services.

Depending on the value and nature of the purchase, CRS may require:

- Quotations from suppliers.
- Comparison of prices and specifications.
- Written purchase orders or contracts.
- Documentation explaining supplier selection.
- Appropriate approval before purchase.

Procurement procedures shall be proportionate to the size and nature of the purchase.

Emergency procurement may be permitted when necessary to protect people, property, programme continuity, or organizational operations, provided the circumstances and expenditure are properly documented and subsequently reviewed.

13. Conflict of Interest

Directors, officers, staff, volunteers, and other persons involved in financial or procurement decisions shall disclose actual, potential, or perceived conflicts of interest.

A person with a conflict of interest shall not participate in a decision where their personal, family, financial, or other interests could improperly influence the decision.

CRS shall maintain appropriate records of disclosed conflicts and actions taken to manage them.

14. Staff Advances and Accountabilities

Where CRS provides an advance for an approved activity, the recipient shall use the funds only for the authorized purpose.

The recipient shall provide:

- Receipts or other supporting documentation.
- A completed expenditure/accountability report.
- Any unused balance.

Outstanding advances should be accounted for within the timeframe established by CRS management or the relevant donor requirement.

Additional advances may be restricted where a previous advance remains outstanding without adequate justification.

15. Assets and Property

CRS shall maintain appropriate records of significant organizational assets.

Organizational assets may include:

- Vehicles.
- Computers and electronic equipment.
- Furniture.
- Training equipment.
- Office equipment.
- Programme equipment.
- Other property purchased or received for CRS purposes.

CRS assets shall be used responsibly and primarily for authorized organizational purposes.

Assets shall not be sold, transferred, donated, or disposed of without appropriate authorization and documentation.

No individual shall claim personal ownership of CRS assets because of their position within the organization.

16. Financial Records and Documentation

CRS shall maintain accurate and complete financial records.

Supporting documentation may include:

- Receipts.
- Invoices.
- Payment vouchers.
- Bank statements.
- Contracts.
- Purchase orders.
- Quotations.
- Payroll records.
- Donor agreements.
- Financial reports.
- Asset records.
- Expense accountability forms.

Financial records shall be securely maintained for the period required by applicable law, donor requirements, or CRS policy.

17. Financial Reporting

CRS shall prepare regular financial reports to support management, Board oversight, donor accountability, and organizational decision-making.

Where practicable, financial reports shall include:

- Income and expenditure.
- Budget versus actual expenditure.
- Cash position.
- Bank balances.
- Programme expenditure.
- Outstanding advances and liabilities.
- Significant financial variances.

The Finance Officer shall prepare financial reports, which shall be reviewed by management and provided to the Board as appropriate.

18. Donor Compliance

CRS shall manage donor funds according to the terms and conditions of approved grant agreements and funding arrangements.

CRS shall:

- Use donor funds for approved purposes.
- Maintain required financial documentation.
- Monitor donor budget lines.
- Report financial information accurately.
- Meet agreed reporting deadlines.
- Obtain required donor approval for significant budget changes where applicable.
- Promptly address identified financial irregularities.

Where donor requirements are stricter than CRS's internal procedures, the applicable donor requirements shall be followed.

19. Fraud, Theft, Corruption, and Financial Misconduct

CRS has zero tolerance for fraud, theft, bribery, corruption, falsification of financial records, embezzlement, unauthorized use of funds, or deliberate financial misrepresentation.

Examples of financial misconduct include:

- Taking CRS funds or property for personal use.
- Falsifying receipts or invoices.
- Creating false financial records.
- Using organizational funds for unauthorized personal expenses.
- Receiving improper payments or kickbacks.
- Manipulating procurement processes for personal benefit.
- Concealing financial transactions.
- Deliberately misusing donor funds.

Suspected financial misconduct shall be reported through appropriate CRS reporting channels.

Reports shall be handled seriously and investigated fairly and confidentially to the extent practicable.

Where misconduct is substantiated, CRS may take appropriate disciplinary, recovery, contractual, or legal action.

20. Whistleblowing and Reporting Concerns

CRS encourages staff, volunteers, beneficiaries, partners, and other stakeholders to report suspected fraud, corruption, theft, financial abuse, or other serious financial irregularities.

No person should be retaliated against for making a good-faith report of suspected misconduct.

