



*CORE FINANCIAL MANAGEMENT POLICY  
AND  
PROCEDURES*

*of*

**Worthy Plan  
Empowerment Initiative**

***CAC/IT/NO/179406***



## I. Board Validation Page

We Worthy Plan Empowerment Initiative (WPEI) Trustees & Board of Advisors and management team on this day 4<sup>th</sup> of May 2020, after a collective evaluation of the reviewed “Core Financial Management Policy and Procedures” draft in a validation meeting, hereby validate this policy document and adopt it to be a working document in WPEI’s pursuit of marinating a working environment that is accountable to our beneficiaries and donor.

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For Trustees & Board of Advisors.

KINGSLEY ONYINYECHI MARTINS

CHIEF EXECUTIVE OFFICER

**Worthy Plan Empowerment Initiative**





## SYNOPSIS

Worthy Plan Empowerment Initiative has addressed a broad range of its core financial management policies based on generally accepted or 'core' accounting principles.

- **Section 1** stipulates the objectives of the policies relative to Worthy Plan Empowerment Initiative are introduced as an initial point of reference.
- **Section 2** details the roles and responsibilities delegated to key decision makers (e.g., the Chief Executive Officer), as well as delegated senior managers and directors.
- **Sections 3 and 4** describe the legal and managerial authorities upon which this core financial management policy are based on.
- **Section 5** serving to define the financial year, and
- **Sections 6 to 12** presenting basic procedures to support Worthy Plan Empowerment Initiative's ability to plan and administer a budget, points of reference for the classification of transactions, investments, banking and cash management, as well as signing authorities and instruments.
- **Sections 13 to 20** presents procedures with reference to Worthy Plan Empowerment Initiative's financial management system, as well as controls relative to expenditures (accounts payable) and revenues (accounts receivable).

This policy concludes with essential procedures specific to asset administration (e.g. from capitalization to disposal), as well as procedures to formalize internal and external reporting requirements.

## SECTION 1: OBJECTIVES.

- **1.1** Worthy Plan Empowerment Initiative is established under the authority of the Nigeria Company and Allied Matters Act Incorporated Trustees Letters Patent, issued on 29<sup>th</sup> day of April, 2022;
- **1.2** Worthy Plan Empowerment Initiatives hall pursue its objectives, as described within the Constitution of the Organization and all the Organization's funding agreement.



- **1.3** Books of account, records in relation thereto, and financial and management control shall be established and maintained in such a manner as to provide reasonable assurance that: All Assets are safeguarded, accounted for and controlled; All The transactions of Worthy Plan Empowerment Initiative are in accordance with the bylaws, policies and procedures; and, All The financial, human and physical resources of Worthy Plan Empowerment Initiative are managed economically and efficiently and the operations of Worthy Plan Empowerment Initiative are carried out effectively.
- **1.4** Worthy Plan Empowerment Initiative's financial policies provides the framework within which Worthy Plan Empowerment Initiative's financial guidelines and procedures are established. The policies set out the parameters within which business transactions in Worthy Plan Empowerment Initiative are made.

## SECTION 2: ROLES AND RESPONSIBILITIES

- **2.1.** The Trustees and Board of Advisors of Worthy Plan Empowerment Initiative, in its responsibility towards the membership for the delivery of the mandate, is accountable for all Worthy Plan Empowerment Initiative's financial obligations.
- **2.2** The Grants & Finance Committee shall be accountable to the Trustees and Board of Advisors on all financial matters to ensure that activities carried out are consistent with the financial and accounting policies, authorities and guidelines as established by the Trustees & Board of Advisors.
- **2.3** The Head of Grants & Finance in coordination with the Board Treasurer for Worthy Plan Empowerment Initiative shall carry out the duties as outlined in the Worthy Plan Empowerment Initiative's bylaws, policies and procedures. In addition, the Trustees & Board of Advisors shall appoint for the Grants & Finance Committee from its members, a Chairperson of the committee.



- **2.4** Chief Executive Officer, as senior financial officer designate, shall be responsible for the day-to-day implementation of Worthy Plan Empowerment Initiative's Finance Policy and shall be an Ex Officio member of the Finance Committee.
- **2.5** The Head of Grants & Finance and the Board Treasurer shall be responsible and accountable to the Chief Executive Officer for ensuring that activities carried out are consistent with the financial and accounting policies, authorities, guidelines, practices and procedures as established by the Grants & Finance Committee.
- **2.6** Submissions to the Trustees & Board of Advisors having financial and budgetary implications shall jointly be reviewed by the Head of Grants/Finance and Board Treasurer before submission, to ensure that the financial consequences of the proposal are properly displayed.

