TURATHUNA

OFFICE OF THE CHAIRMAN OF THE BOARD OF TRUSTEES

EXECUTIVE DIRECTIVE: Financial Management and Operations Policy

Directive Number: TF-DIR-2026-007

Date of Issuance: May 18, 2026

Effective Date: June 1, 2026

1. PURPOSE & RATIONALE

In alignment with the Turathuna Foundation’s commitment to institutional excellence, rigorous governance, and compliance with the standards required by our international partners and donors, the Board of Trustees has formally approved the **Financial Management and Operations Policy**.

The implementation of this policy is essential to ensure that our operations remain transparent, ethically sound, and fully aligned with global best practices in cultural heritage preservation and humanitarian action.

2. MANDATORY COMPLIANCE

Pursuant to the authority vested in the Chairman of the Board of Trustees, and in accordance with the Foundation’s bylaws, all personnel—including Board members, management, staff, volunteers, consultants, and implementing partners—are hereby directed to adhere strictly to the guidelines and procedures set forth in the attached policy.

3. IMPLEMENTATION & ENFORCEMENT

- **Effective Date:** This policy shall come into full force and effect starting **June 1, 2026**.
- **Responsibilities:** Department heads and Project Managers are responsible for the immediate dissemination of this policy to their respective teams and for conducting necessary training to ensure full understanding and operational alignment.
- **Compliance:** Failure to adhere to the provisions of this policy may result in disciplinary action, as outlined in the *Code of Ethics and Professional Conduct*.

4. REVIEW & UPDATES

This policy shall be subject to periodic review by the Board of Trustees to ensure its ongoing effectiveness in the face of evolving operational challenges. Any proposed amendments must be submitted to the Board for formal approval.

5. ATTACHMENTS

Attached to this directive is the full version of the **Financial Management and Operations Policy**, which serves as the official operational guide for the Foundation.

BY ORDER OF THE BOARD OF TRUSTEES:

Lama Abboud
Chairman of the Board of Trustees
Turathuna Foundation

Cc:

- Executive Director
- Finance Department
- HR Department
- Project Managers
- Central Policy Repository

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1. PURPOSE AND SCOPE

The purpose of this policy is to establish standardized, transparent, and accountable procedures for the daily financial operations of the Turathuna Foundation. It ensures that all funds are utilized efficiently, strictly for their intended project purposes, and in full compliance with the requirements of the Syrian Ministry of Social Affairs and Labor and our international funding partners.

This policy applies to all Turathuna staff, management, and Board members involved in budgeting, purchasing, authorizing payments, and handling foundation funds.

2. ROLES AND SEGREGATION OF DUTIES

To prevent errors and mitigate the risk of financial mismanagement, the Foundation strictly enforces the segregation of duties. No single individual may control all phases of a financial transaction.

- **Requestor (e.g., Project Manager):** Identifies the need, verifies budget availability, and submits a Purchase Request (PR).
- **Approver (e.g., Executive Director/Board President):** Reviews the request against project goals and authorizes the expenditure.
- **Purchaser (e.g., Procurement/Logistics Officer):** Conducts the market search, collects quotes, and executes the purchase.
- **Payer/Recorder (e.g., Financial Manager/Accountant):** Verifies all documentation, processes the payment (cash or bank), and records the transaction in the accounting system.

3. PROCUREMENT PROCEDURES

All procurement of goods (e.g., restoration materials, office supplies) and services (e.g., contractors, artisan labor) must follow a competitive and transparent process.

- **Micro Purchases (Under $100 or local equivalent):** Do not require multiple quotes but must be reasonable, necessary, and supported by a valid receipt.
- **Small to Medium Purchases ($100 - $1,000):** Require a minimum of three (3) informal or verbal quotes documented in a "Note to File" to ensure market competitiveness.
- **Large Purchases (Over $1,000):** Require a formal procurement process.
    - A minimum of three (3) written, stamped quotations from independent suppliers must be obtained.
    - A "Bid Analysis Form" must be completed by the procurement team, evaluating price, quality, and delivery time.
    - The selection must be approved by the Financial Manager and the Executive Director.
- **Sole Source Procurement:** Only permitted in exceptional circumstances (e.g., a highly specialized restoration artisan where no competitor exists) and requires written justification and Board approval.

