POLICY & PROCEDURES MANUAL OF SAFE FOUNDATION

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PART 1: INTRODUCTION

CHAPTER 1: INTRODUCTION

SAFE Foundation is a Company incorporated and registered with the Registrar of Companies on 22 July 2011, as a Company Limited by Liabilities under Companies Act No 07 of 2007 with Registration Number of GA 2578. The Voluntary Social Service Act Registration Number is: L-158404. The Constitution of the Foundation contains the fundamental conditions upon which the foundation shall operate. Moreover, paragraph 9 of the said constitution states that the management and administration of the foundation is held by the Executive Committee (also referred to as the Board of Directors) of the foundation. Further, paragraph 9.2 of the constitution identifies powers and duties of the Executive Committee. The role and responsibility of the Board of Directors are to ensure the sustainability of the organization and set the policy direction of the foundation, modernization and development of agricultural production and the upliftment of farmers, contribute maximum to the economy through creation of new employment for youth, contributing to the Gross Domestic Product and earn foreign exchange securing rights of people while ensuring safe migration and prevent human trafficking in Sri Lanka.

Therefore, these policies are formulated to give more operational flexibility to the Board of Directors to take decisions and allowing the administration to execute the directives of the Board. The general administrative, human resource and the disciplinary procedures have been designed to support the day to day running of the foundation. In addition, the financial procedures are prepared for easy usage of the office staff of SAFE Foundation to implement decisions of SAFE Foundation in a transparent manner.

This Policy and Procedures Manual will come into force from the day when it is approved by the Board of Directors.

PART 2: GENERAL ADMINISTRATION, HUMAN RESOURCES AND DISCIPLINE

CHAPTER 2: GENERAL ADMINISTRATION

This Chapter spells out the way General Administration of SAFE Foundation (SAFE) will be undertaken. General Administration is one of the key functions which directly falls under the Executive Director of SAFE. Therefore, the Chairperson and the board of directors shall establish systems, procedures in discussion with the Executive Director (ED)/ Senior Management and define relevant policies on general administration and revise them periodically. Please see Annex 1: SAFE's organogram. ED shall delegate organizational functions and assign duties to others under him/ her, especially those functioning full time in the organization. S/he shall delegate additional duties, revise, change and add from time to time as necessary and give leadership to the team to get their fullest cooperation to achieve goals and targets of the Foundation. S/he shall create a conducive environment for smooth operations of such systems and ensure efficient delivery of services with least cost and time. Further, the systems shall ensure utilization of physical and human resources at an optimum level in implementing policy decisions taken by the Board of Directors to achieve the objectives of the foundation.

The Executive Director and in consultation with the office staff shall create an Organization Structure suitably demarcating functions among responsible officers. The organizational chart will be approved by the Chairperson and the Board of Directors. This organizational chart shall demonstrate the authority levels delegated from the Chairperson to others, and the responsibilities of each management and officers at various levels set forth for smooth operation and easy coordination. It shall also show the managerial hierarchy and line of command of the Foundation.

Next to the organizational structure, cadre needed to achieve organizational functions shall be determined by the Board of Directors in keeping with the projects to be implemented. The administration shall be responsible for effective communication system, among all levels within the organization and the community and stakeholders as necessary. The administration will also ensure all staff services, procurement management, management of utility services, implementing and monitoring of major decisions taken by the Board of Directors and mobilizing and directing all resources towards achievement of the goals, objectives and targets of SAFE Foundation.

2.1. Duty Hours of SAFE Working Hours of SAFE:

Unless otherwise decided by the Board of Directors, the office hours shall be:

- For Full-Time Office Staff - 8.30 am to 5.00 pm on weekdays
- For Part-time Office Staff - As per the employment contract

Working from Home

SAFE staff may work from home after receiving approval in advance from their supervisors. Supervisors are obliged to keep the ED updated when subordinates are working from home. Staff who are working from home should send a report on work done to their supervisors at the end of each day when working from home. Working from home will only be allowed in a pandemic or economic/ political crisis that compels the worker to work from home.

2. 2. Maintenance of Attendance Records:

All staff reporting for duty shall register their attendance in a system introduced by SAFE. SAFE currently uses a fingerprint machine to register attendance of employees. Using this employee fills the time sheets daily and at the end of the month submits for supervisor's signature. SAFE has separate system in place to record time when employees travel for official business matters.

An officer assigned to maintain attendance will administer the attendance records and at the end of the month tally them with the leave register and the timesheets.

2. 3. Late Attendance

Any late attendance is allowed maximum up to thirty (30) minutes per day subject to cover up the delay by working after office and in the event of exceeding 30 minutes, the employee shall apply for short leave or half a day's leave depending on the case. This concession can be granted in respect of office staff only.

If short leave or half day leave is not applied by the employee, the late attendance will be converted to a half a day no pay leave and the employee shall be informed accordingly.

2.4. Leave Entitlement

The entitlement of leave for SAFE Foundation employees is as follows in keeping with the Shop and Office Act of Sri Lanka applicable to civil society organizations:

All permanent employees are entitled for following leave in a calendar year as per the practice of SAFE Foundation:

- Casual -7 days
- Annual -14 days
- Medical-7 days

Lieu Leave
Employees who are not entitled for overtime, are alternatively entitled for a paid holiday in lieu of working over a weekend/holiday. Lieu leave earned shall be utilized within a period of thirty (30) days.

2.5. Leave entitlement during the first year of employment

Casual Leave

During the first-year casual leave shall be at the rate of one day per two months of continuous service of respective employee.

Annual Leave

During the first year, the employee shall be entitled and accrued at the rate of 1.167 days per month for annual leave.

Medical/Sick Leave

During the first-year sick leave shall be at the rate of one day every two months (half a day a month) of continuous service of respective employee.

2.6. Basic procedure for leave application

Leave is granted to any employee subjected to the exigencies of service. All employees and the officers shall work and earn their entitled leave. Leave applied by an employee can be rejected or reduced by SAFE on valid reasons. Leave already approved in advance can be cancelled and the employee can be re-called by SAFE if such employee's service becomes necessary. Leave shall be applied in a form prescribed by the management.

Every employee who wants to obtain annual leave shall submit his/ her application at least one week before the date from when the leave is to be commenced. No employee shall abstain from duty without

approved leave or without informing his supervising officer of his/ her absence, with acceptable valid reasons. The employee, before leaving the station shall ensure that her/ his leave is approved.

No employee shall abstain from duties without obtaining leave. Any employee who has not obtained leave in advance, but encountered an urgent matter, shall inform the organization of his/ her absence with reasons. S/he shall submit the leave application immediately upon reporting for duty.

All employees shall ensure that suitable working arrangements are put in place when applying for leave.

Those who are absent from duties for more than two days without approved leave or not informing SAFE of their absence, will be sent the Notices of Vacation of Post under registered mail to their private addresses and/or via an email.

If there is no response from such the employee within one week of sending the Notice of Vacation of Post, SAFE shall confirm his/her vacation of post from the date s/he is absents from duties.

Casual Leave

Casual leave is meant for an employee to attend personal matters of short duration. Therefore, only two consecutive days leave at a time is allowed. Casual leave cannot be followed with Annual leave.

Medical Leave

Medical leave can be obtained only for two days without a medical certificate. Period exceeding two days up to seven (7) days shall be supported by a valid medical certificate obtained from a registered medical practitioner. Medical leave exceeding seven (7) days, shall be supported by further medical certificates from a government medical practitioner.

Annual Leave

Prior approval is required to obtain Annual Leave. Annual Leave is not granted for more than seven (7) consecutive days. The work supervisor shall grant annual leave to employees under their purview and ensure another staff member will cover the work.

The lapsed annual leave can be obtained in future years on application for special reasons, when his/her annual leave for the year is over. Approval of the Executive Director shall be obtained in granting such leave. Remaining annual leave cannot be brought forward. Therefore, employees are encouraged to take their annual leave before the end of the calendar year.

Half day's leave

Those who attend the work at 8.00 a.m. shall work 4 hours and 30 minutes and those who attend the office at 8.30 shall work 4 hours to get a half a day's leave. Those who obtain half a day's leave to cover late attendance shall work above number of hours on such days. Half day leave will not be granted on Saturdays for employees those who cover five hours on such days.

Short Leave

Every employee has a privilege to obtain two short leaves per month, each not exceeding 1 ½ hrs. Short leave is a privilege granted and not an entitlement and the management reserve the right to suspend or cancel this privilege depending on the exigencies of service.

Short leave could be obtained before commencement of the day's work or at the end of the day.

There shall be a short leave register, reserved one page for each employee which records the month, date, time from and the time to short leave is required and approval of the immediate superior. This provision is available for the employees to attend their urgent personal matters of short duration.

In the event the period used by the employee exceeds the allowable period of 1 ½ hours, the employee shall apply for half a day's or one day's leave as necessary to set-off against the period s/he was out of his/ her duties. If this is not done, half a day's or one full day's leave or no pay leave shall be granted to cover up the period that the employee was away from duties.

Maternity Leave

Pregnant women workers of SAFE shall be granted maternity leave for their confinement. The pregnant women worker, prior to her confinement shall give notice to SAFE that she expects to be confined within a month from the date of such notice. The notice shall be in writing and under her signature. However, those who cannot give a written notice shall inform SAFE about her being on maternity leave. When such notice is received, SAFE shall grant maternity leave under following conditions:

- The pregnant employee shall be granted maternity leave prior to fourteen (14) days of her confinement.
- The women employees shall be granted a total of eighty-four (84) working days maternity leave for their confinements of live births. These eighty-four days include the fourteen days maternity leave granted prior to confinement.
- In the event that there is no birth of a live child, such women workers shall be granted only 28 days maternity leave.
- The woman employee who has given birth to the child shall within one week of her confinement shall give notice to SAFE the date of her confinement. She shall further intimate to SAFE the number of children she has on such date on which she was confined.
- Such woman employee shall submit a certificate from the medical officer who attended the confinement.
- Period of Maternity Leave excludes Sundays and all other Holidays.
- Maternity benefits shall be paid to such women employees as prescribed by the Government.

Accident Leave & Special medical leave

Accident leave shall be granted if an employee is met with an accident while on duty or on his way to or way back from duty without his/her fault and consequently he is unable to report for duty for more than three days.

Accident Leave up to a period of one month shall be granted by the Admin/Finance Manager on production of a Medical Certificate obtained from a government or registered private medical officer.

Accident Leave for a period exceeding one month but not exceeding two months shall be granted by the ED.

Duty Leave

Duty Leave shall be granted for officers who attend official works, meetings, conferences, workshops and other official matters on the approval or requests of the management. Full period of such work shall be considered as Duty Leave.

Special Leave

Employees of all categories in SAFE shall be granted special leave as necessary to undertake their civic duty through voting in elections conducted by the government, as per the instructions in the circulars issued by relevant government authority in respect of such election.

2.7. Payment of Overtime, Weekend Works and Public Holydays

Overtime

SAFE staff are not entitled to receive overtime payments. However, if management decides, clerical staff and driver may receive overtime.

SAFE staff can compensate for the work done on holidays and in weekdays by apply lieu leave. Prescribed forms to be used for this purpose.

2.8. Extra Payments

No extra payment shall be made to any employee/worker without obtaining specific approval from the Management.

2.9. Handling of Inward and Outward Letters

Inward Mail

The daily mail shall be received by the office from the Post Office. There shall be an Admin Officer who shall be assigned the work of handling post mails. This officer shall be responsible for handling Inward and Outward Letters of SAFE.

S/he shall maintain a Register where all letters come into the office daily by post or hand delivery, opened and registered in a book called 'Inward Letter Register'. In the case of registered letters, Registered Number and the name of the post office shall be entered in a suitable column of the register. All letters which are not quotations, personnel mail, or marked confidential received to SAFE shall be opened by him/her and date stamped in a suitable place at the top of each letter. The Admin Officer shall immediately send all letters and the Inward Register to the relevant persons.

Letters sent under 'Confidential Covers' shall not be opened by him/her. Such letters shall be sent to the addressee or to the ED.

Letters addressed to personal names of officers shall be sent to respective officers without opening.

Letters mentioned 'Quotation' shall not be opened by him/her and should be sent to procurement officer or Chairperson of Procurement Committee.

Outward Letters

All official letters and documents of the day shall be signed by respective officers shall be put into envelopes, properly pasted, address is correctly written and send to the Admin Officer to dispatch. In the case of Registered Letters, the words 'Registered Post' and in respect of Hand Delivery letters the words 'By Hand' shall be written in the left-hand upper corner of the envelope. All such letters shall be sent to the Admin Officer.

The Admin Officer shall enter all 'Hand Delivery Letters' in Delivery Books and send them to respective places. The Admin Officer shall check whether all letters have been promptly delivered to respective addressees once the letters are delivered.

In the case of Registered Letters, the Admin Officer shall prepare a 'Registered Letter Schedule' in the forms obtained from the Post Office.

Adequate stamps or Stamp Machine Prints to meet necessary stamp fees shall be affixed on right hand upper corner of envelopes. Thereafter, all letters shall be sent to the Post Office. The Admin Officer shall check whether all letters are posted. A copy of the Schedule of Registered Letters stamped by the Post Office shall be filed for reference.

2.10. Channels of Communication

The Chairman shall correspond with other Directors of SAFE.

Executive Director shall correspond with the Government Agencies, Statutory Bodies, foreign agencies, and the Donors when and where necessary.

All correspondence with the Auditor shall be done by the ED.

All internal correspondence of financial and accounting related matters, submission of monthly reports and returns shall be done by the officer responsible for Accounting and Finance. Submission of financial statements and reports to the Board of Directors shall be signed by that officer and counter signed by the Executive Director.

Correspondence on development, operational, marketing, and industrial dispute matters can be done by the ED.

All officers at subordinate and other grades shall communicate with other officials of SAFE only through their supervising Officers. However, this line of report may not be applicable for complaint mechanisms and for a person who acts as a whistle blower.

All correspondence, submissions, requests, grievances, appeals to the ED or the Board of Directors from any employee of SAFE shall be channelled through respective supervising officers.
All contracts with other parties shall be signed by the ED or an officer specially authorized by the Board of Directors for the purpose.

2.11. Official E-mail:

Official e-mail shall be opened by a responsible officer who is conversant with IT skills.

CHAPTER 3: HUMAN RESOURCE MANAGEMENT

3.1. Organizing for Administration

The Head Office of SAFE shall be the centrifugal nerve centre of SAFE Foundation. Among other activities it shall procure most important human resources with appropriate talents in suitable numbers at suitable occasions and deploy in required places, create as far as possible an ununionized working environment, strengthen employee-employer relationship, compliance with legislative enactments and rules relating to labour and employment, setting compensation packages in suitable occasions, train the employees when necessary and ensure career progression, manage talents within the organization, motivate for better performance and formulate exit planning schemes for its employees. In order to accomplish these imperatives, the following procedures shall be made applicable in Human Resource Management of SAFE.

SAFE Foundation follows an equal opportunity and gender equality policy within the organisation. Seen Annex 2. The organisation also adheres to a Child Protection policy – Annex 3.

3.2. Human Resource Planning

Human resource requirements of SAFE shall be planned annually, taking into consideration of the targets of the Corporate Plan, new development projects coming up, donor agencies initiatives and Foundation contribution in them. Where necessary the possibility of re-distribution and re-deployment of existing cadre within the projects that may come up etc. Having taken stock of all these aspects, cadre structure shall be reconstituted in keeping with organizational objectives and plans.

The approved Corporate Plans shall be embodied new projects and programs which shall be undertaken in each year with details of cadre requirements. Comprehensive job evaluation and cadre assessment shall be carried out each year. Thereafter, the cadre shall be re-scheduled as suitable for work plans of the next year. Cadre scheduling shall be critically examined and approved by the Board of Directors. If additional cadre is required, the Board shall take suitable decisions and the ED shall take suitable action. Where there are excess employees, the ED shall take immediate action to deploy them in more productive manner.

3.3. Recruitment and Promotion

Human Resource is the most important asset of SAFE in executing its main activities. Success of SAFE mainly depends on the degree of efficiency in manpower management. Deployment of employees with required skills to perform respective jobs will be essential to maximize productivity and to reach goals and objectives of the Foundation. Further, to maximize efficiency in the organization and effective delivery of services, full potentials of most important human resources shall be utilized. Motivation of employees and delegation of authority would pave way for them to perform their duties efficiently, timely and satisfactorily. SAFE shall motivate its employees through suitable compensation packages, benefits, profit sharing schemes, commercialization of innovative products and sufficient rewards for innovations based on the suitable schemes designed and implemented from time to time.

The ED shall have the Powers of Appointment and disciplinary control over officers and the staff of SAFE. All such appointments shall be made within the cadre approved by the Board of Directors, SAFE. The ED shall prepare the list of positions together with required qualifications etc. Staff already within the organisation may be considered for promotion/ recruitment for each category as well. The following information is required at the outset of the recruitment process:

a. Name of the post
b. Officer's/Employee's Level in the Foundation
c. Duties of the post

d. Salary scale, Grades and the number of grade wise cadre positions
e. Career Progression Schemes
f. Qualifications and Method of Recruitment.
g. Methods of Promotion
h. Mode of selection

The Board of Directors and ED in filling of vacancies shall follow the mode of selection. In filling of vacancies internally, such vacancies shall be advertised among eligible employees, by circulating the advertisement well in time, and a copy of the advertisement shall be displayed in the staff notice board. A minimum of ten days' notice shall be given from the date of the notice and to the date of close of applications.

When employing people to perform special tasks, the appointments shall be on contract, temporary or assignment basis. Contract Agreement as necessary shall be signed with the employee.

The Executive Director with the Board of Directors from time to time shall identify the cadre requirement and do necessary adjustments with appropriate consultations.

