2018

DEVELOPMENT & ABILITY ORGANIZATION (DAO)

OPERATING POLICIES AND PROCEDURES MANUAL

Finance,

Human Resource

Management,

Administration,

Logistic and

Information

Technology

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DAO

DAO

SECTION 1 GENERAL

1.1   History

Development & Ability Organization (DAO) is an independent, non-governmental, non-political and non-profit charitable organization, founded in early 2004 with an active board of directors on the initiative of Mr.Omara Khan Muneeb in order to contribute towards raising awareness on disability rights, inclusion, non-discrimination and prevention of disability, Provision of Physical Rehabilitation services and assist persons with disability economically through vocational training , income generation and media.

1.2   DAO's vision

People with disabilities will be physically empowered and mainstreamed into Afghan society working and living with self-determined. Civil society organization will have the capacity to monitor government activities and hold them accountable to their obligation.

Mission statement

To work for a more inclusive society by raising public and governmental awareness of the rights of person with disabilities while building capacity of the civil society organization (CSOs) and person with disabilities organization (PDOs) through physical rehabilitation civic education, mentoring, community dialogue, vocational training and income generation programs.

1.3   Core values

Accountability, Transparency and trust with active stakeholders.

Leadership
Assuring responsibility and delegating authority within and outside the organization on the basis of respect for each other's knowledge for development of sense of purpose.

People centeredness
Working on a development agenda, that fosters people cantered and the community active participation approaches towards balanced development within the society.

Dignity
Ensuring and respecting dignity of the person irrespective of status, tribe, and sect proportionate to the changing situation in the country. In short no age, religion, gender or social discrimination.

Commitment

Ensuring the highest standards of commitment and professionalism based on principles of pursuing a collective and individual agenda for positive change, proportionate to the changing situation in the country.

Team work

Recognizing individuals and collective efforts that foster team spirit in achieving the organizational mission on the basis of a shared organizational vision

Tolerance

DAO is characterized by caring relationships, the exchange of ideas and mutual respect. Through these actions we seek to demonstrate democratic values of pluralism, tolerance, appreciation and respect for one another's differences and way of thinking.

Fostering a learning environment

DAO strives to foster a learning environment where all staff members are engaged in a continuous and constructive process of positively challenging and supporting one another in constant growth and development.

1.4   Governance

DAO is governed by a Board of Directors (BOD) comprises of the following members:

Names	Status
1. Dr.Humayoun Gardiwal Muneeb	BoD Chairman
2. Haji Omara Khan	Member & BoD
3. Haji.Mohammad Nadir	Secretary
4. Bismillah Khan Safi	Member of BoD
5. Amina Azimi	Member of BoD
6. Zareena Ghulam Sakhi	Member of BoD
7. Dr. Hamid Momand	Member of BoD

1.5   The role of the Board

The role of the Board falls into three areas:

1. **Organizational management and governance:** The roles of the Board in governance and management are:

    ➢ Setting organisational policies (The **BoD Members and Executive Director** is responsible for follow through and implementation); and
    ➢ Monitoring compliance with organisational policies and reporting against agreed performance standards.

The Executive Director of DAO has a role in compliance. To ensure Board responsibilities are met, he will:

➢ Examine and monitor compliance with these policies and procedures, and with legal requirements, in a more detailed way than the Board is able to do (e.g. in relation to staffing issues and (organisation's role as an employer and in relation to financial responsibilities);

➢ Report to the Board on compliance issues. To guarantee that the Board picks up on issues, any important areas or issues will be listed separately on the agenda.

The Board recognises that the management of DAO and implementation of organisational policies is the responsibility of the Executive Director.

2. **Policy issues:** The role of the Board in relation to policy issues comprises:

➢ Setting annual priority policy areas around implementation of the Strategic Plan;
➢ Identifying/deciding on DAO's involvement in new or emerging issues and in issues raised from the sectors; and
➢ Making decisions where changes to the existing policy position are proposed to be changed.