4. PAYMENT METHODS AND AUTHORIZATIONS

The Foundation prioritizes the use of formal banking channels whenever feasible to ensure a clear audit trail.

- **Bank Transfers/Checks:** This is the preferred method for paying major suppliers, contractor installments, and staff salaries.
- **Double Authorization:** All bank transfers and checks require two authorized signatures (e.g., the President of the Board and the Financial Manager).
- **Payment Vouchers:** Every payment (bank or cash) must be accompanied by a sequentially numbered Payment Voucher, signed by the preparer, the approver, and the receiver of the funds.

5. CASH MANAGEMENT

Recognizing the economic realities and banking limitations within Syria, cash transactions are often necessary for field operations, daily labor, and local procurement.

- **Cash Custodian:** A designated Finance Officer is solely responsible for the physical security and disbursement of cash from the Foundation's safe.
- **Cash Limits:** The Foundation will maintain a strict maximum limit for cash held on-site, determined by the Board based on monthly operational needs.
- **Security:** Cash must be kept in a locked, fireproof safe. Access is restricted to the Cash Custodian and the Financial Manager.
- **Cash Disbursements:** Cash will only be disbursed upon the presentation of an approved Payment Voucher and supporting documentation (invoices/receipts). The recipient must sign a physical receipt acknowledging the exact amount received.

6. PETTY CASH FUND

A Petty Cash fund is established to facilitate minor, day-to-day administrative and operational expenses (e.g., local transportation, minor hospitality, small emergency supplies).

- **Fund Limit:** The petty cash float is set at a maximum of $200 or local equivalent.
- **Transaction Limit:** No single purchase from petty cash may exceed $25 or local equivalent. Larger purchases must go through the standard procurement process.
- **Replenishment:** The fund operates on an imprest system. The custodian must submit a Petty Cash Replenishment Request, accompanied by all original receipts detailing how the previous funds were spent, before new funds are issued.
- **Unannounced Counts:** The Financial Manager will conduct random, unannounced counts of the petty cash box to ensure the cash on hand plus receipts exactly matches the authorized float limit.

7. INVOICES, BILLS, AND RECEIPTS

Strict documentation is the foundation of our financial integrity. No payment will be made without proper supporting documents.

- **Valid Receipts:** All expenses must be supported by an original, dated, and itemized receipt or tax invoice. The receipt must clearly show the vendor's name, the items purchased, the quantity, and the total amount paid.
- **Missing Receipts:** In the rare event that a formal receipt cannot be obtained (e.g., paying a daily laborer in a rural area or local transport), a "Missing Receipt Declaration" form must be filled out, explaining the expense and signed by the Project Manager and the payee.
- **Translation and Coding:** All receipts must be translated into English (or the donor's required language) if originally in Arabic. The Financial Manager must code every receipt with the specific Project ID and Budget Line it belongs to.
- **Stamping:** Once entered into the accounting system, all physical invoices and receipts must be stamped "PAID" to prevent duplicate payments.

8. RECORD KEEPING AND MONTH-END CLOSING

- **Accounting Software:** All financial transactions must be recorded promptly in the Foundation's designated accounting software.
- **Bank and Cash Reconciliations:** By the 5th day of every month, the Finance Team must complete a full reconciliation of all bank accounts and physical cash counts for the preceding month. Any discrepancies must be investigated and reported immediately to the Board.
- **Document Retention:** All financial records, original receipts, procurement files, and bank statements must be securely archived (both physically and digitally) for a minimum of seven (7) years to facilitate internal and external donor audits.