3.4. Method of Selection

For all recruitments and promotions SAFE must use the guidelines given in this manual. The process to be followed is:

i) **Written selection tests:** The test papers shall be prepared by a panel or position's supervisor, appointed by the ED.

ii) **Face to face interviews:** SAFE will carry out face-to-face interview or virtual interviews depending on the circumstances with the applicant. SAFE shall have a prescribed evaluation form to be filled during or after the interview. The composition of interview panel:

- ED of SAFE
- A Member of the Board of Directors or any other staff appointed by ED or Board.
- If needed, representative from external organisation or organization who has subject knowledge relevant to the job or vacancies.

Written test results and evaluation scores at the interview shall form the basis in selecting the candidate.

Internal Candidate

When there is a vacant position and an internal candidate is available for the position, SAFE shall give priority to the internal candidate as long as the candidate's qualification and experience matches the position's requirements. Since these internal candidates have been recruited to SAFE via an interview process, SAFE will not interview the candidates again for the vacant position.

Volunteers

SAFE shall recruit volunteers as and when needed. SAFE determines that there is no need to formalize a process of recruiting volunteers as these are very temporary positions. However, SAFE will issue a contract for to the volunteers.

Negotiation with job candidate

Once the candidate is selected, SAFE shall have negotiation on salary and other terms. Candidate's educational qualifications, relevant experience, previous salary details, current market salary, SAFE's salary structure will play a role in deciding the salary of the potential candidate.

Reference Checks

SAFE shall request a minimum of two references about the job candidate once s/he is selected. Further, if required, SAFE should talk or write to the educational institutes to verify the candidate's educational qualifications that are crucial for the job.

Other Checks

SAFE may request police reports, safety reports or any other health tests as required for the job from the selected job candidate. The cost for health test reports will be reimbursed to the employee once he/she is onboarded.

Further, SAFE shall run checks in the following websites on the selected job candidate.

https://sam.gov/SAM/
http://sdnsearch.ofac.treas.gov
Consolidated List | United Nations Security Council

3.5. Letter of Appointment

i) The appointment letter shall clearly show whether the appointment is on contract basis or any other basis as decided by the ED and /or Board of Directors, terms and conditions of the appointment, date of appointment and required probation/acting period.

ii) The letter shall indicate the salary scale, the placement salary point, EPF & ETF contributions, and leave entitlements.

iii) The appointment letter shall be with the job description of the employee.

iv) The termination clause and the notice required by either party to terminate the service and other terms and conditions and the retirement age.

v) If any security, such as deposit of money or other form of guarantee is required, all such details.

vi) Basic clauses covering the employee's behaviour, discipline, confidentiality of information of the organisation, reserved rights to transfer and assigning of duties in par with the post should be stated.

vii) The employee shall be required to accept the appointment agreeing to work in accordance with all terms and conditions stipulated in the appointment letter.

ix) There shall be a clause to say that the employee shall inform immediately any change of his permanent address to SAFE.

x) The provisions of Collective Agreement shall be enforced in respect of employees covered under that agreement.

Probation period

i) All new recruitments shall be subjected to three months' probation period with the possibility of a further three months' extension – not exceeding six months.
ii) All instructions regarding violation of Disciplinary Rules shall be informed in advance in writing to the employee. Violation of disciplinary Rules may lead to extension of the probation period or cancellation of probationary appointment.

iii) All internal promotions shall be subjected to an acting period of one year.

Confirmation of Appointment

Confirmation letters shall be issued after satisfactory completion of the probation/acting period. Date of confirmation shall be effective from the date of the first appointment to the post.

3.6. Orientation Training and Career Progressions

i) All new recruits shall be given suitable orientation. The nature of the orientation and the duration shall be decided by the Executive Director in consultation with the respective supervising officer.

ii) In addition to others, new recruits shall know rules and regulation to be followed by them, rights, privileges, benefits, duties, responsibilities and behaviour in workplace etc.

iii) New recruits will be given relevant certifications, manuals and copies of policies in order for him/her to peruse. Employee shall sign off on a document provided by SAFE Foundation once s/he has read such manuals and policies.

3.7. Training and Capacity Building

There shall be ongoing system to identify the training needs of each employee to develop their talents, skills and knowledge. Employee shall feel free to request any trainings that he/she needs time to time. Further, at the performance appraisal stage too the employee may state such needs. A Training Budget shall be prepared, and sufficient funds shall be allocated for training and development as per fund availability.

3.8. Personal Files

There shall be a separate personal file for every employee of SAFE. The employees can inspect their own personal file on requests when there are valid reasons to do so. In such instances, the employees can make requests from the Admin/Finance Manager, and the files can be inspected in the presence of him only. However, Manager in charge of maintaining personal file may remove any information that are confidential from the file before inspection of the employee.

The Personal File shall contain the following:
(a) Appointment letter
(b) Copies of the educational, professional/vocational certificates, birth certificate, service and other relevant certificates etc. The copies should be certified by a staff officer after checking with the original. Educational, professional and service certificates shall be confirmed from the respective institutions.
(c) Photograph of the employee, photocopies of National Identity Card or any other Identity acceptable to SAFE, checked and certified by a staff officer.
(d) EPF/ETF ‘B’ card duly filled and other subsequent correspondence regarding

EPF/ETF

(e) Any other documents, certificates deemed necessary by the Board of Directors.
(f) Increment granting letters, change of salary scales, salary revisions and conversions,
(g) Letters of appreciation, commendations, copies of awarding letters
(h) Decisions of the formal disciplinary actions taken against the employee.
(i) Any other letter or copy deemed necessary to go into file in the opinion of the administration.

All personal files shall be kept under lock and key and access to the files shall only be available to the Admin Officer assigned to maintain the personal files. All documents in the personal file shall be serially numbered and filed in the chronological order. If the personal file is taken out for some reason, the officer in charge should check whether the file is in order before placing back in the filing cabinet.

3.9. Performance Appraisal

A key element of career progression of an employee is annual performance review. The purpose of this review is:

- To provide an employee feedback on his job performance during the past year
- To provide guidance to an employee on the areas where he needs to be improved his/her performance
- To identify training and development needs;
- To set goals and objectives for the forthcoming year;
- To provide a documented record of an annual performance review for use in administrative decisions;
- To provide incentives and special benefits.

SAFE shall send the performance appraisal form of the employee to the relevant supervising officer if any, at least one month before the due date of annual increment.
The details required, such as unauthorized leave, no pay and half pay leave etc. shall be perfected before sending the form to the relevant employee. Performance appraisal of each employee shall be carried out by a senior officer for observations and directions.

The original of the appraisal form completed should be sent to back for filing in the personal file of the employee. A copy of the same to be sent to respective employee to go through and correct his mistakes, if any. The performance appraisal should be a confidential document and should not be made available to others.

3.10. Granting Annual Salary Increments

Getting annual salary increment is not a right of any employee of SAFE. SAFE employees may earn his/her annual salary increment if funding is available and authorized by donor by serving a period of one year for the best interest of SAFE, showing a record of good attendance and establishing good rapport with co-workers and the superior staff and showing better performance than the previous year. Salary increments will not be granted in respect of employees who have not fulfilled these requirements and those who violate SAFE rules. These matters will be dealt with in accordance with the approved disciplinary procedures.

The Executive Director has the authority to suspend, stop or defer the increments for no pay leave, late attendance as per the disciplinary procedure of SAFE. Executive Director shall inform respective employee when increment is suspended, stopped or deferred on a disciplinary order given by the Board of Directors or due to lack of availability of funds.

When increments are granted that shall be informed to the Finance Division by the Admin Officer. The Admin/Finance Manager shall check and authorize to add the increment to the salary point from the date of increment.

3.11. Statutory Benefits

There shall be a clause of EPF contribution in every letter of appointment issued by SAFE to every category of employee. SAFE shall deduct 8% from employees salary and contribute 12% as SAFE's contribution to EPF.

SAFE shall provide 3% as SAFE contribution to ETF.

Remittance of EPF

Monthly contributions to EPF shall be remitted to the Employee's Provident Fund before the last day of the following month. The employer is legally bound to recover the employee contribution from the respective employee's monthly total earnings. If the employer fails to recover the employee's contributions, it shall be borne by the employer.

Surcharges for non-remittance on due dates.

Surcharges will be imposed for non-remittance of EPF contributions on due dates. Following matters will not be accepted by the authorities of Employee's Provident Fund as reasons for non-remittance of EPF in time:

- Delay caused due to the work of new or untrained staff or lack of staff to attend to EPF.
- Absent or long leave of the officer concerned.
- Liquidity problem of Bank Account.
- Delay of getting required information
- Occurrence of statutory holidays.
- Normal correspondence delay of one or two days.

The officer responsible is liable to pay for surcharges levied on non-remittance of EPF in time.

Procedure for initiating new EPF contribution

i. Obtaining of EPF Registration Number

Within 14 days from the date of assumed duties of an employee, the employer has to complete the EPF "A", "B" and "H" forms and submit the same to the Commissioner of Labour. This is the same procedure for an employee contributing to EPF for the first time.

No sooner this information is received, a registered number will be allocated by the Commissioner of Labour to the said organization (To identify the Administrative District in which the organization is established, the first letter of the name of the District will be given at the end of the registration number.

ii. Allocation of a Registration Numbers to individual Employees

After receipt of Registration Number from the Commissioner of Labour, SAFE shall allocate EPF numbers to individual employees. They shall be allocated individual numbers according to serial order.

The EPF number allocated to individuals are personal to them. Any EPF Number allocated to one employee shall not be re-allocated to any other employee. In the case of new employees, numbers shall be allocated starting from the number immediately after the last number already allocated.

In respect of employees who have previously employed in another organisation and joined SAFE, a new EPF number from the present workplace shall be allocated. The EPF number used in the previous organisation shall not be used under SAFE.

iii. Combining of EPF Accounts

When an employee who has a previously allocated EPF number is appointed to a post of SAFE and consequently a new EPF number is allocated, it is necessary to combine two EPF accounts belong to him/her. This combination can be done submitting a perfected Form "G" and EPF "B" cards to the Assistant Commissioner of Labour of Anuradhapura.

iv. Correcting of EPF number

If there is difference between EPF number of an employee with the number shown in the EPF "C" return, the above error shall be corrected by:

- Requesting the Assistant Commissioner of Labour, Anuradhapura giving details of errors and indicating the way how it shall be corrected.
- Informing the Superintendent Employee's Provident Fund the nature of error and the way how it shall be corrected.

v. EPF "C" Returns

EPF "C" Returns shall be completed by the employer and monthly total shown there in shall be remitted to the Superintendent, Employees Provident Fund, Central Bank of Sri Lanka, Colombo, with a copy to the Assistant Commissioner of Labour, Anuradhapura, along with the Form "C". A copy of the EPF "C" return shall be kept with the employer.

vii Disbursement of EPF proceeds among the dependents upon the demise of an employee

On such occasions, reference shall be given to the particulars given in Form "H".

- Employee can nominate one or more dependents as beneficiaries.
- In the event nominating more than one beneficiary, employee has a right to state the manner in which the benefits to be distributed among the dependents, e.g. whether equally or different proportions etc.
- If the employee needs to change any nominee, such changes shall be done through submission of Form "I".
- In the events of proposing new nominees, Form "J" shall be used.

vii. Withdrawing from EPF contribution scheme:

An employee can withdraw him/herself from the EPF scheme in following occasions:

- At his/her retirement in reaching the retirement age.
- Female employees resigned from employment after their marriage, withdrawals can be done as per provisions of the Act.
- When an employee become disable for work
- Permanent migration to other countries
- Appointment to government pensionable posts.

Employees Trust Fund

In terms of the Employees Trust Fund Act No 46 of 1980 amended by the Act No 3 of 1982, all SAFE employees in the service, including trainees, casual, temporary, daily paid and employees working under contractual terms are covered under Employees Trust Fund (ETF). SAFE, as the employer shall contribute 3% of the total monthly earning of every employee to this fund.

Remittance for a particular month shall be made before end of the following month. Failure to remit will result imposition of surcharge from 5%-50% on contribution.

Monthly remittance shall be made through the bank.

There shall be a clause in every letter of appointment issued by SAFE about ETF entitlement to every employee.

Time at which ETF benefits are paid:

- Terminates or resigns from the service
- Completes his retirement age

- Going abroad for permanent residence
- Takes up a pensionable appointment
- Becomes disable (to be proved by Government Medical Officers)

S/he will be paid the sum outstanding to his credit.

On the death of an employee the sum outstanding to his credit can be paid to

- His nominee
- If there is no nominee to his executor
- If no nominee or executor his legal heirs

Beneficiaries of ETF shall submit their applications to the ETF Board to get ETF benefits.

3.12. Resignation and Termination of services

SAFE reserves the right to terminate the services of any employee by giving one-months' notice or payment of one-months' salary in lieu thereof. Similarly, all employees of SAFE also have the right to resign from the service giving one month notice or payment of one months' salary to SAFE.

Such employee shall submit his letter of resignation to the Executive Director, through his supervising officer. If the resignation is accepted by the ED, the employee shall be informed that his resignation is accepted and any subsequent application to withdraw the same will not be considered thereafter. An acknowledgement to the effect that he has been informed the above terms should be obtained from him in writing and filed.

If SAFE is not satisfied with the performance of the employee who is on probation, the ED together with Board of Directors can terminate his appointment through an inquiry procedure. However, SAFE may extend the probation for another period of 3 months. After such extension if employee fails to perform to the satisfaction of management, he/she shall be terminated from employment.

Any employee handing over resignation letter should hand over all properties belonged to SAFE, settle all dues and obtain clearance to accept the resignation. Official duties, correspondence and official email shall be blocked with immediate effect from the date of termination of service.

If an employee has completed five (05) years of service or over consecutively, the gratuity provisions provided in the regulations should apply.

3.13. Retirement

- The age of retirement of employees of SAFE is 60 years of age.
- All dues to SAFE from the retiring employee shall be recovered prior to issuing the retirement letter.
- Official duties, correspondence and official email of the retiring employee shall be blocked with effect from the date of retirement.

CHAPTER 4: DISCIPLINE

The authority for disciplinary management of every employee of SAFE Foundation is fully vested in the Board of Directors. Every employee appointed by SAFE through issuing letters of appointments shall agree to comply with the procedures reflected in this manual. Violating any of these rules will be punishable offences.

4.1. General Conduct and Discipline of Employees

All employees serving in SAFE Foundation, under any capacity or any condition of service shall give their fullest support, cooperation and allegiance to the Board of Directors and the Management at all times, while on duty or otherwise. All employees of SAFE are required to discharge their duties diligently, efficiently and with faith to SAFE and their superior officers.

All employees of SAFE shall familiarize themselves, observe, follow and act according to the policies manuals, instructions and procedures of SAFE; both verbal and written instructions and directives of the Board of Director, Executive Director and Management team discharging duties from time to time.

All employees shall every time act and behave in a manner which shall be fitting to an employee of SAFE. No employee shall commit an act or behave in the manner that it would bring him/her and SAFE as well into disrepute.

All employees of SAFE shall be courteous to the people who visit SAFE offices. The employees shall always be polite and their matters must be attended promptly.

No employee shall use machineries, equipment or any other properties belong to SAFE for private purposes or the use office time, equipment, machinery, vehicles or any other property for personal use without proper authorization.

All employees of SAFE shall maintain utmost secrecy at all times with regard to documents, information or any other matter pertaining to or connected to the work, inventions, productions or new findings of SAFE.

Breach of any or more of the rules by any officer or employee shall be a punishable offence.

4.2. Consumption of Liquor

Employees of SAFE shall not consume alcoholic liquor while on duty or otherwise in any of SAFE premises. Drunkenness or the smelling of liquor is treated as a violation and is a serious punishable offence.

Immediate disciplinary action shall be initiated against persons found consuming liquor. When an employee is found drunkenness, or smelling of liquor, s/he shall be examined by two officers of staff level. Evidence of such staff officers will be sufficient to establish that the employee has consumed liquor. Or such employees can be produced to the nearest Government Medical Officer and call for reports on drunkenness.

When an employee is found guilty of consumption of liquor, s/he shall be dismissed from SAFE service. However, an employee who found guilty of consumption of liquor for the first time, disciplinary authority may impose any other major punishment referred to in 4.5 below.

Any employee found guilty of the offence for the second time shall be dismissed from SAFE service without further inquiries.

4.3. Consumption of Narcotic Drugs

Employees of SAFE shall not consume any kind of narcotic drug while on duty or otherwise in the office premises.

Any employee who suspected for consumed any kind of narcotic drugs shall be produced before a Government Medical Officer for examination and report. In the event that the Medical Officer's report confirms that the employee has consumed Narcotic Drugs, the employee shall be dismissed from the service of SAFE.

4.4. Other Major Offences

The following offences are considered major offences, proving any of which is cause for dismissal of a person from service:

- Act or cause to act in such manner as to bring SAFE Foundation or its Chairman, Board Members or other staff members into disrepute.
- Accepting or encouraging for bribes or engage in corrupt practices.
- Misappropriation of funds or cause another person to misappropriate the funds, money or any other property whatsoever belong to SAFE.
- Act in such manner as to bring services of SAFE into disrepute.
- Carrying out a business or an occupation which is in competition with the services of SAFE and which causes a conflict of interest, either by an employee/officer of SAFE or his /her spouse.
- Unauthorized transmittal of documents, information, electronic data to outside parties.
- Breach of confidentiality.
- Theft or dishonesty in relation to the properties belongs to SAFE.
- Habitual breach of policies, administrative and financial rules, regulations, instructions and warnings of supervising officers.
- Negligence resulting in loss or damage to SAFE and its movable or immovable properties.
- Acting in collusion with clients or service recipients or customers or Agents of SAFE, resulting loss or detrimental to SAFE.
- Insubordination to superior officers/supervisory officers.
- Refuse to carry out orders given by senior officers of SAFE.
- Sabotage or wilful damage to properties of SAFE.
- Riotous or disorderly behaviour in SAFE premises.
- Conviction in a court of law for a criminal offence or any other statutory authority.
- Conduct or act in such manner as to any officer of SAFE in the discharge of his duties, or insult or threaten to cause bodily harm to him.
- Misuse of authority, power or official position for personal gains.
- Submission of false or forged documents and certificates to SAFE.
- Harassments (sexual or otherwise) to co-workers of SAFE.
- Habitual late attendance.
- Refusal to perform extra work when their services are necessary.

