



Center for Finance

# FINANCIAL MANAGEMENT POLICY

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## **1 PURPOSE**

The purpose of this Financial Management Policy is to establish clear principles, procedures, and controls for the effective, transparent, and accountable management of financial resources within the Center for Finance.

As a project-based organization primarily engaged in research, consulting, and implementation of donor-funded projects, the Center for Finance manages financial resources obtained through grants, public calls, tenders, and service contracts.

This Policy aims to:

- Ensure proper, transparent, and accountable use of funds obtained through projects, grants, and contracts;
- Support effective financial planning, budgeting, and cost control across project activities;
- Ensure compliance with applicable laws, regulations, and specific donor and contractual requirements;
- Promote accurate financial reporting and documentation aligned with project obligations;
- Reduce the risk of financial mismanagement, fraud, and irregularities.

This Policy supports the organization's commitment to strong governance and responsible financial management in line with ESG principles, with a particular emphasis on accountability, transparency, and proper management of project-based funding.

## **2 SCOPE**

This Financial Management Policy applies to all financial activities, transactions, and resources managed by or on behalf of the Center for Finance, including those related to donor-funded projects, grants, tenders, and service contracts.

The Policy applies to all individuals and entities involved in financial management, including management, employees, project staff, consultants, and external partners engaged in financial or project-related activities.

This Policy covers all financial aspects of the organization's operations, including budgeting, financial planning, accounting, financial transactions, management of donor funds, procurement and payments, financial reporting, and asset management. It also includes project budgeting, financial planning, and implementation throughout the project lifecycle.

All individuals covered by this Policy are required to comply with its provisions and ensure that financial resources are managed in a responsible, transparent, and accountable manner.

The Center for Finance promotes adherence to these principles across its partnerships and expects financial integrity and transparency from all external parties involved in its activities.

### **3 FINANCIAL PRINCIPLES & STANDARDS**

The Center for Finance is committed to managing its financial resources in a responsible, transparent, and accountable manner, in line with applicable laws, donor requirements, and good governance practices.

All financial activities are guided by the principles of integrity, accuracy, and compliance. Financial transactions must be properly authorized, recorded, and supported by appropriate documentation. The organization ensures that financial records are complete, reliable, and maintained in a timely manner.

Transparency is a core principle of financial management. The Center for Finance ensures that all financial decisions, transactions, and reporting are clear, traceable, and accessible for internal review and external verification where required. This is particularly important in the management of donor-funded projects and contractual obligations.

Accountability is maintained through clearly defined roles and responsibilities, as well as appropriate oversight and review mechanisms. Individuals involved in financial processes are expected to act responsibly and in accordance with established procedures, ensuring that resources are used efficiently and for their intended purposes.

The organization applies the principle of separation of duties, where responsibilities for authorization, execution, and review of financial transactions are assigned to different individuals whenever possible. This reduces the risk of errors, misuse, or fraud.

Compliance with donor and contractual requirements is a key aspect of financial management. The Center for Finance ensures that all financial activities related to projects, grants, and contracts are carried out in accordance with applicable rules, budgets, and reporting obligations.

The organization promotes cost-effectiveness and value for money in all financial decisions. Resources are used efficiently, and expenditures are aligned with project objectives and organizational priorities.

Through these principles and standards, the Center for Finance ensures sound financial management, strengthens internal controls, and maintains the trust of donors, partners, and stakeholders.

### **4 ROLES & RESPONSIBILITIES**

The Center for Finance defines clear roles and responsibilities to ensure effective financial management, accountability, and control across all organizational and project-related activities.

Senior management holds overall responsibility for financial oversight and ensuring that appropriate financial systems and controls are in place. This includes approving budgets,

overseeing financial performance, ensuring compliance with donor and legal requirements, and promoting a culture of financial integrity and accountability.

A designated financial responsible person, such as a finance officer or administrative manager, supports the implementation of this Policy. This role includes maintaining financial records, processing transactions, supporting budgeting and reporting processes, and ensuring that financial documentation is accurate and complete.

Project managers are responsible for the financial management of their respective projects. This includes preparing and managing project budgets, monitoring expenditures, ensuring that costs are eligible and aligned with project objectives, and complying with donor requirements. They are also responsible for ensuring that financial documentation related to project activities is properly maintained.

All employees and collaborators involved in financial processes are expected to follow established procedures, use resources responsibly, and ensure that all financial transactions are properly documented and authorized.

External partners, contractors, and service providers are expected to comply with agreed financial terms and maintain transparency and accountability in their financial dealings with the organization.

Through clearly defined roles and shared responsibility, the Center for Finance ensures effective financial management and reduces the risk of errors, misuse, or irregularities.

## **5 BUDGETING & FINANCIAL PLANNING**

The Center for Finance ensures that all financial activities are based on realistic, well-structured, and properly approved budgets.

Budgeting is an integral part of project development and organizational planning. All projects, grants, and contracts are supported by detailed budgets that reflect planned activities, expected costs, and funding sources. Budgets are prepared in accordance with donor requirements and internal procedures.

Project budgets are developed by project managers in coordination with financial or administrative staff, ensuring that costs are justified, reasonable, and aligned with project objectives. Where applicable, budgets must be reviewed and approved by management prior to submission to donors or implementation.