Policy issues that are brought to the Board should fall into one of the following categories:

• Matters for decision making by the Board - i.e. issues which are considered strategic, important, and serious or where the Board has identified the need for ongoing involvement
• Issues for discussion are brought to the Board, in order to:
   a) Canvass the issues;
   b) Provide ideas for future policy work by staff;
   c) Set the context of where we want to take an issue (for example, this could be in relation to emerging policy issues or issues with policy implications);
• Matters for information only – to inform the Board.

Both staff and Board members can identify issues that should be brought to the Board. The Executive Director should be informed of any such issues, so that they can be incorporated into the agenda.

3. **Outside Board meetings**

Staff can tap into the expertise of the Board members outside Board meetings. However, when this happens, it needs to be clear that the Board member is speaking in his /her

personal capacity and not with the authority of the Board unless this authority has been given to the Board member by the Board. Where there is disagreement or major issues for resolution, matters should be referred to the Executive Director and, if necessary, brought to the Board.

1.6   Purpose and scope of the Manual

Purpose of this manual is to have an explicit description of the organization's policies and procedures and related systems and provision thereof for all the concerned departments of DAO mainly covering the following:

  ➢ Finance Department;
  ➢ Administration;
  ➢ Media
  ➢ Physical Rehabilitation
  ➢ Advocacy
  ➢ Procurement and Logistics;
  ➢ Program department
  ➢ Information technology

1.7   Layout of the Manual

The manual starts with general features of the manual, its applicability and its alignment with laws and regulations applicable in Afghanistan, and existing policies and procedures in place in DAO. The whole manual is divided into sections on Financial, Human Resource Management, Administration, program, Procurement and Logistics, Information Technology and Communication. Each section consists of different chapters wherein detailed policies and procedures are prescribed for the smooth running of the operations of DAO.

1.8   List of Manual Holders

The manual shall be kept by the following individual within the organization:

  1. Executive Director;
  2. Finance Managers;
  3. Program Managers;
  4. Administration Officer (s); and
  5. Logistics Officer.

1.9   Need to Keep Manual Update

In order to make the manual in line with the challenges of day to day operations, the manual shall be reviewed during a year and necessary changes shall be incorporated according to the procedure set out below.

Changes can also be made at any point of time, if any of the following situations arises:

- Change or introduction and implementation of any law(s) by any regulatory authority in Afghanistan;
- Introduction of new operation/activity requiring change in any provision of this manual; and
- Any other exceptional situation.

1.10 Revision Procedure

Following is the procedure for revising any provision of this manual:

1. The competent authority for any change herein is the Executive Director of DAO.
2. The change shall be presented in writing to the Executive Director along with reason(s) for the change.
3. The request for changes shall be forwarded by the Executive Director.
4. The Executive Director shall after considering the reason (s) presented to him/her, as agreed, approve the change.
5. The competent authority so named in preceding paragraphs may refer the same to any officer to reconsider and after that reconsideration, may approve.
6. The competent authority shall have the right to reject proposal for any reason.
7. The provision so amended or altered shall be communicated by Executive Director to all concerned officials in DAO.

1.11 Applicability of this Manual

1. This manual shall override all relevant manual, rules, policies, regulation or any other order issued by the management and/or any other authorization, if any, of DAO.
2. In case of any conflict between the provisions of this manual and any law or regulation issued by any Regulatory Authority working in Afghanistan or any donor's regulations, the concerned law and regulation shall prevails and shall be binding on the whole organization.
3. This manual defines procedures for DAO in general; therefore, if there are specific procedures for the organization, been defined by any donor, the organization shall follow those procedures.