Seen Annex 4 for Workplace Harassment Prevention Policy

4.5. Minor Offences

Following are considered minor offences of SAFE. Proving of any of them shall be a punishable offence, but not to the extent to dismissal from the service.

- Unpunctuality
- Discourtesy to clients, service recipients, agents, visitors and the public who visit SAFE office.
- Failure to observe required safety precautions of SAFE.
- Failure to perform duties in time.
- Failure to maintain records, books, registers and other official documents in the proper order.
- Other offences not specifically indicated but caused due to inefficiency, carelessness, incompetence, negligence, inadvertence or indiscipline of any individual.

4.6. Powers of Dismissal and Disciplinary Control

The powers to dismiss and the disciplinary control of employees are vested in the Board of Directors in respect of all officers and employees appointed to the service of SAFE. The Board of Directors shall

directly exercise the power of disciplinary control of all officers and employees. The Board of Directors at its discretion may delegate the powers of disciplinary control to other officers as they think so.

4.7. Punishments

There are two categories of punishments impose by SAFE
a Major Punishments
b Minor Punishments

Major Punishments

Major punishments shown below shall be imposed to those who found guilty for a major offence or number of major offences categorized under paragraph 5.5 above.

- Dismissal
- Termination of Service of an employee serving under probation.
- Retirement on general inefficiency
- Compulsory retirement as a merciful alternative for dismissal.
- Rejection of granting extension of service beyond the age of optional retirement.
- Reduction of salary by the value of a number of increments
- Demotion
- Deferment of increment for specific period

Minor Punishments

Minor punishments are imposed to those who found guilty for offences categorized under paragraph 4.5 above.

- Reprimand
- Severe reprimand
- Suspension of increment for a period not exceeding one year
- Stoppage of increment for a period not exceeding one year.
- Transfer on disciplinary ground to other work station without reimbursement of at his traveling expenses.
- Imposing a fine not exceeding one week's salary.

4.8. Disciplinary Control of Employees of SAFE

Officers and employees of all levels of SAFE shall strictly follow and adhere to the disciplinary regulations made in this chapter.

All officers shall ensure that the employees serving under them are properly following these disciplinary regulations.

All officers at every time administer and supervise the workers/employees working under them in such a manner that there will be no room for indiscipline behaviour. If an employee inadvertently committed an offence for the first time, the Officer senior to him/her may intervene in the matter and settle the matter without proceeding for disciplinary action. The senior officer has the right to warn him/her without resorting to disciplinary action. Such warnings shall not be treated as disciplinary action.

If the employee is found repeating the same mistake, the matter may be reported to the Executive Director, and in turn s/he can severely warn him/her. However, the employee who has not shown progress and repeating the same mistake, the respective officers shall take steps for disciplinary action.

When an employee has committed a punishable offence, his/her immediate supervisor shall report the matter to the Admin/Finance Manager When a complaint against an employee is received and if the alleged offence is not so serious to the extent to conduct a formal inquiry, the disciplinary authority shall inform the accused employee in writing the act of misconduct committed by him/her and requires him/her to show cause, if any, within a reasonable period of time, as to why s/he should not be punished for such misconduct. The said letter shall include a clause that if the accused employee fails to submit her/his explanations within the stipulated period, action will be taken, presuming that the employee has no explanation to submit.

If the explanations submitted by the employee is not sufficient to acquit his/her from the charges or if the employee has not submitted any explanation within the stipulated time, the disciplinary authority having taken into consideration the nature of the office, may impose a punishment listed under 4.8. Minor Punishments.

The employee who is punished under 4.8. Minor Punishments above has the right to submit an appeal to the Board of Directors. The Board of Directors having considered the appeal may take a decision at its discretion, which will be final.

4.9. Conduct of a Formal Disciplinary Inquiry

When a report on misconduct of an employee or an officer of SAFE is received, the appropriate disciplinary authority having considered the nature and the extent of the offence or the offences, shall conduct a preliminary investigation by an outside organisation, or a team of officers appointed by the Board of Directors. The Team of Officers appointed for the purpose shall investigate into the matter in full, meet relevant parties and record all evidence available, take statements from the relevant officers, collect all books, records, files, and all other documents connected to the matter. The team appointed for this purpose having carried out a preliminary investigation into the matter shall submit their report, together with the statements recoded from relevant parties, documents etc. their observations and recommendations to the Disciplinary Authority. The Team of Officers may draft and submit the Charge Sheet to be issued to the accused employee if there are sufficient reasons to conduct a formal disciplinary inquiry.

The Disciplinary Authority having carefully examined the Preliminary Investigation Report, may follow the procedure set out (Summary Disciplinary Procedure) in 5.8 above; if they feel that there are no reasons to conduct a formal inquiry.

However, if the Disciplinary Authority finds that there are serious allegations of misconduct with substantial evidence to prove, then s/he shall take steps to hold a Formal Disciplinary Inquiry.

If the Disciplinary Authority feels that the employee/officer has committed an offence listed under paragraphs 4.2, 4.3, 4.4 and 4.5, to the extent that the accused employee/officer should be imposed a ‘Major Punishment’ the relevant authorities may forthwith interdict the accused; or decide on any other suitable form of punishment. The same authority shall determine whether the accused shall be paid a half pay or place him/her on no pay during the period under interdiction.

The Disciplinary Authority shall issue a Charge Sheet to the Accused Officer/employee, explaining the charges against him/her, and asking him/her to submit reasons for not dismissing him/her from the service of SAFE or not impose any other punishment within a given period, giving the list of witnesses who are expected to be summoned for giving evidence, records and other documents that will be used to establish the charges etc.

If the accused officer/employee fails or wilfully neglects to furnish his/her answers to the Disciplinary Authority within the stipulated time, the disciplinary authority may at his/her discretion make a suitable disciplinary order or take some other course of action deems fit, presuming that the accused officer/employee has no reasons to submit as he/her admitted guilty for all of the charges. If the accused

has submitted explanations, the disciplinary authority can carefully consider the same and he may take suitable action.

The Disciplinary Authority considering the nature and the magnitude of charges, may appoint a suitable officer or a team of suitable officers, from SAFE or from the panel of such officers registered in SAFE or from an outside organization who could conduct a formal disciplinary inquiry and entrust him/them to conduct the inquiry and submit a report.

The Disciplinary Authority at the same time may appoint a senior and competent person who shall present the case for the prosecution at the formal disciplinary inquiry.

In the same manner the accused officer/employee also shall be given an opportunity to choose a suitable person to appear on behalf of him with prior written concurrence of the Disciplinary Authority.

The Inquiring Officer or the Team of Inquiring Officers shall impartially inquire into the matter, allowing both parties to lead their evidence, presenting and examining all listed documents, cross examining and re-examining the witnesses.

After the inquiry is over, a full report on the matter to be submitted to the authority who appointed them. The disciplinary authority who examines the report may acquit the accused if he has not found guilty for any of the offences.

However, if the accused has found guilty for one or more of the Charges, the disciplinary authority shall give a suitable disciplinary order and inform to the accused party.

The accused officer has a right to submit an appeal to the Board of Directors if he is not satisfied with the disciplinary order given to him.

In such occasions the Board of Directors may appoint a suitable person or a team to re-examine the matter in detail and submit a further report to the Board. The Board of Directors having studied the report may take suitable cause of action in that regard and the Decisions of the Board shall be final and conclusive.

PART 3: FINANCIAL MANAGEMENT & PROCUREMENT PROCEDURES

CHAPTER 5: FINANCIAL PROCEDURE

PART 1- FUNDAMENTAL RULES

5.1. Financial Management and Administration

This Chapter outlines the way how should the finances of SAFE be Managed and Administered. Every officer of SAFE is equally responsible to comply with these rules in discharging their duties.

This Financial procedure is applicable from the time it is approved by the Board of Directors.

5.2. Scope of the Financial Procedure

This manual is to:

- Provide internal policies and rules to ensure that SAFE Foundation is responsibly, transparently and consistently managing and accounting for the funds it receives and spends, in compliance with relevant accounting principles and donor requirements;
- Describe internal control procedures that must be adhered across all sub offices;
- Act as a reference document in the area of finance and accounting;
- Prescribe tools and templates to support finance staff and to set accounting;
- Ensure budget control and provide reporting standards;
- Mitigate financial risks to SAFE Foundation

5.3. Responsibility and Chain of Command

The Board of Directors is responsible for ensuring that the financial procedures of the program are carried out in compliance with this finance manual. However, the Executive Director has delegated this responsibility to the Finance and Administration Manager. Whilst this manual directly and mostly impacts the work of finance staff, it must be noted that it is the responsibility of all staff in SAFE Foundation to adhere to the finance manual in their field of work.
The finance division is headed by Finance and Admin Manager who reports to the Executive Director. Finance division consists of the following personnel;

- Finance and Admin Manager (FAM) – reporting to the ED
- Finance Manager (FM) – reports to FAM
- Admin Officer (AO) – report to FAM
- Finance officers – reports FM
- Procurement & Logistics Officer – reports to FM
- Office Assistants – reports to AO

To monitor compliance, the Finance and Administration Manager must undertake regular internal control checks (performed on an unscheduled basis).

These random internal control checks must be documented noting the testing performed; the results of the testing; and any follow up action required / taken. These documents must be filed in an internal controls file for each location.

5.4. Financial Management and Accountability

Delegation of Authority for Financial Operations

The Board of Directors are responsible for financial operations of SAFE. The Board of Directors are accountable for financial control through establishing internal control systems to ensure checks and balances of financial transactions. The Board of Directors may delegate its authority to the senior

officers in a suitable way. The Chairperson and Executive Director in consultation with the senior officers shall formulate a reasonable scheme of delegation of financial authority for smooth operation of finance of SAFE Foundation before commencement of new financial year and shall get approval of the Board of Directors.

The Board of Directors having critically examined the hierarchical levels of each officer in the administrative structure of SAFE, seniority, capability, and reliability of each officer, shall delegate its powers, stipulating financial limits under respective expenditure items to each officer in following stages:

a) Powers to authorize incurring expenditure
b) Powers to grant approval for commencement of works, services or supplies
c) Powers to certify payment vouchers and
d) Powers to make payments.

Always follow the below approved threshold table in procurement

	STEPS	HOW	WHO
1	Request	Purchase Request (PR)	Any staff
2	PR Approval	Check budget, sign PR	Supervisor/ED and Finance Staff
3	Quotations	Ask for price/bids/Tender	Procurement Officer
4	Selection	Check procedures	ED always signs off plus management as authorization matrix
5	PO	Check budget, quotes & Selection	ED
6	Place Order	Confirm to supplier	Procurement Officer
7	Receive Goods	Signs Goods receipt	Admin Officer
8	Authorize to pay	Sign voucher, cheque, bank	ED, Finance/Admin Manager
9	Pay	Cash, cheque, bank	Finance Officer
10	Recording	Enter voucher in QB	Finance Officer
11	Review	Admin & cash at month end	Finance/Admin Manager

Each officer shall be informed in writing of his/her function, expenditure items for which he shall be responsible and the financial limits within which he shall perform. A copy of the Scheme of Delegation of Financial Responsibilities shall be sent to the Internal Auditor.

Exercising Delegated Powers by Respective Officers

i) Exercising Powers of **Authorization** to Incur Expenditure:

The officer authorizing to incur expenditure of SAFE Foundation shall be well satisfied that the work or the expenditure involved is **within his/ her limits of authority**, and the contemplated expenditure program is within the policy framework of the organisation and adequate funds are allocated for the purpose and all procedural requirements are fulfilled.

ii) Exercising Powers of **Approval** to incur Expenditure:

The officer authorized to approve incurring expenditure of SAFE, primarily has to be satisfied that the expenditure contemplated is within **his/ her limits of authority**. Secondly, s/he shall be satisfied that the expenditure involved is arisen on a work, supply or a service initiated under the authorization of appropriate authority. Thirdly, s/he shall be satisfied that the work, supply or the service has been done according to the agreed terms, no deviation of the quality, quantity, agreed period and agreed prices or rates, conditions applicable and agreed rules and regulations etc. In the case of supplies, whether the right quantities are supplied to respective stores or locations and respective officers have certified that the goods are taken into their charge. In the case of payment of bills etc., whether the money involved is correct according to the registers maintained.

iii) Exercising Powers of **Certification** to incur Expenditure

The officer authorized to certify payment vouchers shall be responsible to ensure that the amount payable is debited to the relevant expenditure item and availability of sufficient provisions in the budget, payee named in the voucher is the correct person who shall receive the payment, amount to be paid is correct as per contracts, agreements, works performed or the quantity supplied, and the payment is recorded in relevant file or the register to prevent duplicate payments, and if any recoveries from the party has been deducted before making the payment etc.

iv) Exercising Powers of Making Payments

The officer authorized to make payments shall be responsible to ensure that a voucher passed for payment has fulfilled the requirements of stages i), ii) and iii) above, no evidence for tampering is evident in passing between stages and the voucher is correct in every respect for payment.

v) Power of Authority
Annex 5 reflects the authority levels:

5.5. Keeping Accounts and billing the client

To fulfil the requirements mentioned above, Books of Accounts shown in the List of Books shown at the end of this Chapter shall be maintained at SAFE office, Paniyankadawala, Anuradhapura and its sub offices available in any part of Sri Lanka

At the beginning of every year, new sets of required accounting records/ books such as Cash Books, Ledgers and Journals shall be opened.

The Executive Director from time to time, with the approval of the Board of Directors shall introduce forms, formats and registers to be used and maintained in SAFE office to record and report all financial transactions.

All staff shall use the forms and formats introduced by the Executive Director as stated in 4.4. in all official transactions.

SAFE shall have a proper chart of accounts to record transactions in the QuickBooks accounting software. Finance and Admin Manager may time to time update/create new accounts to the chart of accounts as and when necessary and s/he shall be the only person authorized to do so. Further, SAFE shall maintain a hard copy of the chart of accounts clearly explaining what type of transactions to be recorded under each accounting code.

SAFE shall only use reports from QB accounting software to bill the donor/ client. No manual method shall be use in this regard. SAFE shall make sure to close the donor accounts once the project is over.

5.6. Financial Year

Financial year of SAFE Foundation shall commences on 1st of January and ends with 31st of December, every year. A new set of Accounting Books to record accounting entries shall be introduced at the beginning of each Financial Year.

5.7. Financial Statements and Accounts

At the end of every month a Bank reconciliation, Cash reconciliation, Profit and Loss Account and Cash Flow statement shall be prepared and submitted to the Executive Director on or before 10th of the following month. Generally accepted accounting principles shall be followed in preparing these statements.

SAFE shall cause proper accounts of income and expenditure; assets and liabilities and all other transactions to take place during the Financial Year. The Administration and Finance Manager shall prepare Annual Financial Statements and statistics relating to its activities in such forms containing required particulars as mentioned in 4.3.

Final Year End Accounts Sheet shall be prepared on accrual basis. For day-to-day operations, SAFE uses cash basis accounting for program income and expenses.

However, financial provision made under any financial year under Capital Expenditure, but not spent during the year, shall not be carried forward to the next year.

Accounting entries must be made continuously during the month, instead of waiting until the end of the month.

SAFE's policy is to maintain accounting record in QB in local currency. However, in the event a donor/ client requires that reporting to be done in a currency other than local currency, SAFE will use the actual exchange rate that was used to convert the foreign currency or the weighted average exchange rate.

5.8. Accounting Standards

The preparation and presentation of financial statements of SAFE shall be done in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 which requires compliance with Sri Lanka Accounting Standards promulgated by the Institute of Chartered Accountants of Sri Lanka (SLFRS/LKRS) with the requirements of Companies Act No 07 of 2007.

5.9. Filing and Archiving documentation

The original documents underlying financial records are kept in the office. Sub offices are required to send the original documents to the main office at least every week. This measure is taken to mitigate the risk of loss of documents and to allow the Finance and Administration Manager to perform a quality check.

All financial vouchers will be digitalized. Finance-related documents must be kept for at least seven years, or longer if prescribed by local legislation and/or by the donor compliance.

PART 2- BUDGETING AND FINANCIAL OPERATION

5.10. Budgeting and Handling of Funds:

There are two types of budgets within SAFE Foundation
i) Annual budget.

These budgets must all be a financial representation of the planned activities for the coming year.

ii) Project budget.

These budgets are for a specific period of time. These projects can be funded by one or more donors and might run for several months or years. The various projects budgets will together form the basis for the annual budget of SAFE Foundation.

Formulation of Annual Budget

Steps shall be taken to commence the formulation of annual budget soon after the instructions to prepare the budget is sent out by the Executive Director in the mid of the year. These instructions will be sent by the Executive Director in consultation with the Admin/Finance Manager who shall take part in the budget process.

Admin/Finance Manager shall draft detailed Budget Estimates for the forthcoming year, including development projects planned to start in the next year with estimated human, physical and financial requirements for such projects. Availability of resources, additional requirements, production and productivity targets, anticipated income, market trend, market fluctuation and similar economic changes prevailed at that time shall be seriously taken into consideration in this process. Similar procedure to be followed by respective officers of SAFE office in this work. The necessary forms shall be designed by SAFE to provide following information:

a. Budgeted Income and Expenditure Statement
b. Cash Flow Statement
c. Details of Capital Expenditure and details of projects
d. Budgeted operational Expenditure with calculation
e. Details

All Budget Estimates drafted by respective officers shall be sent to the Admin/Finance Manager on or before 15th of January, every year. Relevant officers of SAFE shall carefully examine the draft budget estimates in line with the development programs set out in the Corporate Plan and financial affordability of SAFE. After review a clean copy of the Total Budget shall be submitted to the Executive Director on or before 31st January of every year.

