

gesci
Founded by UN ICT Task Force



GESCI

FINANCIAL MANAGEMENT OF PARTNERS POLICY

Revised 2022

1. Purpose

This policy establishes the framework for financial management of partner organizations receiving donor-funded resources. It ensures accountability, transparency, compliance with donor requirements, and effective stewardship of funds entrusted to the organization.

2. Scope

This policy applies to all partner organizations (Primary Recipients and Sub-Recipients) engaged under grants, sub-grants, or consortium arrangements funded by donors through GeSCI.

3. Guiding Principles

- **Transparency:** All financial processes must be open to scrutiny by the donor, GeSCI, auditors, and relevant authorities.
- **Accountability:** Partners are responsible for the proper use of funds strictly for agreed project purposes.
- **Compliance:** Partners must adhere to donor regulations, national laws, and GeSCI's policies.
- **Value for Money:** Resources must be managed to achieve maximum programmatic results cost-effectively.
- **Capacity Strengthening:** Financial management includes building partner systems for long-term sustainability.

4. Roles and Responsibilities

- **GeSCI:** Provides funds, sets financial standards, monitors compliance, and offers technical support.
- **Partners (PRs and SRs):** Maintain sound financial systems, ensure accurate reporting, and comply with donor and GeSCI policies.
- **Donor:** Defines compliance framework and may conduct audits or reviews.

5. Financial Systems Requirements for Partners

Partners must demonstrate:

1. **Legal Registration & Bank Accounts** – Operating in line with national laws, with project-designated bank accounts.
2. **Accounting Systems** – Reliable, auditable accounting systems that capture transactions by project, donor, and cost category.
3. **Internal Controls** – Documented procedures for segregation of duties, approval of expenditures, asset management, and fraud prevention.
4. **Procurement Practices** – Transparent, competitive, and documented procurement aligned with donor guidelines.
5. **Record Keeping** – Financial and supporting documentation retained for at least 7 years (or donor requirement).

6. Budgeting & Fund Disbursement

- Partners must submit approved, donor-compliant budgets.
- Funds will be disbursed in tranches, linked to satisfactory financial and programmatic reporting.

- Any budget revisions must be pre-approved by GeSCI and the donor where required.

7. Financial Reporting

- **Frequency:** Partners submit financial reports monthly/quarterly, in line with donor requirements.
- **Format:** Reports must reconcile expenditures against budget lines.
- **Supporting Documents:** Receipts, contracts, payroll records, and procurement documentation must be maintained and available for review.
- **Currency & Exchange:** Transactions must be reported in donor-agreed currency, with transparent handling of exchange gains/losses.

8. Monitoring & Audits

- GeSCI will conduct **regular financial monitoring visits**, including spot checks and transaction testing.
- Partners must cooperate with **external audits** commissioned by donors or GeSCI.
- Audit findings must result in corrective action plans with agreed timelines.

9. Fraud, Misuse & Irregularities

- Partners must maintain whistleblowing mechanisms and anti-fraud policies.
- Any suspected misuse of funds must be reported to GeSCI immediately.
- Proven financial misconduct may lead to suspension of funding, recovery of funds, and termination of agreements.

10. Capacity Building & Support

- GeSCI will assess partner financial capacity at the start of the engagement.
- Tailored support, training, and mentoring will be provided to strengthen systems where gaps exist.

11. Compliance with Donor-Specific Rules

This policy complements and does not replace donor-specific financial management requirements. Where donor rules are stricter, those requirements will prevail.

12. Review & Updates

This policy will be reviewed every two years or when major donor regulations change