The organization ensures that all costs included in budgets are eligible, properly categorized, and supported by appropriate assumptions. Particular attention is given to compliance with donor rules, including cost eligibility, budget limits, and reporting requirements.

Financial planning also includes monitoring of available resources and cash flow to ensure that the organization can meet its financial obligations. Adjustments to budgets may be made where necessary, in line with donor rules and internal approval procedures.

The Center for Finance promotes responsible financial planning, ensuring that resources are allocated efficiently and that financial risks are minimized.

Through effective budgeting and financial planning, the organization ensures that financial resources are used strategically, transparently, and in alignment with its objectives and commitments.

## **6 FINANCIAL TRANSACTIONS & CONTROLS**

The Center for Finance ensures that all financial transactions are carried out in a controlled, transparent, and properly documented manner.

All financial transactions must be authorized in accordance with internal procedures and delegated responsibilities. Payments are made only for approved activities and supported by appropriate documentation, such as contracts, invoices, or other relevant records.

The organization maintains accurate and up-to-date financial records. All transactions are recorded in a timely manner and supported by verifiable documentation to ensure traceability and auditability.

The Center for Finance applies internal controls to reduce the risk of errors, misuse, or fraud. This includes the separation of duties, where different individuals are responsible for initiating, approving, and recording transactions whenever possible.

Payments are processed through official and traceable channels, such as bank transfers or other secure methods. Cash transactions are minimized and, where unavoidable, are subject to strict controls and documentation.

Procurement-related payments are made in accordance with applicable procurement procedures, ensuring that expenditures are justified, competitive, and aligned with project and organizational requirements.

Regular internal checks and reviews are conducted to ensure consistency between financial records, supporting documentation, and approved budgets.

Through these financial controls, the Center for Finance ensures the integrity, transparency, and proper use of financial resources.

## **7 FINANCIAL REPORTING & DOCUMENTATION**

The Center for Finance ensures that all financial information is accurately recorded, properly documented, and reported in a timely and transparent manner.

Financial reporting is an essential component of accountability, particularly in the context of donor-funded projects. The organization prepares financial reports in accordance with applicable accounting standards, donor requirements, and contractual obligations.

Project-related financial reports are prepared by project managers in coordination with the financial responsible person. These reports reflect actual expenditures, budget utilization, and any variances, and are submitted in line with donor timelines and formats.

All financial transactions must be supported by appropriate documentation, including invoices, contracts, payment records, and other relevant evidence. Documentation is maintained in an organized and accessible manner to ensure traceability and facilitate internal review and external audits.

The organization ensures that financial records are retained for an appropriate period in accordance with legal and donor requirements. Records must be available for verification, audit, or review when required.

Financial reporting also supports internal decision-making by providing accurate and up-to-date information on financial performance, budget status, and resource allocation.

Through accurate reporting and proper documentation, the Center for Finance ensures transparency, compliance, and trust in its financial management practices.

## **8 MONITORING, AUDIT & CONTROL**

The Center for Finance is committed to regularly monitoring and reviewing its financial management practices to ensure compliance, accuracy, and effectiveness.

Financial monitoring is conducted on an ongoing basis through the review of expenditures, budget implementation, and financial performance. Project managers and financial responsible staff regularly assess financial data to ensure alignment with approved budgets and donor requirements.

The organization conducts periodic internal reviews of financial processes and documentation to verify compliance with this Policy and to identify any inconsistencies or risks. These reviews support early detection of errors, inefficiencies, or potential irregularities.

Where required, the Center for Finance cooperates fully with external audits, donor verifications, or financial reviews. All relevant documentation and records are made available in a timely and transparent manner.

Findings from monitoring activities, internal reviews, or audits are addressed through appropriate corrective and preventive actions. The organization takes steps to strengthen internal controls, improve procedures, and reduce the risk of recurrence.

Management is responsible for overseeing financial monitoring and ensuring that recommendations from reviews and audits are effectively implemented.

Through continuous monitoring and effective audit practices, the Center for Finance ensures accountability, transparency, and continuous improvement in its financial management system.

## **9 REVIEW, IMPLEMENTATION & FINAL PROVISIONS**

This Financial Management Policy is an integral part of the governance and operational framework of the Center for Finance and is binding for all individuals and entities within its scope.

The organization ensures that this Policy is effectively communicated and implemented across all levels. All individuals involved in financial processes are expected to be familiar with its provisions and to apply them in their daily activities. Where appropriate, guidance and support are provided to ensure proper implementation.

The Center for Finance is committed to regularly reviewing and updating this Policy to ensure its continued relevance and effectiveness. Reviews take into account changes in organizational activities, regulatory requirements, donor expectations, and lessons learned from implementation.

Management is responsible for overseeing the implementation of this Policy and ensuring that appropriate financial systems, controls, and resources are in place.

This Policy enters into force on the date of its approval by the management of the Center for Finance. The most recent version of the Policy is applicable and accessible to all relevant stakeholders.

Through strong financial governance and continuous improvement, the Center for Finance ensures the integrity, transparency, and responsible use of financial resources in all its activities.