Budget Estimates finally prepared shall be carefully examined by the Executive Director. Those estimates shall be submitted to the Board of Directors on or before 20th February for approval. Budget shall be approved by the Board of Directors one (01) month prior to commencement of the financial year to which the budget is related.

Even after approval of the Board of Directors, Revenue and Expenditure figures of the Budget, may be required to be amended by the Board of Directors if they feel necessary.

Copies of the approved budget or extracts of relevant sections shall be sent to relevant officers of SAFE for compliance

Formulation of Project Budget

From a finance point of view, a project always starts with designing a concept note or a proposal, which usually includes a budget. The budgeting process is a collective process in which the Finance team as well as programmes staff always have to be involved. The donor template is mandatory and therefore must be used. The budget must take into account all the necessary expenses to enable SAFE Foundation to successfully implement the activities described and to achieve the goals set in the proposal. In this respect, two major categories of expenses must to be taken into account: **direct project expenses and project coordination expenses.**

Regarding the budgeting of direct project expenses: the input of the project managers, assessment teams, and technical staff on the field is required. Where needed, the logistics department will be involved by requesting quotations to suppliers for a fine tuned estimation of unit expenses, as well as for designing a procurement plan.

The general objective is to be sure that a project is sustainable, which means that the total coordination expenses in SAFE Foundation are proportionally allocated to all projects that run in the country. It is necessary that the budgeting of support expenses are put into relation with already secured funding and to make sure that coordination expenses are maximally covered by grants.

5.11. Execution of Budget

The projects and works under respective development programs shall be carried out by the officers responsible for each of them as per approved budget. However, there can be variation of time of commencement and completion of works due to unavoidable circumstances and climatic conditions. Therefore, every officer shall carry out all development projects and programs within the approved budgetary provisions. However, in the events that there are unforeseen cost escalations that have greatly affected the approved estimates. Total Cost Estimates must be revised based on current market prices and get the approval of the Board of Directors. Additional expenditure shall not be incurred without obtaining Board approval.

Project Budget Monitoring Project budget exhaustion needs to be monitored sharply in order to gain understanding of the financial situation of a project – to be interpreted in relation to the programmatic requirements of a project. Both underspending as well as overspending must be avoided. The contractual budget must be continuously compared with the incurred expenses and the forecasted expenses for the full project period to ensure timely communication with the donor in case amendments are necessary.

Programmatic input is very important to understand the legitimacy of project expenses. Relevant information gathered by staff during field visits, partner visits, meetings with beneficiaries and evaluations are gathered in the project file and is reported on a monthly basis.

The project staff is responsible for in-depth knowledge about the donor budget, the coding and the requirements.

Finance is responsible for the document check and filing, prior to payment. It is important to cross checked the compliance with SAFE and donor procedures, not only in the area of finance but also HR, Logistics and Procurement.

5.12. Eligibility of Expenses

Finance will check the eligibility of the expenses. Expenses may be charged to the donor if it is allocable, allowable, and reasonable. However, there may be non-billable expenses. These may be charged to a non-billable account under SAFE overhead expenses and will not charge to the donor.

Some expenses cannot be considered eligible, particularly:

- Weapons, guns, arms
- Alcoholic beverages, luxury hotels or luxury restaurants
- Expenses without justifications and receipts
- Expenses which are not in line with the project
- Allowances not duly justified as per the staff's contract
- Instalments to implementing partners (only expenses reported by partners are eligible)
- Any expense not in donor budget

This list is not exhaustive. The Finance and Administrative Manager is responsible for guaranteeing that only eligible project expenses are accounted for.

5.13. Budget Revisions

Budget revisions are reviewed, consolidated and approved by the Management Team or by the Board of Directors, depending on the size of the revision and in accordance with the authorization of donor.

PART 3 – EXPENDITURE AND CASH MANAGEMENT OF SAFE

5.14. Bank

Negative balances in bank accounts are not allowed.

Opening Bank Accounts

A bank account must be opened and utilized. Banks where SAFE Foundation maintains funds must be financially sound. Bank accounts must be always opened on SAFE Foundation's name and it is imperative to have records of all past and present bank accounts. Each bank account has its own separate balance sheet in the financial system.

The Board of Directors holds sole authority to authorize to open the new bank account. The board shall understand the necessity of the new bank account due to the new project or any other administrative requirement.

Authorized Signatories

There must be at least 3 possible signatories for each account, of whom one signatory always must be the Executive Director. For all transactions at least two signatures are required. It is the responsibility of the Finance and Administration Manager that sufficient funds are available at all times.

5.15. Payments Procedure

Payment vouchers will be prepared by the Finance Officer. These vouchers will be reviewed by the project finance manager. SAFE's Finance and Admin Manager shall have a final review before authorizing and passing it on to ED for approval.

These Rules shall be applicable in expenditure and cash management of SAFE.

Mode of payment by SAFE will be:

(a) Cash
(b) Crossed Cheques
(c) Cheques written to Payee's Bank Account
(d) Bank Transfers

i) Staff payments; such as salary, overtime etc. can be settled as a bank transfer. Travelling expenses, working advance requests can be performed in cash within the limit explained in this manual.

See Annex 6: Travel Policy

Except for staff payments (in no. i), all other payments shall be made by crossed cheques. “ACCOUNT PAYEE ONLY”.

ii) Cancellation of crossing can be done on written request from the payee only.

iv) Every payment shall be done only on payment vouchers designed and approved by the Board. Every payment shall be supported by valid and acceptable documents attached to the same. Every payment voucher shall be duly certified and approved by officers who have been authorized for such action.

v) The voucher does not have been tempered since it left from the certifying officer’s hand

vi) The voucher and all attached supporting documents shall be stamped with “PAID” seal and the signature shall be affixed on the paid seal by the authorized officer who make payments, including cheques.

vii) Each written cheque shall be signed by two officers authorized by the Board of Directors. Signing and countersigning blank cheques or cheques without all details is strictly prohibited.

vii) Before signing the cheques the officers shall ensure that

a) There is adequate Bank Balance to issue the cheque;
b) Serial Number of the cheque is noted in the voucher.

viii) Cash cheques shall not be issued for any transaction

ix) Under no circumstance the cheques shall be signed in advance.

x) Any facts within his/ her knowledge are taken into consideration before the payment is made

xii) Payment is entered in the cash Book and signed on the voucher.

xiii) No cheques shall be issued over and above the cash balance remaining in the respective bank account of SAFE.

xiv) The identity of the payee shall be established

An official acknowledgement shall be obtained from the payee for every payment made by SAFE.
All prevailing legal requirements shall be fulfilled by the paying officer before making payments

The following procedures must be followed with regards to outstanding cheques:

The reason for outstanding cheques for more than one month, must be investigated and explained in the bank reconciliation report.

If cheques are unpresented (outstanding) for a period longer than 6 months or (if earlier) when the end date of the relevant donor grant is nearing, then the beneficiary must be contacted by SAFE Foundation and persuaded to clear the cheque as soon as possible.

In case this is unsuccessful and there is no indication that the cheque will be presented, then the cheque is cancelled, and the expense and obligation are reversed.

It is the responsibility of the Finance and Administration Manager to determine the validity of payables and receivables monthly and especially at every closing of the financial year. Expenses paid by cheques that yet outstanding are a normal part of the profit and loss statement. Caution has to be observed when reporting expenses to donors.

5.16. Payment

Payment of Salaries

Payment of salaries shall be done in accordance with the terms and conditions laid down in the letters of appointment of respective officers/employees.

Annual increments shall only be made after receipt of the increment granting letter.

Every salary payment shall be entered in the Register of Salaries and the pay abstracts shall be prepared accordingly. Details of monthly salary calculation shall be made available to the employees on the prescribed format.

Acknowledgements shall be obtained from employees for the confirmation of receipt of their salaries.

Preparation

The monthly net pay is calculated for each employee by the Finance and Administration Manager and will be authorized by the Executive Director.

- Begin with the Gross Monthly Pay for each employee as per contract

- Determine if there are any relevant additions (reimbursements due, per diems not paid in cash, etc.) - Subsequently determine if there are any relevant deductions (e.g. salary advances, fines, projected advances not yet cleared, etc.)

- Ensure the correct payroll taxes and own contributions have been correctly deducted. Payroll documentation must be prepared showing a list of all employees with gross salary, employee additions and deductions, and the subsequent net salary.

Workshop advances

SAFE shall issue workshop advances for the implementation of its programs. The responsible SAFE employee shall request for an advance in the prescribed form with the signature of the supervisor. These advances shall be settled within seven working days after the workshop is completed.

Participant traveling costs, honorarium payments, resource persons payments, workshop meals, and lodging are some of the areas that could be covered from these advances. SAFE encourages the use of cheques/bank transfers for the payment of hotels and conference facilities.

5.17. Encashment of Cheques

Issuing of Cheques

Cash cheques shall not be issued by SAFE to anybody under any circumstance. However, a crossings of a cheque issued by SAFE can be cancelled to make it an open cheque. However, this will be done in respect of employees of SAFE and the parties well known to SAFE officers to whom the payments are made. In every such occasion, written requests from the respective parties shall be obtained and the paying officers shall give approval to cancel crossings.

Encashment of Private Cheques

Encashment of private cheque through the accounts of SAFE maintained in the bank is completely prohibited and violation of this rule will be a punishable offence.

5.18. Dishonoured Cheques

When a cheque deposited in the Bank is dishonoured, immediate action shall be taken to:

a. Keep the Cheque in safe custody;
b. Inform the person who make the payment that the cheque has been dishonoured.
c. Stop any contemplated payment, supply or service on the cheque
d. Recall any payment or supply already made and stop any further services
e. Call for a fresh payment, preferably in cash; and when received reverse the entry in the cash book/records. The supply or service for payment may be executed thereafter.

5.19. Bank Reconciliation Statement

Within three (03) days of the receipt of Bank Statement/s at the end of every month from respective Banks, the officers who handle Cash Books in the Head Office shall prepare Bank Reconciliation Statements in Cash Books or separate Books used for the purpose and submit for information of Accounting Officer along with the relevant bank statement. Finance Officer shall prepare the Bank reconciliation and Finance and Administration Manager shall certify and the Executive Director shall authorize it. If the Executive Director is not available a member of the Board shall authorize it.

Cheques deposited in the bank but not realized until the end of any month shall be shown in the bank reconciliation statement and such matters shall be carried forward until such cheques are credited to the Bank Account.

Direct Debits & Credits made to the Bank on account of Bank Charges, debit taxes, refunds, cost of cheque books issued ect. shall be accounted in preparation of Bank Reconciliation Statement.

a. Such transactions shall be recorded in respective Accounts through Journal Entries.
b. For each direct entry by Bank, the debit or credit, a note obtained from Bank shall be supported to raise the journal Entry.
c. In the case of any unclear entry in the bank statement shall be clarified from the Bank.

Segregation of Duties for Bank Reconciliation

- Vouchers preparation – Finance Officer
- Voucher review – Project Finance Manager
- Voucher Authorize and Approval – FAM and ED
- Entering to QB accounting system – Finance Officer
- Bank Reconciliation performance – Project Finance Manager
- Bank reconciliation review and approval – FAM

5.20. Petty Cash Payments

a) Petty cash Payments of SAFE-

The Board of Directors on the recommendation of Executive Director shall authorize to issue a sum of money as Petty Cash imprest to a senior officer to meet day - to-day petty expenses.

The current limit is LKR 50,000/= and shall be increased when it is not adequate for daily office expenditures. The maximum limit to settle a single cash payment is LKR 10,000/=

The replenishment of the petty cash will be at 50% of the total imprest.

b) The officer handling petty cash shall be given a lockable steel Cash Box, and it shall be kept safely in a steel Cabinet under lock and key.

c) The officer handling Petty Cash shall maintain Petty Cash Register introduced by SAFE Head Office. The Officer shall enter all daily payments and sign against each payment. Petty Cash Register shall be balanced and closed at the end of every day and ensure cash balance shown in the Register and the cash box are the same amount. Correctness of the cash balance shall be certified by the Admin/Finance Manager. The officer handling Petty Cash shall replenish the petty cash imprest when necessary, by submitting the schedule of paid vouches along with the Petty Cash Register to the Accounting Officer. The Petty cash imprest shall be renewed, issuing a sum of money equivalent to the total amount of paid vouchers.

It is crucial for finance department staff to remember that there must not be any entry without a voucher and authorization. Even and especially in case of quick (correction) entries, vouchers must be immediately prepared and archived.

d) Cash reconciliation shall be prepared by the Officer who handle and shall be certified by the Finance and Administration Manager. End of the month cash reconciliation shall be authorized by the Executive Director or any member of the board of Directors.

Project Advance

The staff will have to submit the adequate proof document in order to request a project advance such as Purpose of the advance request, Authorization of the supervisor (line manager), forecast of the amount with details. The staff shall fill the advance request form and submit to the finance with the authorization of the supervisor (line manager).

5.21. Cash Counts and monthly cash reconciliation

Cash counts are a very important control mechanism. They have the objective to verify that the cash balances in the financial system reconcile with the cash books; and most importantly, with the physical cash that is available. Regular petty cash counts can be performed at the end of the day and unscheduled / surprise cash count can be at any time in the month.

The cash counts are performed on each of the cash boxes and the safe by the person who is not the custodian or two senior officers (Project Director/Manager). At the end of the month cash count is performed each month as monthly cash reconciliation and it is importance that the Executive Director personally performs the cash count at the end of the month.

Income:

Donor funds

Funds received by the donor must be treated and accounted for according to Sri Lanka Accounting Standards. SAFE shall issue receipts when the receipts are in favour of SAFE.

Other income:
SAFE may receive other income such as interest income, income from renting equipment purchased under donor agreement, etc that are incidental to the program. At these instances SAFE shall look into the donor requirements and account accordingly.

PART 5 – CREDIT MANAGEMENT OF SAFE

5.22. Credit Management

Credit Management System

All credit purchases shall be entered then and there in a Credit Control Ledger which shall be treated as a Prime Entry Book. Credit Control Ledger shall have one folio for one supplier and the pages shall be in a columnar form to enter following particulars.

- Date of Goods Received
- Details of Purchase Order
- GRN Number
- Details of Items supplied
- Quantity Received
- Value
- Payment Voucher No
- Amount Paid
- Mode of Payment:(Cash/Cheque Number)
- Date of Payment
- Monthly figures of Credit Control Ledger shall be transferred to respective Accounts of the Main Ledger.

Confirmation of Credit Balances

Confirmation for the balances shown under individual creditors shall be informed to respective suppliers at the end of the Financial Year and request confirmation of balances.

Management of Debts and Advances of SAFE

Debts and Advances of SAFE

I Debts of SAFE:

Following are considered as Debts of SAFE:

(a) Value of SAFE products sold on credit basis to out-side parties, but not settled.

(b) Value of SAFE products sold on credit basis to welfare society of SAFE but not settled.

II Advances of SAFE:

Following payments made from SAFE funds are considered as Advances

(a) Salary advances and loans granted to SAFE employees

(b) Mobilization advances paid to SAFE Contractors

Bad & Doubtful Debts

Under any circumstance SAFE shall not allow to write off bad debts. Recovery of all dues shall be a duty of respective officers. All such balances shall be recovered from those who are responsible for such lapses.

When there are probable bad or doubtful debts, respective officers shall inform such matters to the Admin/Finance Manager and SAFE immediately, giving following particulars.

(a) Name of the Debtor
(b) Position
(c) Address
(d) Date of Transaction
(e) Detail of Transaction
(f) Amount Outstanding
(g) Name of Guarantors (if any)
(h) Reasons for non-recovery
(i) Details of payments:
(j) Whether there are dues to his credit to recover outstanding balance
(k) Officer responsible for authorizing the credit transaction.
(l) Officer responsible for follow-action.

PART 6 – ASSET MANAGEMENT OF SAFE

5.23. Custody of Money, Cheques, Cheque books, and other valuable articles

Articles that have value, such as cheques, cheque books, stamps, receipt books, Savings Certificates, security deposits and any article that has monitory value shall be kept in a safe. One safe key shall be kept in the custody of the Accounting Officer and the other key shall be kept by the Executive Director. No money belong to SAFE shall be made use of by any Officer in any manner other than for official purposes. If any loss to SAFE is caused by delay, negligence, fault, or fraud by an Officer/or non-compliance of financial and other regulations and instruction of the Board of Directors, the Officer concerned shall be liable for such losses.

5.24. Depreciation and Amortization of Fixed Assets:

(a) Depreciation:

Estimated life time of different fixed assets owned by SAFE and their annual depreciation rates are fixed as follows:

Fixed Asset	**Lifetime**	**Depreciation in years (%)**
Plant and Machinery	15	6.67
Furniture and Fittings	10	10.00
Motor Vehicles	05	20.00
Equipment	08	12.50
Permanent Development Of Lands	30	3.33
Fencing	03	33.33
Water Supply	20	5.00

Depreciation of an asset begins when it is available for use and ceases productive life time. However, if an asset can be used beyond its lifetime, the such asset can be re-valued and bring into use. Necessary adjustments for revaluation shall be made in books of accounts in such occasions.

(b) Amortization

Assets held under lease agreements shall be amortized over the period of lease. At the end of the leased period ownership of the assets shall be transferred to SAFE.

5.25. Treatment of Loss of SAFE properties

(a) Losses cause to money, Cheques, Cheque Books, Receipt Books, Money Orders, Bank Drafts, Stamps and any other documents that have monitory value and the losses or the damages cause to goods, stores, raw materials, crops harvested or before harvesting, plants, livestock, lands, buildings, fixtures, irrigation systems, structures, vehicles, machineries, equipment, implements, tools and any other properties belong to SAFE, and;

(b) Any of above properties, those do not belong to SAFE but under the custody of SAFE,

(c) Losses arising out of non-collection of the revenue due to negligence, carelessness, delay or omission of respective officers, and

(d) Losses arising out of over payments, irregular payments, payment made to wrong parties are treated as losses cause to SAFE, where action to be taken is necessary under these rules.