1.12   Organizational Chart

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                                                    Board of Directors
                                                          |
                          Executive Director ─────────────┘
                                   |
                          Assistant Director
         ┌─────────────┬──────────┼──────────────────┬──────────────┐
         |             |          |                  |
      Finance   Physical      Administrator    Capacity Building of
                Rehabilitation     HQ          Civil Society
                Centre                                 |
                   |                              Field Staff of DAO
              Field Staff of DAO
                                Employment Support    Advocacy & Awareness
                                   Section                   |
                                                        Training Unit
                                Logistic Department
                                                     Media Section (Radio
                                                      and TV programs)
                                          Support Staff    Publication Section
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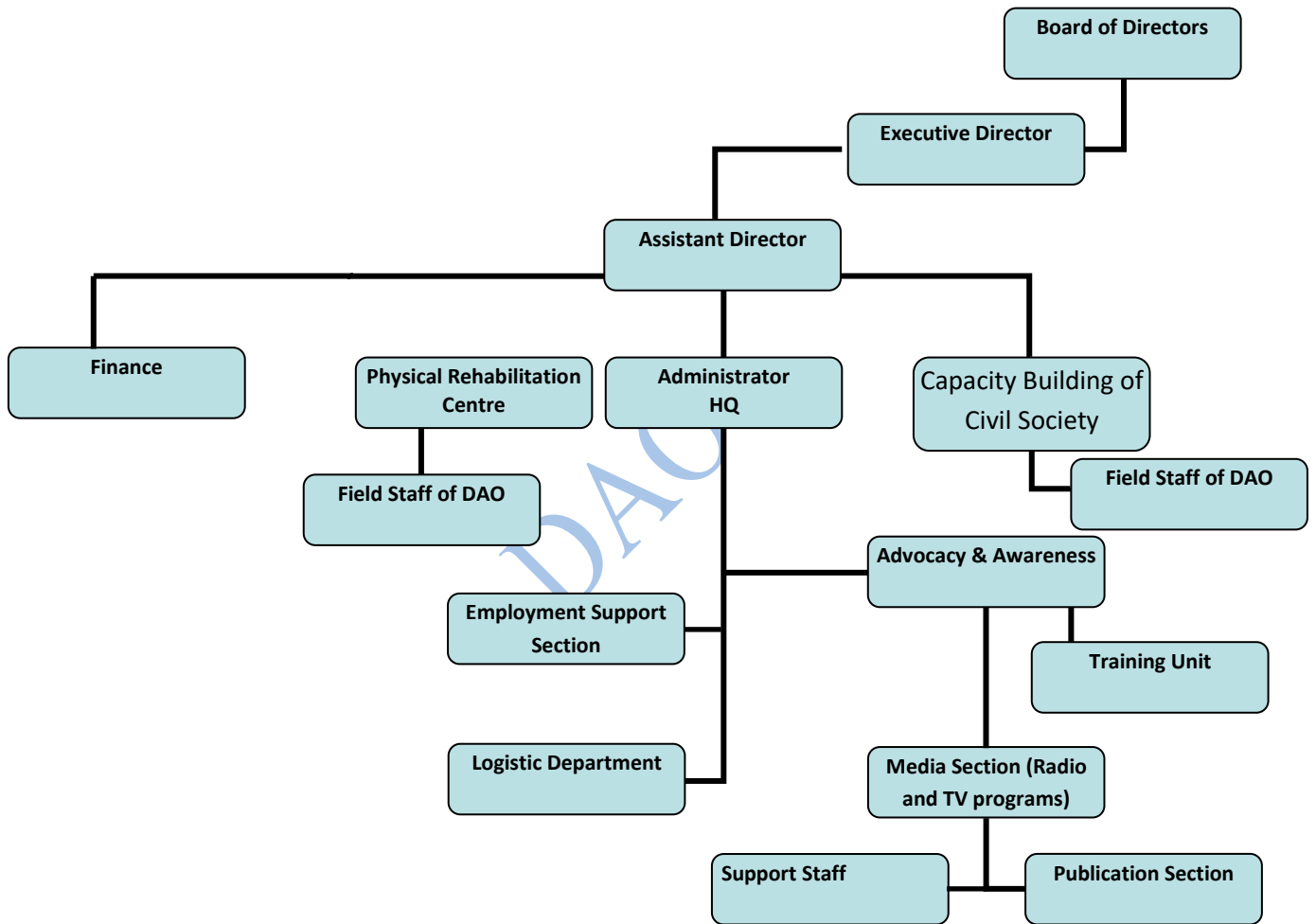
1.13   Equal Employment Opportunity and Affirmative Statement

"The Organization is committed to providing equal employment opportunity without regard to race, colour, religion, sex, sexual orientation, or any other protected status with respect to recruitment, hiring, upgrades, training, promotion, and other terms and conditions of employment. This policy complies with applicable state and local laws governing non-discrimination in employment.