### SECTION 3: LEGAL AND FINANCIAL FRAMEWORK

- **3.1** The Legal and Financial Framework shall comprise the financial structure of Worthy Plan Empowerment Initiative, its legal authorities as provided by law, and financial authorities in Nigeria in accordance with international best practice.
- **3.2** The activities of Worthy Plan Empowerment Initiative shall be grouped into several business components, including but not limited to economic development, community development, enterprise development & Livelihood Support, Social works, Provision of Relief, Communications, Finance & Technology, Human resources, Health & social, environmental, education, Protection, impact monitoring and other projects as focus expansion needs may necessitate.
- **3.3** Legal Authorities shall primarily comprise Nigeria Companies and Allied Matters Act, and the bylaws as well as Organization's policies, code of conducts and minimum operational standards that shall be adopted by Worthy Plan Empowerment Initiative.



- **3.4** The financial authorities shall comprise the Nigeria Companies and Allied Matters Acts, and the approved Worthy Plan Empowerment Initiative's annual budget.

#### SECTION 4: MANAGERIAL AUTHORITIES

- **4.1** Managerial authorities of Worthy Plan Empowerment Initiatives Plan comprise the Core Financial Management Policies, the Instrument of Delegation of Financial Signing authorities, cheque signing, banking and document resolutions and Financial Procedures.
- **4.2 The Core Financial Management Policies** provide the framework within which Worthy Plan Empowerment Initiative's financial guidelines and processes are established. The policies set out the parameters within which business transactions in Worthy Plan Empowerment Initiative are made.
- **4.3 The Instrument of Delegation of Financial Signing Authorities** shall represent the financial signing authorities as delegated by the Trustees & Board of Advisors through the Chief Executive officer to Officers and Employees of Worthy Plan Empowerment Initiative to carry out the business operations of Worthy Plan Empowerment Initiative, as set out in the bylaws.
- **4.4 Cheque signing, banking and document resolutions** shall represent those authorities delegated by the Board of Directors through the Executive Secretary to Officers and Employees of Worthy Plan Empowerment Initiative to carry out and execute business transactions.
- **4.5 The Financial Procedures** that follow shall set out the various guidelines and processes around financial management and administration and shall be consistent with financial policy and directives.



## SECTION 5: FINANCIAL YEAR

- **5.1** Worthy Plan Empowerment Initiative's fiscal year-end shall be the 12 months end, December 31<sup>st</sup>.
- **5.2** External Audit and Financial Statements shall cover for the period of 1<sup>st</sup> January – 31<sup>st</sup> December every year with effect from 2022 Financial year

## SECTION 6: PLANS AND BUDGETS

- **6.1** Worthy Plan Empowerment Initiative shall prepare plans and budgets in accordance with the response plan or aspiration of the organization. The budgets of the annual response plans become the annual budget for Worthy Plan Empowerment Initiative.
- **6.3** All plans and budgets of Worthy Plan Empowerment Initiative shall display activities in accordance with Worthy Plan Empowerment Initiative's Legal and Financial Framework.
- Worthy Plan Empowerment Initiative shall establish and maintain a process to ensure that plans and budgets are: 75% Prepared in accordance with Worthy Plan Empowerment Initiative's planning and resource allocation process; 75% Consistent with Worthy Plan Empowerment Initiative's bylaws; 75% Consistent with Worthy Plan Empowerment Initiative's classification of accounts; 75% Consistent with management policy; 75% Prepared on the basis of approved performance standards; 75% Based on plausible assumptions; 75% Internally consistent; 75% Prepared in accordance with instructions; and, 75% Clearly assigned for preparation and approval.

## SECTION 7: BUDGET ADMINISTRATION

- **7.1** No commitment shall be made until budgets are allocated. But on extreme emergency and lifesaving cases, 25% commitment can be made when internal capacity permits while budget allocation processes are intensified.
- **7.2** Worthy Plan Empowerment Initiative shall maintain records to ensure that approved limits are not exceeded.





- **7.3** Worthy Plan Empowerment review actual experience against budget and shall analyse variances and take appropriate remedial action, where required.

## SECTION 8: CLASSIFICATION OF TRANSACTIONS

- **8.1** Worthy Plan Empowerment Initiative shall identify its transactions so as to be able to display aggregate financial data: 75% On the basis of Worthy Plan Empowerment Initiative's financial responsibility codes or centres; and, 75% According to Worthy Plan Empowerment Initiative's accounting structure classification of accounts.