All officers and employees of SAFE who are handling or responsible for matters mentioned under (a), (b), (c) and (d) above shall exercise utmost care in their duties without causing loss or any type of damage to SAFE properties.

However:

(a) Any debit balance appeared in the annual Trading and Profit and Loss accounts,

(b) Depreciation calculated for any type of fixed assets,

(c) Damages cause due to fire, floods or any other climatic changes,

(d) Losses arising due to write off bad debts etc., are not considered as losses for this purpose.

Action to be taken when a loss is occurs

(a) The matter must be informed immediately to the Executive Director and Chairperson of SAFE

(b) In the case of theft, fraud, accident or fire, matter must be reported to the police station and request their intervention in the lawsuits.

(c) In the case of fire matter must be informed through police station to the nearest fire brigade and seek assistance.

(d) The Executive Director of SAFE shall carry out investigations to find out the person responsible for the loss and to estimate the value of the loss.

(e) Security measures shall be taken immediately to safeguard books, records and all other remaining properties.

(f) If any employee is suspected to be responsible for the loss, disciplinary measures shall be initiated against him, and immediate steps shall be taken to avoid such losses in the future.

(g) If the suspected employee is found responsible for the loss, steps shall be taken to make good of total replacement value of the loss or damage caused at current market prices.

(h) The Board of Directors has the desecration to recover the total value of the loss from his/ her monthly salary not exceeding sixty instalments.

(i) However, if there is no person found responsible to the loss or the damage, the Board of Directors may take a decision to give an order of write off the value.

(j) Final action taken by the Board of Directors shall be informed to the relevant authorities.

5.26. Inventory Management

(i) SAFE Head Office shall maintain a Perpetual Stock Control Register. Every article such as furniture, office equipment, electrical items etc. (other than consumable goods) bought for official use of SAFE shall be entered in the receipt side of this Register with its cost, serial numbers and other relevant details.

(ii) When issuing such articles for offices for office use, such issues shall be noted in respective columns of the Register and acknowledgement shall be obtained.

(iii) Respective officer shall maintain separate registers and the details of all such receipts shall be entered in such Registers.

(iv) Before the end of every year, Perpetual Stock Control Register shall be balanced to show the total of fixed assets used and the distribution details of such stocks.

(v) Before the end of every year, Executive Director shall appoint a Board of Survey or required number of Boards of Survey consist of two members each:

a. to verify the fixed assets issued as per Perpetual Stock Control Register with the physical stocks available in such points.
b. to examine unusable items of fixed assets laying in such places and to recommend the cause of action to be taken on such items.

(vi) Such Boards of Survey shall carry out physical verifications and submit their reports to the Executive Director.

(vii) Such Boards after surveying unusable fixed assets shall submit their recommendations separately to the Executive Director.

(viii) Executive Director after examining such reports, shall take suitable action with the approval of Board of Directors.

(ix) The physical stock verification shall be performed by the senior manager, and an officer (both are non-finance) appointed by the Executive Director, Finance and Administration Manager together with responsible officer for the stock maintenance and records.

DONOR AND PARTNER MANAGEMENT

5.27. Donor Management

Grant Agreement

After the proposal is approved by the donor, the grant agreement is negotiated. There are a number of aspects relevant for Finance in the grant agreement.

a) The start date, end date, eligibility dates (if different) and liquidation period.
b) The grant amount and the contractual installments and requirements. Donors must preferably pre-finance, before SAFE Foundation makes the expenses or pays the installments to its partners.
c) Cost share : Some donors require the project they fund to be shared cost. it means that SAFE Foundation has to find another donor for a part of the overall budget required for the project or to utilize its own funds/or resources. The amount of cost-share must be as low as possible and funding must be available. Preferably in the form of another donor, or else SAFE Foundation own contribution from unrestricted funds.
d) Bank account : Installments received from donors must always be directed to SAFE Foundation bank account.
e) Reporting : Reporting requirements must be feasible. It's preferred to set due dates rather later than earlier, to under-promise and over-perform. Also make sure that the format of reporting is feasible to automatically download from the financial system.
f) Currency : The reporting currency must be similar to the currency of the grant amount.

Tracking the Budget

SAFE shall track the donor budgets periodically to ensure the funds are being spent in line with the donor agreement. SAFE shall prepare variance analysis reports, burn rates and forecasts the future expenditure in managing the donor budget; so that adequate notice could be provided for alternative programming – if required.

5.28. Partner Management

Partner Assessment

The full partner assessment will be performed at the beginning and the duly filled authorized partner assessment report must be available for the approval of the Partner Funding Agreement. It must be used for partner selection prior to implementation and can also be used for monitoring purposes during implementation

Partner Funding Agreement

The exact standard model must be used, filling in the relevant fields such as partner details, amount, instalments, etc. The draft partner contracts must be approved by SAFE Foundation before formal submission to the partner

One separate funding agreement must be signed with each partner per project. Specific attention must be given to:

Quality of project and financial management

Is the partner able and committed to follow SAFE Foundation processes or donor's ones?

Reporting terms

Calendar of reporting deadlines, required formats, contents and documents. They have to match with donor requirements and calendar and must permit SAFE Foundation to meet its own reporting deadlines.

Payments terms

Instalments, currency, calendar of instalments, etc.

Partner audits

Depending on the total amount contributed, the partner commits to audit requirements. The rules are detailed in the Partner Funding Agreement.

Currency and exchange rate policy

The rate to be used in the framework of the partnership has to be clearly mentioned.

5.29. Partner Reporting

Regardless of donor requirements on reporting, all partners submit financial reports to SAFE Foundation on a monthly basis or as requested by SAFE in the agreement with the partner. In the standard financial reporting template attached to the partner agreement. Stating for each transaction the amount in the original currency of expenses as well as the amounts in the reporting currency,

Auditing

SAFE Foundation has a responsibility and also to its donors for the proper financial management of the funds received. An audit is one of the means of verification. An audit can be either conducted by an independent third party (external audit) and/or by a staff member. (Internal field assessment).

Annual Statutory Financial Audit

The annual statutory financial audit for SAFE Foundation is performed by an external auditor appointed. All financial matters, Books of Accounts, Financial Statements shall be audited by the Auditor. The Auditor shall be changed every 3 years by the Board of Directors.

5.30. Filing of Financial Statements

The Audited Financial Statement shall be filed with the Registrar of NGOs as required under Social Service Act & Companies Act.

PART 6 – HANDLING AUDIT QUERIES

5.31. Audit Queries

All Audit Queries shall be entered in the Audit Query Register and promptly attended. Replies to Internal Audit Queries shall be promptly sent to Internal Auditor and External Audit Queries shall be examined by the Executive Director and prompt replies to be sent with copies to Finance Manager. Relevant officers shall be responsible for sending replies before sending reminders.

List of Books and standard forms in SAFE Foundation

i. Cash Book QB
ii. Petty Cash Book

iii. Monthly Budget Tracker
iv. General Ledger
v. Journal EPF ETF
vi. Register of Salaries (Payroll register)
vii. Register of EPF contributions
viii. Register of ETF Contribution
ix. Register of Staff Loans and advances
x. Register of Audit Queries
xi. Register of Cheques and Money orders received
xii. Register of Counterfoil Books
xiii. Register of Office Inventories
xiv. Register of Fixed Assets
xv. Register of Vehicles
xvi. Register of Stock
xvii. Purchase Requisitions
xviii. Quotation Request Form
xix. Quotation Analysis Form (BID)
xx. Purchase Order Form
xxi. Goods Received Note
xxii. Goods Issued Note
xxiii. Goods Transfer Note
xxiv. Payment Request Form
xxv. Transport Request Form
xxvi. Accommodation Request Form
xxvii. Advance Request Form

CHAPTER 6: PROCUREMENT PROCEDURES

This Chapter spells out the procedure to be followed in procurement of goods, works and services purely for the use and the services of SAFE Foundation. The procedure outlined henceforth is prepared considering the difficulties encountered by SAFE Officers serving in an area far from the main town, Anuradhapura. Hence, this is a set of rules that enables SAFE to procure goods and services at best possible prices to carry out all works and the services of the SAFE Foundation. SAFE shall ensure that all expenses are allowable, allocable and reasonable.

References to "Goods" include, in these guidelines, both equipment (e.g. machinery) and supplies (commodities, raw materials etc.). "Works", in these guidelines, include the construction and/or rehabilitation of civil infrastructures and similar facilities. "Services", in these guidelines, include transportation, insurance, installation, commissioning, training, maintenance and consultancy

6.1. Good Procurement Practices

All SAFE employees with designated procurement authority, or those appointed to participate in the bid evaluation and selection exercise, will be requested to sign the document "Disclosure of Conflict of Interest (COI) and Non-Disclosure Statement (NDS)". See Annex 7**.**

Staff specifically declares that they understand and commit to observe the following:

- Report a potential Conflict of Interest for relevant cases of procurements and refrain from involvement in that particular procurement
- Promote fair, ethical and legal trade practices
- Accord prompt and courteous reception in an atmosphere of good faith and equal treatment,
- Treat all information received from vendors in the strictest confidence. Guarantee the confidentiality of all specifications and price quotations received
- Decline to take advantage of vendor's errors but show cooperation
- Avoid causing needless expenses or inconvenience when requesting offers/ proposals
- Declare "for information purposes only" if the request will not result in the award of a contract
- Remain absolutely free from any obligations to any vendor
- Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a vendor.

By default, all staff involved in procurement MUST also abide by the above-mentioned rules

Procurement Levels and Thresholds

Please refer the Annex 9 for procurement thresholds

Legitimacy of Companies and Reference Checks

Further, to ensure that SAFE does not engage in business with companies that are not operating legally, companies trading in weapons or in other illicit goods, or companies that are blacklisted locally or globally,

SAFE performs a number of due diligence checks, including:
- Checking that the company is legally registered
- Ensuring that the company has a physical address
- Reference checks with previous clients of the company
- Thorough scrutiny of company's profile to ensure they have the required capacity

Procurement process

The SAFE procurement process generally includes four main stages:

1. Procurement planning
2. Sourcing for suppliers
3. Placing a Purchase Order / Contract award
4. Contract Management.

These can further be broken down into the following steps:

1. Needs assessment and procurement planning
2. Purchase Requisition
3. Suppliers' survey and /or publication (tender, call for quotations)
4. Internal review of offers (document review, offers analysis, comparison, negotiation)
5. Internal approval of the supplier selection, financial commitment authorization
6. Purchase Order + contract signing
7. Communication of results
8. Goods / Service delivery and receipt, transport, storage, usage by SAFE
9. Payment to the supplier (based on previously agreed conditions and invoice)
10. Review of purchase dossier and archiving, guarantee period, after-sales service.

6.2. Duties and Responsibilities of Procurement Officers

The Executive Director (SAFE) and other senior officers are mainly responsible for the procurement of goods and services for SAFE.

After Annual Budget is approved by the Board of Directors, the Executive Director in consultation with other officers shall prepare procurement plan for the next financial year. All project officers who need to purchase capital items for ensuing year shall submit the details of capital goods need to be purchased to the Executive Director). The Executive Director in coordination with other officers shall prepare Annual Procurement Plan and submit to the Board of Directors for approval.

The officer responsible for procurement shall gather as much as information about the potential suppliers of various goods and services that are needed for SAFE. This officer shall maintain contact details of such suppliers, their capacity to undertake different supplies and services.

6.3. Procurement Committee (PC)

The Board of Directors (BOD) or Executive Director of SAFE shall appoint a Procurement Committee for major procurement. The following members shall serve on the PC:

- The Executive Director as the Chairman of the Procurement Committee.
- A Board Member
- Subject related Manager or Supervisor
- A Senior officer of SAFE who should serve as the Secretary of the Procurement Committee.

This Procurement Committee shall be authorized to decide on procurement from the most suitable supplier considering the technical suitability of the goods offered by various suppliers, prices quoted by them, their capacity to supply required goods, reliability and financial capability of the suppliers and all other relevant facts. Recommendations of this Procurement Committee shall be submitted to the ED or Board of Directors for approval.

6.4. Technical Evaluation Committees (TEC)

There shall be a Technical Evaluation Committee (TEC) appointed with experts on Financial, procurement or Technical aspects to assist the Procurement Committee.

TEC shall consist of 3-5 members depending on the requirements, due to the nature and complexity of the items to be purchased. There shall be at least one member who is familiar with the subject matter. An external experts may also be co-opted to the committee depending on the requirement.

The members to the TEC shall be appointed by the Executive Director with the approval of the Board.

6.5. Procurement Documentation

The basis of the evaluation/requirement and decisions will be recorded in the documentation. These requirements shall be reflected in the call for services/ works/ goods.

In case of large procurements, assistance of suitable consultants shall be obtained.

6.6. Evaluation of Tenders/ Bids

The bid calling notice shall be first scrutinized by the TEC and shall be approved by the Procurement Committee prior to invitation of bids.

When bids are opened, the Chairman of the Procurement Committee shall refer them to the TEC for evaluation. The TEC if necessary can obtain the expert advice from consultants on specific procurements of technical and scientific nature.

After careful examination of technical, financial and all other aspects of bids received, the TEC shall submit its report to the Chairperson, Procurement Committee. The members of the TEC may be called upon by the Procurement Committee for any clarifications and also be present at the meeting. However, they should not be present at the time of deliberations, unless they are permitted to stay.

Minutes of all Procurement Committee and Technical Evaluation Committee meetings shall be written and kept for future reference.

6.7. Remuneration for Procurement and Technical Evaluation Committees:

A suitable scheme of remuneration shall be formulated by the Executive Director and contain approval of the Board for any Consultant/ outside person supporting procurement.

6.8. General Procurement Procedure

An officer shall be authorized to handle all procurement of SAFE.

All requests for goods and services from every division/ officer shall be forwarded to this officer well in time to arrange procurement at the correct time. Following information as far as available shall be furnished to him:

(a) Code Number, Item Number and the name of the Item requested:
(b) Quantity used in the previous year
(c) Quantity in hand at the date of requisition
(d) Quantity ordered now
(e) Approximate period covered from this order
(f) Total financial provision available for this item under current year
(g) Amount spent up to this date:

(h) Balance of financial provision available for rest of the year:
(i) If not estimated, give reasons

There shall be an Officer designated to maintain the stocks in the stores reporting to the Admin Manager. S/he shall maintain sufficient stocks of office requisites and frequently needed goods ready for issue at any time they are requisitioned.

Goods that cannot be supplied from the stock shall be procured when they are requested.

Purchase requisitions along with sufficient justification approved by relevant authorized person shall reach the officer at least 2 weeks prior to the required date of goods or service.

6.9. Authority Limits to purchase items of small value and the Procurement Procedure.

When there is a need to procure items of small value and the items needed continuous basis, and also in the events when normal procurement procedure is uneconomical or not practicable, the bid-calling notices may be sent to the suppliers registered with SAFE in advance. However, procurement decisions shall be taken strictly following the procurement procedure and the authority limits fixed by the Board of Directors.

The Board shall fix authority limits for authorizing purchases to following officers considering the price factors from the time to time:

Designated officer/officers at Senior Level:
Chairman SAFE:
Board of Directors: Values exceeding above limits:

6.10. Direct purchases of goods of small values

The Board of Directors shall authorize the Designated Officers to purchase directly the required items up to a value fixed by the Board of Directors per day from time to time. Board of Directors shall further decide the total value of such purchases for any calendar month which shall not exceeding that value.

In unexpected emergency situations, the purchases of goods and services to meet immediate needs could be done with the approval of the Executive Director. The Executive Director shall report such purchases to the Board of Directors and obtain approval subsequently.

Preferred Vendors
SAFE may use preferred vendors for their repetitive procurements as the competition becomes meaningless when you request for quotes again and again for the same items/services. At a point vendor themselves will stop responding to RFQs when they are not being selected

The process is as follows;

- Identify items or services that will be procured repeatedly
- Determine the period you want to engage a vendor for supplies/items or services (max one year)
- Establish Evaluation Criteria
- Conduct procurement process through full and open competition
- Evaluate
- Select
- Engage with a contract with vendor (for one year or less)

Prequalified vendors

SAFE may use prequalified vendors for their procurement activities. This is considered as a closed competition since SAFE is requesting from a limited number of sources. Through this SAFE can complete procurement actions quickly and efficiently.

The process is as follows;

- Collect information from vendors (May be via EOI)
- Through an evaluation process certify which Organizations can compete in future procurements
- Then when you have a procurement send RFQ/RFPs only to those vendors requesting quotes and proposals

6.11. Hiring of Vehicles

When necessity arises, vehicles can be hired for official running on following basis:

- On kilometer Rate Basis: The supplier shall provide the vehicle with a driver and fuel for specific journey or trip on pre-determined rate.
- On monthly rental basis: The supplier shall provide the vehicle with a driver on an agreed monthly rental. Servicing the vehicle, insurance and all repairs shall be done by the supplier. However, the fuel will be supplied by SAFE as required.
- The supplier will provide only the vehicle. Fuel and the driver will be provided by the SAFE. However, the supplier shall insure the vehicle and do its repair, servicing and all other maintenance.
- The Admin Officer handling transport in consultation with the Admin/Finance Manager shall call for quotations from reputed transport suppliers and taxi service operators nearby for immediate service. A list of names, addresses contact details and rates agreed by them shall be maintained and updated.

6.12. Repair and Maintenance of Motor Vehicles and Equipment of SAFE

Repairs to Motor Vehicles

Repairs to Motor Vehicles shall always be done through the Accredited Local Agents appointed by the manufacturers or the Sub Agents appointed by Local Agents. Quotations shall be obtained from them for repairs of vehicles sold by them. If the ED is satisfied with the prices quoted, he can authorize such repairs up to the value fixed by the Board of Directors. `

If the value quoted by them exceeding the value fixed by the Board of Directors, SAFE shall call for quotations from registered Garages. On the receipt of quotations, the quotations shall be submitted to the Board of Directors and the repair can be entrusted to the garage decided by the board of Directors.

