

BELLS INITIATIVE

FINANCIAL CONTRACTS & BANKING PROCEDURES POLICY

1. POLICY STATEMENT

BELLS Initiative is committed to maintaining the highest standards of financial integrity, transparency, accountability, and governance in all contractual and banking operations. This policy establishes a structured framework for entering financial contracts, managing banking relationships, and safeguarding organizational funds.

This policy aligns with:

- The **Constitution of the Federal Republic of Nigeria**
- Nigerian financial regulations and anti-corruption laws
- International financial reporting standards (IFRS)
- Principles of accountability and transparency promoted by the **United Nations**, including anti-money laundering (AML) and counter-terrorism financing (CTF) guidelines

2. OBJECTIVES

This policy aims to:

- Ensure proper authorization and management of all financial contracts
- Establish standardized banking procedures for all financial transactions
- Prevent fraud, misappropriation, and financial misconduct
- Promote transparency and accountability in financial dealings
- Ensure compliance with Nigerian and international financial laws

3. SCOPE

This policy applies to:

- Board members
- Executive management
- Finance officers and accountants
- Project managers handling funds

- All staff involved in financial decision-making or contract execution

4. LEGAL AND REGULATORY FRAMEWORK

All financial contracts and banking operations shall comply with:

- Nigerian Banking and Financial Institutions Act (BOFIA)
- Companies and Allied Matters Act (CAMA)
- Economic and Financial Crimes Commission (EFCC) Act
- Central Bank of Nigeria (CBN) guidelines
- Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) laws
- International conventions endorsed by the **United Nations**

5. FINANCIAL CONTRACTS PROCEDURES

5.1 Definition

A financial contract includes any legally binding agreement involving:

- Funding or grants
- Procurement of goods/services
- Partnerships involving financial commitments
- Loans, leases, or credit arrangements

5.2 Contract Approval Authority

Contract Value	Approval Authority
Low value (\leq ₦500,000)	Finance Manager + Executive Director
Medium (₦500,001 – ₦5,000,000)	Executive Director + Board Representative
High value ($>$ ₦5,000,000)	Full Board Approval

5.3 Mandatory Contract Requirements

All financial contracts must:

- Be in writing and legally vetted
- Clearly define scope, deliverables, timelines, and payment terms
- Include dispute resolution clauses
- Include termination clauses
- Be signed by authorized signatories
- Comply with Nigerian contract law

5.4 Due Diligence

Before entering into any contract:

- Verify identity and legitimacy of counterparties
- Conduct background checks (especially for vendors and partners)
- Confirm tax compliance and regulatory standing
- Assess financial risks

5.5 Contract Documentation and Storage

- All contracts must be securely stored (physical and digital copies)
- Maintain a centralized contract register
- Contracts must be accessible only to authorized personnel

6. BANKING PROCEDURES

6.1 Bank Account Management

- All organizational funds must be held in approved Nigerian financial institutions regulated by the Central Bank of Nigeria
- Bank accounts must be opened in the name of BELLS Initiative only
- Personal accounts must never be used for organizational funds

6.2 Authorized Signatories

- Minimum of **two (2) signatories** required for all transactions
- Recommended signatories:
 - Executive Director
 - Finance Manager
 - Board Member (independent oversight)
- Dual authorization is mandatory for:
 - Withdrawals
 - Transfers
 - Cheque issuance

6.3 Cash Handling Policy

- Cash transactions should be minimized
- Maximum petty cash threshold should be defined (e.g., ₦100,000)
- Receipts must support all cash disbursements
- Daily reconciliation of petty cash is required

6.4 Electronic Banking Controls

- Use secure banking platforms with multi-factor authentication
- Restrict access to authorized personnel only
- Maintain transaction logs and audit trails
- Immediate reporting of suspicious transactions

6.5 Fund Receipts

All incoming funds must:

- Be acknowledged with official receipts
- Be deposited within 24 hours
- Be properly recorded in financial systems

Sources include:

- Donations
- Grants
- Sponsorships
- Program income

6.6 Payment Procedures

All payments must:

- Be supported by approved documentation (invoice, contract, or authorization memo)
- Follow approval hierarchy
- Be processed through bank transfers where possible
- Be recorded accurately

6.7 Bank Reconciliation

- Monthly bank reconciliation is mandatory
- Conducted by the Finance Officer and reviewed by management
- Discrepancies must be investigated immediately

7. INTERNAL CONTROLS AND FRAUD PREVENTION

BELLS Initiative shall implement:

- Segregation of duties
- Independent financial reviews
- Periodic internal audits
- Whistleblowing mechanisms
- Zero tolerance for fraud and corruption

8. AUDIT AND COMPLIANCE

- Annual external audit by a certified auditor
- Internal audits are conducted quarterly
- Full cooperation with regulatory bodies (e.g., EFCC, CBN)
- Financial reports submitted to stakeholders and donors

9. RECORD KEEPING

- Maintain financial records for a minimum of **7 years**
- Ensure compliance with data protection laws
- Secure storage of all banking and contract records

10. RISK MANAGEMENT

Key risks addressed:

- Financial fraud
- Unauthorized transactions
- Contractual disputes
- Regulatory non-compliance

Mitigation strategies include:

- Strong approval systems
- Regular audits
- Staff training
- Insurance where applicable

11. ETHICAL STANDARDS

All financial dealings must adhere to:

- Integrity
- Transparency
- Accountability

- Conflict of interest disclosure

No staff or board member shall:

- Use organizational funds for personal gain
- Accept bribes or kickbacks
- Engage in financial misconduct

12. BREACH AND SANCTIONS

Violation of this policy may result in:

- Disciplinary action
- Termination of employment or contract
- Legal action under Nigerian law
- Reporting to relevant authorities

13. POLICY REVIEW

- This policy shall be reviewed annually
- Updates will reflect changes in Nigerian law and international standards
- Approved by the Board of Trustees

14. APPROVAL

Approved by: Board of Trustees, BELLS Initiative

Effective Date: January 2026

Next Review Date: January 2027