## SECTION 9: INVESTMENTS

- **9.1** Worthy Plan Empowerment Initiative may invest in securities of/or guaranteed by the Government of the Federal Republic of Nigeria.
- **9.2** Worthy Plan Empowerment Initiative's investments shall be managed in accordance with accepted financial management practices.

## SECTION 10: BANKING AND CASH MANAGEMENT

- **10.1** The Trustees & the Board of Advisors, through its Grants/Finance Committee, shall determine the specific provisions' respecting Worthy Plan Empowerment Initiative's banking arrangements.
- **10.2** Worthy Plan Empowerment Initiative shall assess the cost and quality of its banking services relative to other banks, not less than every three to five years for example.
- **10.3** Worthy Plan Empowerment Initiative shall manage its cash economically and efficiently and shall seek to maximize the return on its temporary surplus funds, within the approved investment policies.



## SECTION 11: SIGNING AUTHORITIES

- **11.1** The financial authorities assigned to the Chief Executive Officer, the Board Secretary and the Grants/Finance committee head are delegated as documented by the Instrument of Delegation of Signing Authorities.
- **11.2** The Head of Finance/Grants committee (Board Treasurer) shall maintain an Instrument of Delegation of Signing Authorities on behalf of the Chief Executive Officer, as approved by the Finance Committee, on behalf of the Trustees & Board of Advisors.
- **11.3** Signing authorities shall be exercised only: 75% within the area of delegated authority; 75% In accordance with Worthy Plan Empowerment Initiative's policies and guidelines; and 75% to the extent that unencumbered budget funds are available.
- **11.4** Financial obligations on behalf of Worthy Plan Empowerment Initiative shall not be entered into unless the authority to do so is included in the Instrument of Delegation of Financial Signing Authorities.
- **11.5** Proposed commitments shall not be purposely parcelled or divided in order that the authorized level of consideration is not exceeded.
- **11.6** Financial Signing Authorities shall be delegated in such a way as to ensure an appropriate division of responsibility in the disbursement process in/on behalf of Worthy Plan Empowerment Initiative.

## SECTION 12: EXECUTION OF INSTRUMENT

- **12.1** The Chief Executive Officer of Worthy Plan Empowerment Initiative, on behalf of the Trustees & Board of Advisors, may establish the signing authorities for corporate documents, other than those authorized by resolution of the Board as stipulated in the bylaws.
- **12.2** The seal Worthy Plan Empowerment Initiative, where required to be applied to any instrument in writing, shall be affixed by or on behalf of, as contained in the bylaws.



### SECTION 13: FINANCIAL MANAGEMENT CONTROL SYSTEMS

- **13.1** Worthy Plan Empowerment Initiative's financial information systems shall support business and financial reporting requirements and will include controls to ensure that the information is complete, accurate, and properly authorized.

### SECTION 14: GENERAL ACCOUNTING POLICIES

- **14.1** For the purposes of its annual audited financial statements (December 31st), Worthy Plan Empowerment Initiative shall establish significant accounting policies for control of revenues and expenses.
- **14.2** Worthy Plan Empowerment Initiative shall follow Generally Accepted Accounting Principles (GAAP) or, in certain cases, accounting policies appropriate to Worthy Plan Empowerment Initiative's activities.
- **14.3** The accounting policies shall be confirmed by the Grants/Finance Committee, on the behalf of the Trustees & Board of Advisors, annually at the time of approval of the audited financial statements. An Audit Committee, comprising of a sub-committee of the Grants/Finance Committee, will provide an adequate venue for dealing with auditing issues as reported through the annual audit exercise.

### SECTION 15: ACCOUNTING AND CONTROL OF EXPENDITURES

- **15.1** Worthy Plan Empowerment Initiative shall establish and maintain adequate controls to ensure that expenditures are made in settlement of authorized commitments.
- **15.2** Worthy Plan Empowerment Initiative shall establish and maintain a system of recording expenditures in a timely and accurate fashion.



- **15.3** In accounting for monies spent, Worthy Plan Empowerment Initiative shall ensure that rules are established to ensure full disclosure as required under the bylaws, policies, and SOPs.

## SECTION 16: ACCOUNTING AND CONTROL OF REVENUES AND ACCOUNTS RECEIVABLE

- **16.1** Worthy Plan Empowerment Initiative shall establish and maintain adequate controls to ensure that the revenue due to Worthy Plan Empowerment Initiative is recorded and collected on a timely basis.
- **16.2** Worthy Plan Empowerment Initiative shall establish and maintain controls to ensure that no amounts receivable is removed from the records without the appropriate authority.