For minor repairs of vehicles SAFE shall maintain a list of registered Garage Owners and quotations shall be called from them.

In the case of major repairs to vehicles, SAFE shall get the service of suitable automobile Engineer /Technical officer to examine the vehicle and to recommend the repairs needed. The Finance/Admin Manager shall call for quotations upon approval of the Board of Directors from the registered garages based on the Engineer's /Technical officer's recommendations.

In the case of engine repairs, the Engineer/Technical officer shall direct to take the vehicle to a suitable garage to dismantle. The Engineer /Technical officer will examine the vehicle after dismantling and recommend necessary repairs. The quotation can be obtained for the same garage for recommended repairs and take action accordingly.

Maintenance of Motor Vehicles

Servicing and maintenance of motor vehicles shall be done through the maintenance units and the service stations operated by the Accredited Local Agents of the Manufacturers. However, in the areas where such service stations are not in operation, SAFE shall maintain a list of names of Service Stations available nearby, and vehicles shall be serviced with them on agreed rates.

Repairs to Equipment

Repairs to Machinery and Equipment shall be done through the Accredited Local Agents of the manufacturers of such items through obtaining quotations from them.

6.13. Payment for Resource Persons

Payments for resource persons participated in conferences, workshops and training programs arranged by SAFE shall be made in the following manner:

- Arrangements shall be made to make payments to the external resource persons immediately after completing their assignments. Such payment shall not be delayed by the SAFE under any circumstance.
- The program coordinator shall prepare a schedule of payments ahead of the event and obtain necessary approval for payment.
- Required money shall be drawn in advance and payments shall be made immediately after the session is completed by individual resource persons.
- In case of cheque payments, the same process shall be adopted and the program coordinator shall ensure that the cheques are available at the end of sessions.
- Any payment which could not be made immediately, shall be done by subsequent issuing of a cheque, delivering or posting of the same.

6.14. Service Agreements

When contractors, service providers or the suppliers are selected and all matters relating to the work are finalized, SAFE shall enter into suitable agreements with them in respect of the work. The agreements signed shall be legally enforceable. However, SAFE can sign agreements with the parties on agreement formats commonly used by the service providers. In such instances, SAFE shall obtain legal advice. However, for small contractual works such as repair to a vehicle, supply of urgent stationery in small quantities etc., the signing of agreements may be done if it feels necessary.

6.15. Procurement Compliance

Donor Rules

The SAFE staff should be familiar with the donor rules relating to logistics in all stages in the project cycle, including planning, implementation and evaluation, and should ensure that SAFE contractual obligations to the donor are met. Among other procedures, the Finance and Admin Manager should check if the donor has any specific rules regarding procurement thresholds and procedures, equipment, reporting, nationality, travel, origin, etc.

For special procurement regulations related USAID grants: refer Annex 8

Derogations and Waivers

Both derogation and waiver are highly exceptional and must at all times be justified on a sound analysis of the situation. “Insufficient time to request 3 quotes” is not a justifiable reason for a derogation, but a mere example of poor procurement planning, instead

Waive Off (or Derogation)

A Waive off / Derogation is the full or partial waiver or cancellation of required procurement procedure (and this is done on exceptional basis), granted on the basis of justifiable circumstance that makes it impossible for the normal prescribed procurement procedure to be applied. Whether such circumstances are foreseen or are abrupt, whether the procurement relates to SAFE own funding or donor resources, a Derogation Request mandatory and must be approved, in line with Authorization Matrix, to prove that exception to a specific procurement rule has been granted. This waiver shall also be approved by the relevant donor.

Non-Competitive Source Selection

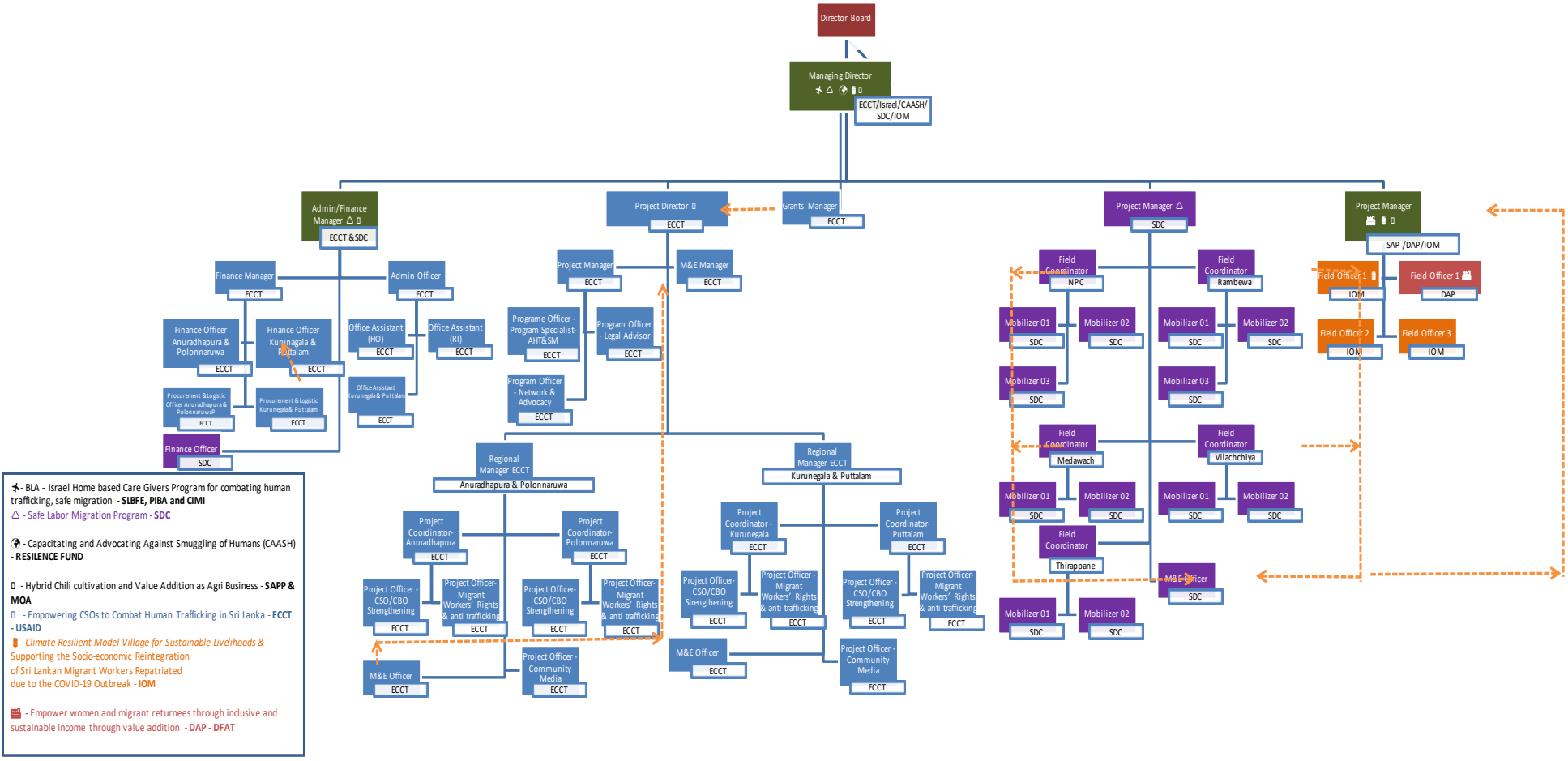
SAFE shall justify the Non-competitive source selection in following circumstances,

- Purchases below petty cash transaction threshold of LKR 10,000
- Item is only available from a single source
- Urgent need or emergency situation
- After solicitation of a number of sources, competition is determined inadequate
- Donor approves a non-competitive procurement in response to SAFE's written request

SAFE should implement all projects in a manner that promotes sustainable development and ensures the protection of the environment, to the greatest extent possible. This includes procurement of goods and services that can be considered as having a reduced impact on the environment and promoting sustainable development. SAFE should therefore take this into consideration in all aspects of it supply chain processes

Archiving

Documents pertaining to procurement should be properly archived and kept for at least 5 years. It is recommended to have, where possible, both paper and electronic (e.g. scans) archives, particularly for high-value procurements.



ANNEX 1: ORGANOGRAM

ANNEX 2: GENDER EQUALITY POLICY

Introduction

Sri Lanka was one of the first countries in Asia to grant voting rights to women. It elected the world's first female Prime Minister, Sirimavo Bandaranaike, in 1960. Sri Lanka also elected the country's first female President, Chandrika Bandaranaike Kumaratunga, in 1994. However, Sri Lanka ranks among the lowest in South Asia for female representation in politics. More female leaders are needed in public office at the national and local level to encourage greater gender equality.

The Constitution of Sri Lanka considers men and women equal citizens. Article 12 stipulates that all persons are equal before the law and are entitled to the equal protection of the law. No citizen should be discriminated against on the grounds of race, religion, language, caste, gender, political opinion, or place of birth.

Women form approximately 57% of Sri Lanka's 21 million people. Yet women only constitute 33.4% of the 8.5 million, economically active population. Gender-based discrimination and gender-based stereotypes still exist contributing to poverty and injustice.

Universal free education has benefited females by closing the literacy gap between men and women. However, females still do not have the same status, power, access to and control over resources as males. Women are seen as 'supplementary workers' and offered employment that is considered 'women's work' especially in some regions.

While women's education and employment options have improved, women are not provided with equal opportunities in leadership roles. Most women migrant workers are domestic labourers. The Agricultural and Garment sectors employ more female workers but few in management positions.

The lack of women in leadership positions is known as the 'sticky floor syndrome'. There are no quotas in place for the recruitment of women to private or public sectors, politics or parliament.

COVID 19 has been detrimental to the progress of gender equality for women and girls who are paying the price socially and economically. The pandemic has led to increased domestic violence; the loss of employment for women in insecure, informal and lower-paying jobs; and an increase in unpaid care work that girls and women mostly already provide.

Sri Lankan Government policy makers, corporate business and society are all needed to challenge the current status, shift mindsets and pave the way to gender parity.

1. Purpose

Gender equity means eliminating gender-based discrimination and gender stereotypes in all areas of life. Not only is gender equality a basic human right for women and girls and therefore its own goal, but empowering females will increase Sri Lanka's economic growth and development for everyone's benefit.

This policy ensures SAFE consistently adheres to gender equality principles and practices across our organisation and provides a framework for accountability. These principles also impact the type of projects SAFE select as well as how programs are implemented in the community.

2. Scope

The general principles of gender equality apply to all SAFE employees, Members of the Board, volunteers (national and international), donors, partners, consultants/contractors, interns and visitors to

SAFE Foundation's office, programs and project activities.

3. Definitions

Gender Equity	The process of being fair to women and men in decision making and the provision of resources and the addressing of imbalances. Gender equity recognises that within all communities, women and men have different benefits, access to power, resources and responsibilities. Gender equity leads to gender equality.
Gender Equality	Equal rights, responsibilities and opportunities for women and men.
Discrimination	The unfair or prejudicial treatment of people (and groups) based on characteristics such as race, gender, colour, language, religion, political opinion, age, sexual orientation, social origin, property, or birth status.
Bullying	Repeated and intentional use of words or actions against someone (or a group of people) to harm their wellbeing. This is usually done by people who have more influence or power over someone else or who want to make someone else feel less powerful or helpless.
Sexual Harassment	Sexual harassment is unwelcome sexual behaviour that's offensive, humiliating or intimidating. It can be written, verbal or physical, and can happen in person or online. Anybody can experience sexual harassment, regardless of their gender. When it happens at work, school or uni, sexual harassment may amount to a form of discrimination.
Sexual Assault	Any unwanted or forced sexual activity without a person's consent. Rape is the most serious form of sexual assault – forcing someone to have sexual intercourse without his or her consent.
Abuse of power	Improper use of authority (eg in family, community, business, government etc) by someone with authority over someone who has less authority or no power.

4. Policy

SAFE Foundation is committed to ensuring gender equality is fully incorporated into our work culture, programs, and projects. SAFE staff and supporters are required to promote gender equality through their attitude and behaviour.

SAFE Foundation supports:

a) a working environment that respects the inherent dignity of all people, regardless of gender, race, religion, language, caste, political opinion or place of birth.

b) a work culture where women are provided with full and equal participation in the workforce, access to equal opportunities, and equal remuneration for work of equal or comparable value.

c) the use of gender-sensitive content in all staff induction, training and awareness programs as well as in all terms of reference, including TORs for external consultants.

d) the use of gender-sensitive language and images in all internal and external communications with women's and girls' voices heard in the first person.

e) the development of measurable gender indicators (criteria) against which changes in gender equality for SAFE Foundation staff, projects or programs can be assessed (eg Facts, numbers, opinions or perceptions).

f) women having equal access to, training in and use of information technology.

g) women and men are proportionately represented during press briefings and other public relations activities.

h) cooperation between men and women in the workplace, programs/projects and in the community to is needed to change historical and cultural attitudes towards gender discrimination.

i) using information technology to facilitate working from home working and flexible working hours to balance home and work life where needed.

j) empowering women in decision making and leadership roles in the workplace through the Gender Equality Seal for Private and Public Enterprises

k) zero tolerance for discrimination, bullying, sexual harassment, physical or verbal abuse, and abuse of authority in any form in the workplace, our programs or community.

l) women and girls exercising their rights over their own bodies and be protected against violence; women exercising their independent access to and control over land, employment, services and institutions.

m) the capacity building of women's organisations and groups towards gender equality through resource allocation, training, information, and networking.

n) the monitoring and evaluation of programs for gender equity goals; developing and employing good practice guidelines and indicators

o) identifying barriers to gender equity and documenting gender equity results across programs and projects as a part of our monitoring process.

5. Monitoring and Compliance

SAFE Foundation staff are responsible for attending Gender Equality training and awareness programs, and adhering to the Gender Equality Policy. This policy is available in English, Sinhala and Tamil. SAFE Foundation require staff, consultants/contractors, volunteers, interns, donors and partners to report to management any concerns or suspected breach of our Gender Equality Policy.

What to report: any concerns about a breach of the Gender Equality Policy or allegations of discrimination, harassment (bullying), sexual harassment, physical or verbal abuse, and abuse of authority in any form.

Who to report to: any concerns could always be discussed with a line manager or other senior member of staff. Reports can be made to a line manager and a senior member of staff (2 staff members) through established procedures via email or by completing and submitting SAFE's official Incident Report.

Failure to report a breach of SAFE Foundation Gender Equality Policy will constitute misconduct and be considered grounds for disciplinary measures. Management will ensure that all information is handled with the utmost discretion.

No action will be taken against a staff member reporting concerns in good faith.

SAFE Foundation will discipline staff who retaliate against a colleague who reports concerns or otherwise cooperates with an investigation.

SAFE Foundation will discipline staff who maliciously and falsely report misconduct, and who fail to cooperate with an investigation.

SAFE Foundation will seek to support the victim of physical or sexual abuse and to avoid stigmatising the person.

6. References

https://www.un.org/sustainabledevelopment/gender-equality/
https://unfoundation.org/blog/post/shadow-pandemic-how-covid19-crisis-exacerbating-gender-inequality/
https://www.mckinsey.com/lk/our-insights/advancing-gender-equality-in-sri-lanka-a-crucial-balancing-act

ANNEX 3: CHILD PROTECTION POLICY

Introduction

SAFE Foundation aims to protect the rights of children to be free from exploitation, abuse, violence, and unnecessary separation from family. This is the responsibility of governments, all organisations caring for children's wellbeing, society in general and families in particular.

In 1990, Sri Lanka signed the United Nations Convention on the Rights of the Child. The Convention is based on four core principles:

- non-discrimination
- the best interest of the child
- the right to life, survival and development, and
- respecting the views of the child.

In 1992, the Sri Lankan Government formulated the Children's Charter. In 2000, the Government signed the Optional Protocol on Involvement of Children in Armed Conflict and signed the Optional Protocol on Sale of Children, Child Prostitution and Child Pornography in 2002. In 2015 the Sri Lankan Government committed to Sustainable Development Goal (SDG) 16.2 to end violence against children.

Despite these agreements to protect the rights of children and prevent abuse, Sri Lanka lacks a national child protection framework. Far too many Sri Lankan children are still exploited, abused and stigmatised once sexually abused.

As SAFE Foundation does not tolerant any form of child abuse, the main objectives of this policy are to:

- raise awareness of child protective issues
- educate staff of the importance of child protective issues
- promote best practice in all our programs and projects.

Principles, Values and Beliefs

SAFE Foundation believe we are all responsible for safeguarding and upholding the rights of children. We are committed to protecting the rights of children through our programs and projects. SAFE supports children's participation in programs that directly impact them and invite their feedback – *'Nothing about us without us'.*

As a faith-based organisation, SAFE seeks to ensure that the behaviour of its staff and that of our partner organisations is exemplary. All SAFE staff are responsible for advocating and promoting the dissemination of the Code of Conduct. We are personally and collectively responsible for upholding, monitoring and enforcing these standards; setting a good example; and creating a working environment that encourages our commitment and transparency to this Code of Conduct.

We seek to protect children's rights through:
Awareness: ensuring all staff, consultants/contractors, volunteers, interns, donors and partners are aware of issues relating to child abuse and exploitation and have access to this policy.
Prevention: ensuring all staff, consultants/contractors, volunteers, interns, donors and partners prevent child exploitation and abuse by adhering to SAFE Foundation policy and applying good practice across all programs and projects.
Reporting: ensuring staff, consultants/contractors, volunteers, interns, donors and partners understand their responsibility to report concerns arising about children's safety
Responding: ensuring action is taken to support and protect children where concerns arise regarding possible abuse and exploitation.