The Organization values people from diverse backgrounds, working to create an open atmosphere of trust, honesty and respect. Harassment or discrimination of any kind – including that involving race, colour, religion, gender, age, national origin, citizenship, disabilities, sexual orientation, veteran status, or any other similarly protected status – is unacceptable. This principle applies to all aspects of employment, including recruitment, hiring, placement, transfer, promotion, layoff, recall, termination and other terms and conditions of employment."

1.14   Leadership Succession Plan

A "Leadership Succession Plan" may sound irrelevant for many NGOs in developing countries because these organizations do not visualize their future beyond projects. But now as time moves ahead and first generation leaders have to hand over responsibilities to the second generation for continuing the services of the organization, it is important to have a "Leadership Succession Plan."

While it is true that succession will happen one day, so a plan is essential because if DAO decides upon handing over management responsibilities to a new leader at the last minute, it can cause misbalance in the structural system. DAO may end up being unmanageable and inefficient if proper leaders are not identified and promoted. A plan helps in identifying potential leaders, strengthen their capacities and then allow smooth transmission of responsibilities. Besides, a plan also helps ensure that there is back up to cover any risk of suddenly not having a leader. A Leadership Succession Plan also pleases the donor agency because the principles of accountability and transparency have been upheld by the organization.

DAO is also having a "Leadership Succession Plan" which is based upon the Performance Management System of the organization. The Performance Management is a critical component of the Human Resource Development. It ensures better performance and growth of the organizational staff. While applying it, more skilled staff members begin to

rank well at the top. They can be used for filtering more talent to finally identify the leader under the Leadership Succession Plan. During this process:

The Board of Director support and approve the plan

While developing the Leadership Succession Plan, Leadership needs of the organization are identified for the next five, ten or fifteen years.

Leadership Succession Plan is not about just identifying one leader such as director. It is also about the team of leaders within the organization, who lead others and handle major responsibilities. During staff analysis, individuals are listed out who may be retiring in the next five years or so and what skills and competencies are needed to fill their positions.

Through Performance Assessments, potential staff is identified who can become the next-generation leaders of the organization

Skills and competencies are list out, needed for leaders in the present generation like for example; they need to be familiar with technology which is a requirement in this age.

- **Performance Management System**

As DAO is run by people, their performance holds the key for achieving results and ensuring growth. Holding up a good team within the organization can be very difficult. Staff members may start to feel frustrated, diverted from their objectives of work and may even leave the organization. One of the ways to keep them motivated and strengthen team work is to apply the performance management system.

In a Performance Management System, the supervisor and the employee work together constantly to plan, implement and evaluate the performance of the latter within the framework of the organizational objectives.

In a Performance Management System, the following stages shall be followed:

Planning the Performance where the supervisor/manager/director sit with the employee to discuss and finalize the targets and the work plan to be achieved by the employee in relation to his/her competencies, expectations, resources and the results to be achieved.

Appraising the Performance is where the supervisor takes regular feedback and evaluation of the performance of employee from time to time to ensure that both the parties are satisfied or not satisfied with the progress of the work.

Improving the Performance is where the supervisor applies various techniques to build motivation for the employee to work more effectively. This could include providing rewards,

incentives etc to the employee if the performance has been good or arranging extra trainings if the employee has not been able to perform well in the job.

- **Annual Performance Plan**

The Annual Performance Plan shall be developed jointly by the Head of the Department and the employee together after discussing and planning the objectives, activities and results to be undertaken by the employee. The Performance Plan for the year shall specifically outline the targets to be achieved by the employee over the year and these targets will be used as benchmarks during the annual evaluation and appraisal.