## SECTION 17: ASSET ADMINISTRATION

- **17.1** Capitalization: Worthy Plan Empowerment Initiative shall treat as capital assets any assets for which the organization has title with an expected useful life beyond one (1) year; together with any expenditure relating to the alteration, modernization of such asset which appreciably prolongs that item's period of usefulness, increases its value, or improves its utility to Worthy Plan Empowerment Initiative. In Worthy Plan Empowerment Initiative, A capital asset, to be classified as such, must meet the following criteria: 75% A useful life in excess of one (1) year and a per item cost in excess of NGN250, 000 for example; 75% A total cost per bulk purchase order for furniture and office equipment in excess of NGN100, 000 for example; and, 75% A purchase and/or work order for business premises renovations in excess of NGN250, 000 for example, per project.
- **17.2** Leases: The classification and accounting for leases shall reflect the economic substance of the lease transaction, in accordance with General Accepted Accounting Principles (GAAP): 75% A lease that transfers substantially all of the benefits and risks of ownership of the leased property to Worthy Plan Empowerment Initiative shall be accounted for as a capital lease; and, 75% A lease where the benefits and risks of ownership of the



- leased property are substantially retained by the Lessor shall be accounted for as an operating lease.
- **17.3** Amortization of Capital Assets: Worthy Plan Empowerment Initiative shall provide for amortization as follows: 75% Business premises, office furniture and equipment shall be recorded on a diminishing balance basis.
- **17.4** Write-Offs: Where assets become obsolete or worthless, or are lost to Worthy Plan Empowerment Initiative, they shall be written-off in accordance with approved processes and authorities.
- **17.5** Disposal: Worthy Plan Empowerment Initiative shall dispose of assets where: 75% An improvement in the rate of return can be achieved without adverse impact on policy objectives; 75% It is directed to do so as a matter of policy; 75% The holdings of such assets involves Worthy Plan Empowerment Initiative in an activity deemed inappropriate by the Trustees & Board of Advisors; and 75% Such disposals shall be at market value.
- **17.6** Accountability: The security and safekeeping of the assets of Worthy Plan Empowerment Initiative, utilized in carrying out the business operations of the organization, is the responsibility of the Employee so charged, for those assets. Each Employee is fully accountable to secure against risk or damage to those assets under his/her control. Cost of Assets damaged or misplaced by employees shall be recovered in full from the employee via modalities deemed necessary by the management.



## SECTION 18: INTERNAL MANAGEMENT REPORTS

- **18.1** Worthy Plan Empowerment Initiative shall maintain internal management reporting systems that provide Management with the financial reports that are relevant, simple, timely, accurate, current, and consistent.
- **18.2** Worthy Plan Empowerment Initiative's internal reports shall provide the organization's management with a full range of information to provide a basis for decision making in respect to the Worthy Plan Empowerment Initiative's financial position to promote business-like operations and productivity.
- **18.3** Worthy Plan Empowerment Initiative's internal reports will show results compared to plans to provide management with information which will assist in the assessment of performance standards and the attainment of goals.

## SECTION 19: EXTERNAL FINANCIAL REPORTING

- **19.1** External financial reporting is prepared by Worthy Plan Empowerment Initiative in a format that shall portray its financial activities in a clear and comprehensive manner.
- **19.2** Worthy Plan Empowerment Initiative's Principal External Reports (PERs) are the financial statements and summaries.
- **19.3** In its annual report, Worthy Plan Empowerment Initiative shall acknowledge its responsibility for establishing and maintaining a system of books, records, internal controls, and management practices to provide assurance that reliable financial information is produced and that assets are safeguarded and controlled.
- **19.4** The Trustees & Board of Advisors shall recommend to the membership the appointment of the external auditor.



- **19.5** The Grants/Finance Committee, independent of Worthy Plan Empowerment Initiative's management, will be responsible to ensure Audit Committee responsibilities: 75% Communicate with the external auditor; 75% Assess Worthy Plan Empowerment Initiative's accounting policies and ensure that the policies are consistent in letter and spirit; and, 75% Review the financial statements and submit a report that will assist the directors in determining whether to approve the financial statements.

## SECTION 20: EXTERNAL PERFORMANCE REPORTING

- **20.1** Worthy Plan Empowerment Initiative shall select key indicators of performance and shall report these in its Annual Report.