Policy Scope

SAFE Foundation's Child Protection Policy applies to all employees (F/T and P/T), Members of the Board, volunteers (national and international), donors, partners, consultants/contractors, interns and visitors to SAFE Foundation's office, programs and project activities. All those involved in and supporting SAFE Foundation are held accountable to the standards of our policy.

Definitions

Child	According to the UN Convention on the Rights of the Child, a child is anyone under the age of 18.
Physical abuse	The use of physical force against a child including hitting, shaking, punching, kicking, burning and poisoning that causes harm to a child.
Sexual abuse	The use of children for sexual benefit by an adult or older child.
Emotional abuse	Verbal or other acts towards children including online (digital) abuse that damage a child's self-esteem or confidence.
Neglect	Failure to provide a child (when they could do so) with the conditions that are culturally accepted as being essential for their development and wellbeing.
Child exploitation	Using children for profit, labour, sexual benefit, or for other personal or financial advantage. This includes producing, obtaining or distributing child exploitation material.
Child labour	The use of children for work, especially hazardous work or work that interrupts a child's right to education and development.

Recruitment Procedures

Prior to engaging a staff member or Board member SAFE Foundation will conduct recruitment screening. This process includes:
A criminal record check before employment to ensure the applicant has not been charged or convicted of any child related offence, and at least two verbal referee checks.

As additional screening, SAFE employment interviews for positions that work *directly* with children will include behavioural-based questions such as:
What motivates you to work with our organisation?
How would you relate to children who were not listening to your instructions?
How would you create a child-safe and friendly space for an activity for young children, older children, and children with a disability?
What boundaries are important when working with children and young people?
How would you respond if you were concerned about the actions/behaviour of a co-worker?

SAFE Foundation will not employ anyone who has been charged or convicted of any child related offence and is therefore deemed an unacceptable risk to children.

Employee Contracts

SAFE Foundation includes their Child Protection Code of Conduct in every employee contract/agreement which is signed prior to the commencement of work. Employees can be suspended, transferred or dismissed from their employment if they are under investigation, or dismissed if they have breached the Child Protection Code of Conduct.

As a part of their induction process, all new employees will be informed of SAFE Foundation's Child Protection Policy.

All employees must attend and successfully complete training in Child Protection as a part on their ongoing employment with SAFE. Training includes local background of child protective issues, an explanation of SAFE's Child Protection Code of Conduct and how applies to our work, our reporting procedures, and who to contact with questions or concerns about child protection.
SAFE Foundation will inform employees (and the afore mentioned supporters) when we update our Child Protection Policy.

Child Protection Code of Conduct

All members of staff, consultants/contractors, volunteers, interns, donors and partners are required to sign and adhere to the SAFE Foundation Child Protection Code of Conduct.
In doing so you agree to:

Treat all children equally and with respect. This means not discriminating based on race, gender, sexual orientation, disability, political convictions and religion. This includes making employment or programming decisions based on family status, race, gender, religion, colour, national or ethnic origin, language, marital status, birth, sexual orientation, age, disability or political conviction. I undertake not to abuse the power and influence I may have by virtue of my position over the life and well-being of a child.

Seek to protect the rights of children and act in a manner that ensures that their best interest is paramount.

Use information and resources responsibly and not divulging confidential information about a child and other work-related matters in accordance with the staff regulations, rules and current guidelines.

Not use language or behaviour towards children that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.

Not engage children in any form of sexual intercourse or sexual activity, including paying for sexual services. This is regardless of the local age of consent. Ignorance or mistaken belief of the child's age is not a defence.

Not request any service or favour from a child in return for protection or assistance.

Wherever possible, ensure that another adult is present when working near children.

Not invite unaccompanied children into private residences, unless they are at immediate risk of injury or in physical danger.

Never use any computers, mobile phones, video cameras, cameras or social media to exploit or harass children, or access child exploitation material through any medium.

Not physically punish or discipline children.

Not hire children for domestic or other labour which is inappropriate given their age or developmental stage; which interferes with their time available for education and recreational activities; or which places them at significant risk of injury.

Comply with all relevant local legislation, including labour laws in relation to child labour.

Immediately report concerns or allegations of child exploitation and abuse and policy noncompliance in accordance with appropriate procedures.

Immediately disclose all charges, convictions and other outcomes of an offence that relates to child exploitation and abuse, including those under traditional law, which occurred before or occurs during my association with SAFE Foundation.

Refrain from any involvement in any activities that are criminal or unethical; contravene human rights (harmful child labour, child pornography and trafficking of human beings as commodities); or compromise SAFE Foundation's brand and reputation.

Be aware of behaviour, and avoid actions or behaviours that could be perceived by others as child exploitation and abuse.

When photographing or videoing a child/children or using children's images:

- take care to ensure local traditions or restrictions for reproducing personal images are adhered to before photographing or videoing a child
- obtain *informed* consent from the child, and parent or guardian of the child before photographing or videoing the child. An explanation of how the photograph or video will be used must be provided prior to the parent/guardian signing SAFE Foundation Publication Release Form. Forms must be returned to SAFE Foundation to be retained on file. Verbal consent alone is not sufficient.
- ensure photographs and videos present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Children should be adequately clothed and not in poses that could be seen as sexually suggestive
- ensure images are honest representations of the context and the facts
- ensure file labels, metadata or text descriptions do not reveal identifying information about a child when sending images electronically or publishing images in any form.

Incident Reporting and Response Procedures

SAFE Foundation require staff, consultants/contractors, volunteers, interns, donors and partners to report to management any concerns, accusations or suspected breach of our Child Protection Policy.

What to report: any concerns or allegations of child abuse, exploitation or any alleged breach of SAFE Foundation policy due to disclosures from children, witnessing abuse, or noticing someone acting in a concerning way.

Failure to report concerns, allegations, or breach of SAFE Foundation Child Protection Policy will constitute misconduct and be considered grounds for disciplinary measures. Management will ensure that all information is handled with the utmost discretion. Any concerns or suspicions involving program participants or colleagues should always be discussed with a line manager or other senior member of staff.
No action will be taken against a staff member reporting concerns in good faith.
SAFE Foundation will discipline staff who retaliate against a colleague who reports concerns or otherwise cooperates with an investigation.
SAFE Foundation will discipline staff who maliciously and falsely report misconduct, and who fail to cooperate with an investigation.

Who to report to: a line manager *and* a senior member of staff (2 staff members) through established procedures via email or by completing and submitting SAFE's official Incident Report.

When to report: report your concerns immediately if possible and within 24 hours of the incident.

Strategies for reporting to disclosures
If a child reports any form of abuse give them your full attention and try to keep them calm

Allow him or her to take their own time and use their own words
Reassure the child that it is the right thing to tell you
Do not make promises you can't keep
Let the child know what you will do next
Don't confront the person who has allegedly harmed the child as it can put you and the child in danger.

Child Protection Risk Assessments
Every workplace will display information on how to report possible child abuse, policy non-compliance and code of conduct breaches.
SAFE Foundation will conduct a risk assessment for programs and activities includes:
Using a risk assessment matrix and log to identify any risks to children during operations or activities
Statements documenting how SAFE will mitigate these risks - reduce or remove risks.

Child Protection Policy review
This policy will be reviewed five years from the last version date or as a result of changes in policy.

Signed	Latest Version	Review Date
Managing Director	9.1.2022	
Second signature		

References
United Nations World Report on Violence against Children Paulo Sérgio Pinheiro, Independent Expert for the United Nations Secretary-General's Study on Violence against Children Published by the United Nations ISBN-10 92-95057-51-1 http://www.violencestudy.org

United Nations Human Rights Convention on the Rights of the Child
https://www.ohchr.org/en/professionalinterest/pages/crc.aspx

State Ministry of Women and Child Development
http://www.childwomenmin.gov.lk/institutes/dep-probation-and-child-care-services/child-rights/crc

ANNEX 4: WORKPLACE HARASSMENT PREVENTION POLICY

Preamble

This is called '**Workplace Harassment Prevention Policy of SAFE Foundation**' made and approved by the Board of Directors which is adopted to follow in this organisation to ensure a safe environment for all its employees free from discrimination on any ground and harassment at work including sexual harassment. This policy intends SAFE to operate a zero-tolerance policy for any form of harassment in the workplace, to treat all incidents of such nature seriously, and to investigate promptly all such allegations including sexual harassment. This policy further intends that any person found to have been sexually harassed by another employee of SAFE, that person will be subjected to disciplinary action under the disciplinary procedure of SAFE. This policy will treat all sexual harassment complaints as highly confidential matters.

Objectives

a) To espouse the Workplace Harassment Prevention Policy in all SAFE activities and ensure to provide a dignified service environment for all SAFE employees and all service providers.
b) To make SAFE a place where Workplace Harassment is at zero level and any person without regard to his/her sexual characteristics can work or get the services provided by SAFE.
c) To give recognition and good name to SAFE and to all SAFE employees, in terms of well-disciplined and loyal work team who provides honest services to every one of any sex equally.
d) To nurture a well-disciplined workforce for SAFE to provide dignified service to people.
e) To adhere the workforce to follow organisational rules and to make provisions to take legal action against those who violate the rules and pursue disciplinary action en necessary.

Content of Workplace Harassment Prevention Policy

a. Sexual harassment is unwelcome behavior that makes a person offended, humiliated and/or intimidated by the other party.
b. Sexual harassment can involve one or more incidents and actions constituting harassment may be physical, verbal, and non-verbal.
c. Harassment includes undesirable or unwelcomed physical contact including patting, pinching, stroking, kissing, hugging, and inappropriate touching of the body or any area of the body.
d. Physical violence, including sexual assault and physical contact.
e. Use of official level authority, job-related threats, or promising unentitled benefits, rewards, promotions, and facilities soliciting sexual contacts.
f. Verbal and /or non-verbal communication for inappropriate behavior and/or inappropriate touching of opposite-sex employees.
g. Comments on physical conduct, appearance, age, private life, etc. of an employee.
h. Sexual comments, stories, and jokes
i. Unwanted invitations for social events, entertainment, etc.
j. Sending sexually explicit messages.
k. Displaying sexually explicit or suggestive materials
l. Sexually-suggestive gestures
m. Any other behavior which is not tolerable to the employee of the opposite sex.

Implementing Workplace Harassment Policy of SAFE

a. All types of workplace/sexual harassment are prohibited in SAFE whether it takes place within SAFE office premises or any project operated by SAFE.
b. Any such activity shall not take place at official trips, training sessions, or conferences sponsored by SAFE
c. All workplace/sexual harassment shall be promptly reported by the victim to the Gender Focal Point or any other senior officer working in the office at that moment. If it happened non-working hours, the matter should be reported to Executive Director or any other senior officer.
d. The victim has a right to report the matter to the nearest police station for legal action.

e. When the matter is reported to SAFE, the Executive Director will initiate preliminary investigations as per the Disciplinary code of SAFE.
f. Considering the seriousness of the matter, the Executive Director will refer the victim to the nearest police station to pursue legal action. However, a victim of the harassment, at his/her discretion shall be given the option to resolve the matter internally.
g. Executive Director on the receipt of the preliminary investigation report will take disciplinary action as required under the disciplinary code.
h. A suitable punishment will be imposed by the Board of Directors of SAFE on findings of the Disciplinary Enquiry as reflected under Major Offenses in the Policy and Procedures Manual of SAFE Foundation.

Applicability

This policy guideline shall apply to all regular and contractual staff of SAFE, members, service providers, and the Contractors.

ANNEX 5: SCHEDULE OF AUTHORITY

Description	Value	Office responsibility	Authority Level
Entering to contracts on Procurement of goods or services	LKR 0 – LKR 100,000	Procurement officer performs procurement requirements	Finance and Admin Manager (FAM)
Entering to contracts on Procurement of goods or services including capital expenditure	LKR 100,001 – LKR 5,000,000	Procurement officer/procurement Committee/Tec Committee performs procurement requirements	ED Review and Approves
Entering to contracts on Procurement of goods or services capital expenditure	LKR 5,000,001 and above	Procurement officer/procurement Committee/Tec Committee performs procurement requirements	Approval of Executive Director upon delegation of authority by Chairman
Entering to Grants, Agreements, Sub grants, sub agreements, subcontracts, and other Institutional contracts/agreements	LKR 0 – LKR 5,000,000	Program Team approves SOW/program description and Procurement officer/Committees prepares contracts after following procurement procedures	ED Review and Approves
Sub grants, sub agreements, subcontracts, and other Institutional contracts	LKR 5,000,001 and above	Program Team approves SOW/program description and Procurement officer/Committees prepares contracts after following procurement procedures	Approval of Executive Director upon delegation of authority by Chairman
Individual Consultancy Agreements	LKR 0 – LKR 5,000,000	Program Head approves SOW and Procurement officer/Committees prepares contracts after following procurement procedures	ED Review and Approves
Hiring office personnel		Evaluation Committee reviews and selects	ED review and approve
Payroll		Finance and Admin Manager Reviews and Approve	ED Review and approve
Program deliverables		Program head reviews and approves	ED Review and Approve
Office leases		Procurement to follow procedures and select	ED Review and Approve
Request to make payments	LKR 0 – LKR 100,000	procurement officer verifies and presents the invoice	FAM review invoices and approves
Request to make payments	LKR 100,001– LKR 5,000,000	procurement officer /Program heads verifies and presents the invoice, FAM review invoices and approves	Approval of Executive Director upon delegation of authority by Chairman
Request to make payments	LKR 5,000,001 and above	procurement officer /Program heads verifies and presents the invoice, FAM review invoices and approves	ED authorize and Chairman Approve

Cheque signature authority	LKR 0 – 5,000,000		FAM and ED both sign
Cheque signature authority	LKR 5,000,001 and above		Approval of both Executive Director and Admin & Finance Manager upon delegation of authority by Board of Directors

ANNEX 6: TRAVEL POLICY

The SAFE Foundation employees may be required to travel away from their posts on assignment for official business and incur cost related to domestic and, under exceptional circumstances, international travel. Authorized travellers on the SAFE Foundation business are entitled to a per diem payment to cover meals and incidental expenses (M&IE), transportation (e.g., rental car, airfare), and lodging, which meet reasonable and adequate standards for safety and comfort. This is not considered as part of the benefits package given to the SAFE Foundation employees, but rather a reimbursement of travel costs. Authorized travellers are expected to use discretion and good judgment regarding expenses charged, exercising the same care in incurring expenses as a prudent person would exercise if traveling on personal business.

This policy is prepared based on the needs of the SAFE Foundation and will comply with this manual as a minimum requirement. In the event donor requirements are far stringent than what is stated in this manual, SAFE shall comply with the donor requirements.

Per Diem

The M&IE allowance covers daily meals, plus other incidental personal subsistence related costs typically incurred while traveling. Meals are defined as breakfast, lunch, and dinner. Incidental expenses include tips to porters, laundry, transportation between places of lodging or business and places where personal meals are taken, and personal telephone calls. No receipts are required in order to receive an M&IE allowance.

The daily M&IE rate for overnight travel in different city will be LKR 2,500/=. Per Diem payments will be made for temporary duty travel when the travel period is more than twelve (12) hours for a trip of sixty (60) kilometres or more and when an overnight lodging is required.

Break-up of M&IE

M&IE amount of LKR 2,500/= per day is divided in the following manner according to the time the employee leaves the official place of business.

M&IE Amount	**Breakfast**	**Lunch**	**Dinner**	**Total**
Leaves before 8.00.A.M	LKR 450	LKR 800	LKR 1,250	LKR 2,500
Leaves before 12.30.P.M	Not Entitled	LKR 800	LKR 1,250	LKR 2,050
Leaves after 12.30.P.M	Not Entitled	Not Entitle	LKR 1250	LKR 1,250

M&IE amount of LKR 2,500 per day is divided in the following manner when the employee stays full day in the field.

M&IE Amount	Breakfast	Lunch	Dinner	Total
Full day in the field	LKR 450	LKR 800	LKR 1,250	LKR 2,500

M&IE amount of LKR 2,500/= per day is divided in the following manner according to the time employee arrives to the official place of business.

M&IE Amount	Breakfast	Lunch	Dinner	Total
Arrives after 8.00.A.M	LKR 450	Not Entitle	Not Entitle	LKR 450
Arrives after 12.30.P.M	LKR 450	LKR 800	Not Entitle	LKR 1,250
Arrives after 7.00 P.M	LKR 450	LKR 800	LKR 1,250	LKR 2,500

Incidental expenses are included in the breakfast, lunch, and dinner proportionately and therefore, no separate amount will be paid as incidentals.

Per Diem payments according to the above table will be provided when the travel period is more than 12 hours and outside the work district even if the travel is limited to a day.

If a donor or SAFE Foundation provides meals at a meeting, training, workshop or conference, employee shall deduct the relevant portion of the meal from his/her M&IE.

If a donor or SAFE foundation provide lodging with meals, employee shall deduct the relevant portion of the meal from his/her M&IE.

Lodging

SAFE Foundation uses hotels and guest houses after adhering with proper procurement process. SAFE Foundations' maximum lodging rate is established at LKR 10,000/= for room only basis. SAFE established the current rate of LKR 10,000/= after a thorough review of the lodging rates in the geographic locations of work. However, in circumstances where SAFE cannot meet this requirement, Executive Director may approve lodging at a higher rate. For exceptional circumstances, the Executive Director may provide prior approval for accommodation at LKR. 12,000/= or slightly higher.

The **Finance Manager** and designates will arrange and pay directly for all overnight lodging during official domestic travel. Any other personal lodging preferences must be pre-approved in writing by the **Executive Director**, who will ensure travellers' safety, security, and compliance. In such cases, lodging expenses or subsidy in lieu of approved lodging arrangements will not be reimbursed under any circumstances.

On an exceptional basis, the **Executive Director** may authorize the traveller to pay out of pocket or use travel advance funds to cover overnight lodging. In such case, he/she must submit original itemized receipts in order to be reimbursed for lodging expenses. Reimbursement for overnight lodging costs cannot exceed the local established lodging rates.