Below is the sample format of an Annual Performance Plan:

Name of the Employee:

Position held:

Name of the Head of the Department:

Performance Period (Start Date and End Date):

Set Targets for the employee	Results to be achieved by the employee	Activities
Eg. Improve the capacity of the field workers	Better delivery of services to communities	Providing training and exposure visits to field workers
…….	…….	…….
…….	…….	…….

In addition to the Annual Performance Plan, the employee has to develop a work plan on monthly basis in consultation with the supervisor and based upon the Annual Performance Plan.

A monthly work plan consists of:

Activities	Months							
	Jan	Feb	Mar	Apr	May	June	July	Aug
Eg. Conducting a baseline survey	●							
Eg. Organize a health camp		●						
Eg. Writing			●					

proposals							
....							
....							
....							

SECTION 2 FINANCIAL POLICIES AND PROCEDURES

Chapter 1 Budgeting and Accounting System

1.1   Budgeting

'A budget describes an amount of money that DAO plans to raise and spend for a set purpose over a given period of time against an agreed contract with a particular donor (s).'

1.2   Who will need budgets?

Budgets shall be used by different people in DAO for different purposes.

- **The Executive Director** needs all the budgets because he has to formally approve these and monitor its progress. To keep an eye on the progress of the whole organization and the funding situation.
- **Program Managers** need budgets to oversee the implementation of their project/program activities.
- **Fundraisers** need budgets to accompany funding applications.
- **Finance staff** needs budgets to make sure there are enough funds in the bank to cover anticipated expenditure. Finance staff also includes.
- **Donors** need budgets so they can see how DAO intends to spend its grants.

1.3   Budget preparation

Only Proposal budgets are prepared in DAO:

Proposal budget
Proposal budget shall be made in accordance with and on the format of the respective donors for a particular project/program. The procedure to be employed is set out below:

- It is the Finance's department responsibility in consultation with Executive director, program manager or the Assistant director to prepare the proposed budget against a particular donor's proposal.
- Finance department, with the help of other concerned departments shall gather estimated data and proposed expenditure and will prepares a preliminary budget.
- The respective Finance Officer, after preparation of the budget for a particular project shall submit it to Executive Director for checking and approval.

- The Executive Director before submitting for approval, shall discuss the proposed budget with Finance department and Departments Head for accuracy and further recommendations;
- The budget after scrutinizing shall be presented to the Executive Director for final internal approval.
- The budget after approval shall be submitted to the donor and a copy of the same to be retained for record purpose.
- The Finance officer shall monitor the budgets on monthly basis or as and when directed or required and shall submit a report thereof to the Executive Director or Assistant Director along with reasons of deviations and comments thereon.
- Budget Control Sheet or system generated reports shall be used for control and monitoring of the budget.

1.4   Changes in budgets

- Subject to the provisions of any contract with a particular donor (s), new budget for activity must be approved by the Executive Director and in his absence by the Assistant Director.
- The proposed change shall be communicated to the donor for prior approval of the change to be incorporated in the proposal budget.
- The Executive Director shall after the approval of the change from a donor direct the Finance Manager to incorporate the required change and make the revision.
- The revised budget should be promptly communicated to the concerned relevant departments.
- The said revision should also be incorporated into QuickBooks/donor specified formats soon after the change has been approved.
- There should be a review mechanism and the Program Managers should be given the responsibility to identify new areas where projects can be undertaken.