Reports shall be reviewed and handled according to applicable CRS procedures.

21. Payroll and Staff Payments

Staff salaries, allowances, and other approved payments shall be processed according to employment agreements, approved budgets, applicable law, and organizational procedures.

Payroll records shall be maintained securely and accurately.

Any staff payment outside an approved salary, allowance, or contractual arrangement shall require appropriate authorization and documentation.

22. Financial Risk Management

CRS shall identify and monitor significant financial risks, including:

- Fraud and financial misconduct.
- Loss or theft of funds or assets.
- Unauthorized expenditure.
- Inadequate documentation.
- Donor non-compliance.
- Cash-flow difficulties.
- Procurement risks.
- Conflicts of interest.
- Weak internal controls.

Management shall take reasonable measures to reduce identified risks.

23. Internal Controls

CRS shall maintain appropriate internal controls proportionate to its size, resources, and operational complexity.

Controls may include:

- Segregation of duties.
- Authorization procedures.
- Bank reconciliations.
- Budget monitoring.
- Receipt and invoice verification.
- Asset registers.

- Procurement documentation.
- Regular financial reviews.
- Secure financial records.
- Board oversight.

Where CRS has limited staff, compensating controls and additional management or Board review should be used where practical.

24. Audit and Independent Review

CRS shall arrange an external audit or independent financial review where required by applicable law, donor requirements, the Board, or organizational circumstances.

Audit findings shall be reviewed by management and the Board.

Where recommendations are made, CRS shall take reasonable steps to address identified weaknesses and strengthen its financial systems.

25. Financial Transparency and Accountability

CRS is committed to maintaining appropriate financial transparency while protecting confidential information.

Financial information may be shared with:

- The Board of Directors.
- Donors and funding partners.
- Relevant government or regulatory authorities.
- Auditors.
- Other authorized stakeholders.

Public disclosure of financial information shall be made in accordance with applicable law, donor requirements, organizational policy, and appropriate confidentiality considerations.

26. Separation of Organizational and Personal Finances

CRS funds, bank accounts, assets, records, and other organizational resources shall be kept separate from the personal finances of directors, officers, staff, volunteers, and other individuals.

Organizational funds shall never be treated as personal funds.

The Founder, Executive Director, directors, officers, staff, volunteers, and other representatives shall not have personal ownership rights over CRS organizational assets solely because of their position within CRS.

27. Financial Capacity Building

CRS shall seek to strengthen the financial management capacity of staff, volunteers, and relevant partners through:

- Financial management training.
- Budgeting and reporting guidance.
- Donor compliance training.
- Procurement guidance.
- Internal control strengthening.
- Appropriate financial procedures and tools.

28. Confidentiality and Data Protection

Financial records containing personal, banking, salary, donor, supplier, or other confidential information shall be protected from unauthorized access.

Access to confidential financial information shall be limited to authorized persons who require the information for legitimate organizational purposes.

29. Policy Violations

Failure to comply with this Financial Policy may result in appropriate corrective or disciplinary action.

Depending on the nature and seriousness of the violation, action may include:

- Additional supervision or training.
- Recovery of funds.
- Disciplinary action.
- Termination of employment or engagement.
- Contractual remedies.
- Reporting to relevant authorities.
- Legal action where appropriate.

30. Policy Review and Amendment

This Financial Policy shall be reviewed periodically and at least annually where practicable, or whenever significant changes occur in CRS operations, legal requirements, donor requirements, or organizational structure.

Any substantive amendment to this policy shall be approved through the appropriate CRS governance process.

31. Effective Date and Approval

This Financial Policy shall become effective upon approval by the CRS Board of Directors.

Organization: Children Relief Service (CRS)

Policy: Financial Policy

Effective Date: ____________________________

Approved By: CRS Board of Directors

Date Approved: ____________________________

Next Review Date: __________________________

Signatures

Board Chair / Authorized Board Representative

Name: ____________________________________

Position: __________________________________

Signature: _________________________________

Date: _____________________________________

Founder & Executive Director

Name: Roger Tiemuka Shamavu

Position: Founder & Executive Director

Signature: _________________________________

Date: _____________________________________

Finance Officer

Name: ____________________________________

Position: Finance Officer

Signature: _________________________________

Date: _____________________________________

Document Control

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This is now formatted without the horizontal separators, while keeping the policy structure intact.