Other Expenses

Above and beyond per diem, the following business-related expenses can be itemized and submitted for reimbursement when supported by an original receipt:

- Local transportation (taxis)
- Parking and/or Express Way charges
- Excess baggage (for project materials only)
- Car rental and fuel (if pre-authorized by the Executive Director/Finance and Admin Manager)
- Work related phone calls / faxes / internet
- Work related Photocopying / printing

Airline Travel

The lowest cost, economy-class fare between the city of origin and the destination will be sought. Selection of other routes must be justified and approved by the **Executive Director**. Airline tickets will not be purchased by the **Finance Manager** or designee until the donor approval is taken.

The SAFE Foundation only uses airlines that meet international safety and security standards. Air tickets are acquired from approved Travel Agent/s under corporate agreements. The **Finance Manager** or designee will arrange and pay directly for all official domestic/international air travel.

On exceptional basis, the **Executive Director** may authorize the traveler to pay out of pocket or use travel advance funds to cover air fare. In such case, he/she must submit original tickets, boarding passes, and payment receipts in order to be reimbursed. Reimbursement for air travel costs cannot exceed the airfare preauthorized by the **Executive Director.**

SAFE Foundation will follow the USG lodging rates provided in the Department of State Standardized Regulations (DSSR) equivalent to LKR for ECCT Project, for any foreign travel.

Road Travel

The Administrative Assistant will arrange for a rental car for any road travel, no personal arrangement is preferred in case of road travel. If the traveller considers public transport to be more convenient he/she may arrange for that. If any traveller were to arrange his/her road travel in this manner, the traveller must submit receipts associated with public transport.

SAFE Foundation uses its own vehicles for program travel. SAFE's policy is to charge the donor at the rate of LKR 100 per KM for the usage of car/jeep and LKR 15 per KM for usage of a motor bike. These rates have been conferred after reviewing current market rates and estimating per KM costs for the usage of SAFE's vehicle.

Travel Advances

Travel advances can be provided to the SAFE traveller two to three (2-3) days prior to departure for per diem (meals/incidentals and lodging) and/or a project advance for project costs (such as paying for conference costs while on travel status). Travel advances are reconciled through an individual travel expense report, as the individual traveller takes responsibility for the monies advanced to him or her. The Company provides worksheets for calculating advances, available to the project team. Travel advance should be settled within 7 working days after the completion of the trip and no additional travel advances will be issued to Travelers until their previous advances are cleared in full.

The **Finance Manager** or designee will review the worksheets and make a realistic assessment of estimated travel expenses, if not covered directly by SAFE, M&IE rates based on the location and number of travel days, as well as toll and transportation fees.

Estimated costs of travel will be included on the travel approval request email and when a travel advance is required, a travel advance form must be approved by the Executive Director and Finance Manager. Travel advances up to 75% of the total estimated M&IE can be paid.

Travel Claim Forms

Travelers are responsible for preparing their own expense reports, signing, and dating them upon submission. They are also responsible for providing receipts to support their expenses (M&IE excluded). The travel claim form must include the amount of any travel advance received, which should be deducted from the amount of reimbursement claimed (if any). A summary trip report must be furnished, along with the travel claim form to the supervisor, who will review and sign this document. The M&IE will not be reimbursed until the summary trip report is provided. The **Finance Manager** or designee can provide advice on how to fill the travel claim forms.

See Annex for Travel Claim Form

Travel Approval Process

1. The traveler requests travel approval using the prescribed form. The request must state the trip's purpose, the dates of travel, the location(s) to be visited, the estimated cost of the travel, and names/titles of any persons that the traveler expects to meet or organization/s that he/she expects to visit.
2. The travel request must be approved in email or by signing by the traveler's immediate supervisor. The approval must be obtained prior to confirming any travel reservations (i.e. airline tickets, lodging, car lease etc.).
3. If a travel advance is requested, the **Finance Manager or designee** will process it, along with the copy of the approved travel request or email to prepare a payment voucher and issue a check in the name of traveler.
4. During the trip, the traveler must maintain all receipts for costs incurred (with the exception of M&IE) and report them on a travel claim form.
5. Within three (7) business days of return from travel, the traveler should present his/her travel claim form to his/her immediate supervisor for approval along with a summary trip report.
6. Traveler will submit the travel expense form with supervisor approval, along with its supporting receipts and boarding pass or passes, where applicable, to the **Finance Manager** or designee for processing.
7. The **Finance Manager or designee** will review and settle the travel claim form.

Travel Expense Report

SAFE Foundation
No.20, School Junction, Paniyankadawala,
Anuradhapura, Srl Lanka.

Name: _____

Expense
Beginning Date: _____ Expense Ending Date: _____

Voucher Submission Date: _____

Purpose of Trip or Expense:

_____

_____

_____

_____

_____

I. Per Diem (please fill out on Page 2)

II. Other Direct Costs				**LKR**
Month	**Day**	**Receipt No.**	**Description a/c code**	**Amount**
			Total Other Direct Costs	**LKR -**

Traveler's Signature: _____ Supervisor Signature: _____

Date: _____ Date: _____

All figures in LKR unless otherwise stated

Travel Expense Report

Name of Traveler:

Per Diem (lodging and meals & incidental Expenses)

Date		Travel/Location			Lodging		M&IE				Amount
Month	Day	From	To	No.of Nights/People	Receipt No.	Lodging Amount	Start Time	End Time	Entitlement	LKR Amount	Claimed
					Total	**LKR -**	**Total**			**LKR -**	**LKR -**

IT IS NECESSARY TO SUBMIT ALL HOTEL RECEIPTS AND RECEIPTS FOR EXPENSES EXCEPT FOR M&IE.

Total ODCs (from page 1)	**LKR -**
TOTAL AMOUNT CLAIMED	**LKR -**
(LESS TRAVEL ADVANCE)	**LKR -**
AMOUNT DUE TO TRAVELER	**LKR -**
AMOUNT DUE TO SAFE	**LKR -**

AMOUNT APPROVED	**LKR -**

M&IE Entitlement

Breakfast (B/F) = 450

Lunch (L) = 800

Dinner (D) = 1250

I declare that this report is a true and correct statement of the money necessarily paid out in the discharge of my duties from

Start Date: End Date:

Traveler's Signature _____

Date _____

Supervisor Approval (signature) _____

Name and Title of Supervisor _____

Finance Manager Review (Signature) _____

ANNEX 7: INSTRUCTIONS TO DISCLOSURE OF REAL OR POTENTIAL CONFLICT OF INTEREST AND NON-DISCLOSURE STATEMENT

1. The objective of the Disclosure of Real or Potential Conflict of Interest and Non-Disclosure Statement is to make sure the procurement committee members/evaluators disclose if they have any real or potential conflict of interest of the vendor/organization that is to be evaluated and to get a certification from them ensuring not to divulge any information about the vendor or the procurement process.

2. If the proposed members have a conflict of interest, they should take leave from participating in the evaluation. The names of the vendors/organizations that are to be evaluated are named in the top part of this form so they could decide whether they have a conflict of interest or not.

3. This form should be sent to the committee members before they see the technical proposal and cost proposal/quotation.

4. Once they signed this form stating that they do not have a conflict of interest, procurement officer may send the proposal/quotations for evaluation to all members.

5. While the members are performing the evaluation, if they found out that a conflict of interest arose due to a new development, such member should inform the head of the procurement committee and leave the process.

6. If by any chance the member has divulge any information, it should be brought to the notice of the head of procurement committee. The head shall take necessary steps after looking at the significance of divulged information.

7. Any unauthorized release of information would terminate the participation of such procurement committee member from the evaluation process.

8. Committee members should understand that noncompliance with the above may result in compromising the ultimate selection of a vendor/organization.

Disclosure of Real or Potential Conflict of Interest and Non-Disclosure Statement

Name of Evaluator, Title, and Organization	
Evaluation Position	☐ Head of Procurement Committee ☒ Member of Procurement Committee
Evaluation Award Number *(RFQ, RFP, contract or other instrument) and* ***Nature of Evaluation***	
Names and addresses of the organizations/Vendors being evaluated	

Real or Potential Conflict of Interest exist if,

1. I have a close family member who is an employee/director/owner of the potential vendor that is being evaluated
2. I have a financial interest that is direct or is significant though indirect in the vendor. (A financial interest is an ownership stake in an equity security or debt security issued by an entity, including the rights and obligations to acquire such an interest)
3. I have current or previous experience with the vendor. This includes contributing to design/develop the proposals/quotations for this procurement.
4. I have current or previous work experience with the vendor in the capacity of an employee/director/owner or currently seeking employment with the vendor.
5. I have current or previous work experience with an industry competitor of the potential vendor.
6. I have preconceived ideas towards the potential vendors that could bias the evaluation.
7. Any other real or potential conflict of interest that the evaluator may think (please state).

I have gone through the above factors to determine if I have a real or potential conflicts of interest to disclose with regard to the above organizations.	**I have a conflict of Interest**
	☐ Yes ☐ No
	If yes, please mention the reason here.

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change.
If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished. I further certify that I will not discuss with, or reveal to, any representative of any business organization or other entity, or any individual person (except persons specifically assigned to my specific application evaluation group) either within or outside the Project Team, any aspects of the pending procurement selection. The term "any aspects of the pending procurement selection" includes, but is not limited to, information such as the identity of vendor, and identity of personnel involved, and the schedule of key technical events in the procurement selection process.
In the event I have released any of the subject procurement evaluation information covered hereby, I agree to advise the Head of Procurement Committee to which I am assigned as soon as practicable.

Date	
Signature	

ANNEX 8: PROCUREMENT REQUIREMENTS FOR USAID FUNDED ACTIVITIES

Suspension, Debarment and Excluded parties

When USAID funds are used, SAFE shall conduct the following checks: Recipients include vendors, grantees, subcontractors, staff, consultants, volunteers, etc.

https://sam.gov/SAM/

http://sdnsearch.ofac.treas.gov
Consolidated List | United Nations Security Council

Source and Nationality Requirements

SAFE shall consider the source and nationality requirement for USAID financed activities. As per the cooperative agreement signed by USAID geographic code is 937.

- If the contracting instrument states that the authorized geographic code for the program is 937, then SAFE may procure commodities and services from;
- The United States
- The recipient Country (i.e Sri Lanka)
- **Developing Countries** other than **advanced developed countries (see the list of developing countries** 310maa.pdf (usaid.gov))
- Excludes developed countries
- Excluding any country that is a prohibited source (Currently there is no prohibited source country)
- Do not purchase from sanctioned countries

Determining Nationality of suppliers of commodities and services?

- If the supplier is an Individual - be a citizen or lawful permanent resident of a country of authorized geographic code.
- If the supplier is an Organization;
  - Be incorporated or legally organized under the laws of a country in Code 937

  - Must be operating as a going concern in a country in Code 937 **and either**

  - Be managed by a governing body, the majority of whom are citizens or lawful permanent residents of countries in Code 937 **or**

  - Employ citizens or lawful permanent residents of a country in Code 937, in more than half its permanent full-time positions and more than half of its principal management positions (22CFR 228.12)

Determining Source of commodities and services

- country from which a commodity is shipped to the cooperating/recipient country **or**
- The cooperating/recipient country itself if the commodity is located therein at the time of the purchase irrespective of the place of manufacture or production, unless it is a prohibited source country
- If a commodity is shipped from free port or bonded warehouse, “Source” means the country from which the commodity was shipped to free port or bonded warehouse.

Refer ADS chapter 310 for more information at ADS Chapter 310 - Source and Nationality Requirements for Procurement of Commodities and Services Financed by USAID

Eligibility of Commodities

SAFE shall follow USAID guideline for eligibility of Commodities.

Ineligible Commodities

SAFE shall not procure the following commodities cannot be procure under a USAID funded program.

- Military Equipment.
- Surveillance Equipment – includes microphones, transmitters, listening devices, and recording devices of micro miniature nature. In certain instances these might have non-surveillance purpose. In such instances, it is the legitimacy of the purpose rather than the specific characteristics of the commodity that determines eligibility.
- Commodities and Services for Support of Police and Other Law Enforcement Activities.
- Abortion Equipment and Services.

Luxury Goods - Luxury goods include such commodities as alcoholic beverages and equipment for their production and use, equipment and supplies for gambling facilities, certain recreational supplies and equipment, jewelry, stamps, coins, furs, and the more expensive textiles.

- Gambling Equipment
- Weather Modification Equipment.

Restricted Commodities

The following commodities can be procured only by obtaining a **waiver** from USAID.

- **Agricultural Commodities**
- **Motor Vehicles** – when purchasing or long-term lease of Non-US manufactured vehicles. Long-term means 180 days or more (can be repetitive or intermittent where cumulative days comes to 180 days within a calendar year).
- Blanket Waiver for Right-Hand Drive (RHD) Motor Vehicles and Lightweight/Mediumweight Two-Wheel and Three-Wheel Motor Vehicles is currently available. This waiver applies to:

- RHD motor vehicles, in circumstances where a Jeep Cherokee or Jeep Wrangler would not suit project needs or be locally serviceable; and

- Lightweight and mediumweight (below 600 cubic centimeters (cc)) two-wheel and three-wheel motor vehicles, in circumstances where a Rokon motorcycle would not suit project needs or be locally serviceable.

- Purchase of luxury vehicles is prohibited as it is a luxury good.
- "Motor vehicles must be manufactured in the United States to be eligible for USAID financing (22 U.S.C. 2396). Any vehicle to be financed by USAID under a long-term lease or where the sale is to be guaranteed by USAID must be manufactured in the United States. However, financing of transportation or driver services from an individual or commercial entity and not directly financing the purchase or lease of a vehicle, is subject to the requirements at § 228.12. Financing transportation or driver services means: (1) The vehicle is independently owned or leased by the hired driver or company.
- (2) The vehicle will be maintained by the individual or commercial entity and driven only by the hired driver(s); and
- (3) The vehicle is not directly leased, either as a separate line item in the contract separate from the cost of the driver's services, or under a separate contract."
- Refer above in 22 CFR 228.19(b)
- **Pharmaceuticals**
- **Contraceptives and Condoms**

- **Pesticides**
- **Used Equipment**
- **Fertilizer**

Refer ADS chapter 312 for information at ADS Chapter 312 - Eligibility of Commodities (usaid.gov)

Procuring Covered Telecommunications Equipment

a. Definitions. As used in this clause—
- Covered foreign country means The People's Republic of China.

b. Covered telecommunications equipment or services means equipment produced or services provided by the following companies or their subsidiaries/affiliates: Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company. Also included in this definition are telecommunications or video surveillance equipment or services produced or provided by an entity reasonably believed to be owned or controlled by, or otherwise connected to, the government of a covered foreign country.

c. Prohibition. U.S. regulation prohibits procuring or obtaining or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. SAFE Foundation is prohibited from purchasing any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception or waiver is provided by USAID.

d. Reporting requirement: In the event that SAFE Foundation identifies covered telecommunications equipment or services during grant implementation, at any time or by any other source, the organisation shall inform USAID within one business day from the date of such identification or notification and await further instruction.

ANNEX 9: PROCUREMENT LEVELS AND THRESHOLDS					
Threshold in LKR	**Summary of procedure to be applied**	**Minimum Signatories to be involved in procure**	**Approvals**	**Purchase Dossier** (The arrangement of supporting documents herein reflects the order to be followed for each procedure)	**Minimum Period to complete**
Below 100,000	Direct Purchase – SAFE takes minimum one quote. However, SAFE shall ensure rates are in par with market prices. In the event market prices are not available online or other methods SAFE shall take minimum of two quotes.	- Requester - Procurement officer - Project Manager (if project) - Finance/Admin Manager	Finance and Admin Manager	1 Purchase Request Approved 2 Purchase order 3 Goods received note 4 Invoice authorised 5. ATV checks	3 Days
From 100,001 to under 3,000,000	Minimum Three Quotations required.	- Requester - Procurement officer - Project Manager - Finance/Admin Manager - Executive Director	Executive Director	1 Purchase Request Approved 2 Three Quotations (RFQ may be sent by email to possible suppliers) 3 Quotations analysed by using Quotation Analysis template and selection done by an appointed committiee (Project Manager/Finance & Admin.Manager/Executive Director) 4 Proof of ATV screening 5 Purchase order 6 Goods Received Note (attached Delivery Note if available) 7 Invoice authorized	One Week

From 3,000,001 to under 5,000,000	**Negotiated Procedure via a solicitation of a RFQ/RFP**	- Requester - Procurement officer - Project Manager - Finance/Admin Manager - Executive / Director	Executive Director	1 Purchase Request Approved 2 Specification/Statement of Work 3 At least three quotations or proposals received via RFQ/RFP forms duly filled and sent out to suppliers; 4 Responses from Suppliers received (minimum 3 required; if less, fill out a Derogation/Waive off form explaining reason why 3 quotes were not obtained and attach proof of RFQ sent out – emails); 5 Using the Quotation Analysis template, procurement Committee/TEC analyses and proposes preferred supplier 6 Proof of ATV screening; 7 Approval of selection by selection committee including Managing Director; 8 Purchase order (or contract suppliers / service). 9 Goods Issued Note / Goods Delivery Note 10 Invoice authorized	2 Weeks

From 5,000,001 And above	**National Open Tender/RFQ/RFP**	- Requester - Procurement officer - Project Manager - Finance/Admin Manager - Director / Managing Director -Legal Officer (when applicable)	Chairman	1 Purchase Request Approved 2 Tender Explanatory Note + Proof of Tender Selection Committee formation; 3 Copy of Tender Document 4 Copy of Tender advertisement publication 5 Declaration of objectivity & confidentiality 6 Proof of number of bids received/Bid submission Register, or emails received; 7 All Minutes of Tender Committee 8 Originals of all bids received	12 Weeks

Prepared by: **Approved by:**

Finance and Administration Manager	**Executive Director**
Name: Madumali Subasinghe  Signature: Date:18.11.2022	Name: Harsha Jayarathne  Signature Date:18.11.2022