1.5   Composition of Finance Department

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                    ┌─────────────────────┐
                    │ Board of Directors  │
                    └──────────┬──────────┘
                               │
                    ┌──────────┴──────────┐
          ┌─────────┤ Executive Director  │
          │         └──────────┬──────────┘
          │                    │
          │         ┌──────────┴──────────┐        ◇ Finance
          └─────────┤   Finance Manager   ├────────  Officer
                    └─────────────────────┘      /        \
                                          ◇ Cashier    ◇ Accountant
```
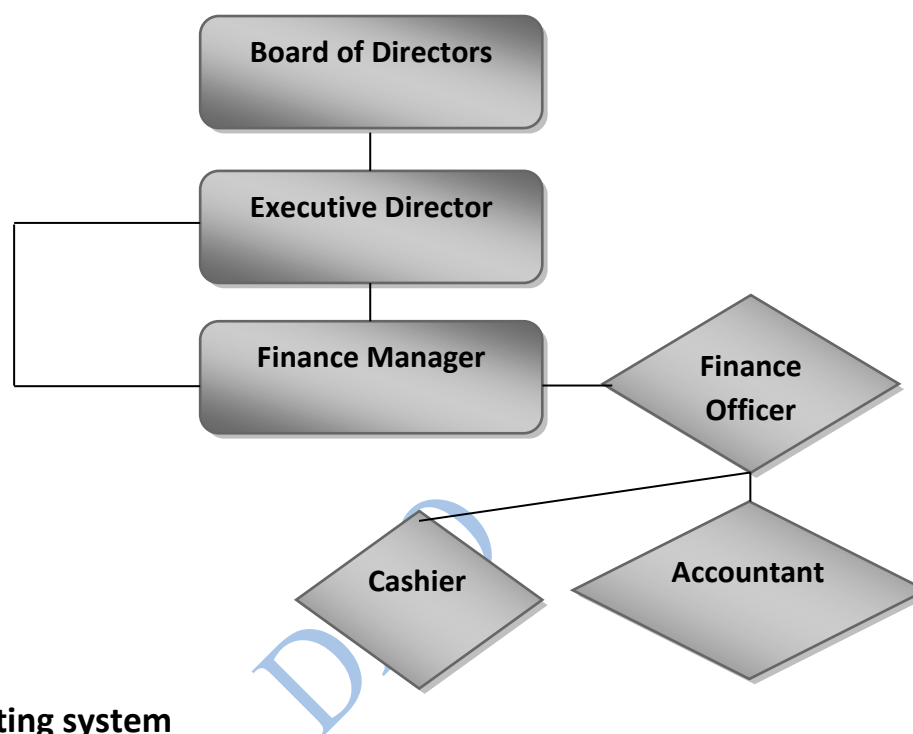
1.6   Accounting system

DAO is using **QuickBooks Premier/Donor Specified Formats** for recording all its financial activities with appropriate dimensions for its use and reporting requirements. The QuickBooks accounting software has been customized to cater all the reporting requirements of DAO and donor bodies. The main features/dimensions being used by DAO are summarized below:

Chart of accounts
The most important organizing tool for the accounting and reporting processes. To make sense of all of this financial activity, it helps to 'sort' the different types of income and expense into a series of pre determined categories or accounts. These accounts are listed in the DAO's Chart of Accounts and are typically arranged in a logical order: Income and Expenditure, Assets and Liabilities.

Chapter 2 Accounting for Non Expendables

2.1   General

This chapter sets out the policy and procedures regarding procurement, disposals, recognition, recording and control over non expendable/assets items. Like cash or commodities, assets are important resources of the organization. DAO has an obligation to properly track, maintain and report on all purchased or donated assets. In some instances, DAO may be obligated to return assets which have been purchased with donor funds and therefore bears a financial risk for the inability to properly account for these items.

For the purpose of this section Non expendables are those items which have been acquired for the smooth running of DAO activities*.*

2.2   Accounting policy

2.2.1   Subject to the specific requirements of any donor, as per current practice been followed by DAO, total cost of Non expendables purchased out of donor grants shall be charged to expenditure during the year of purchase.

2.2.2   Subject to restrictions of any donor, Non expendable items procured or acquired by DAO shall be classified in the light of criteria described below for record purposes.

Criteria	To be classified as Non expendable Items
Useful Life	More than one year, and
Cost of item	Over USD 200 , or equivalent AFN
Improvement	Increases capacity, efficiency earning or useful life

2.2.3   It is to be noted here that the above criteria shall not apply to the "Furniture and Fixtures" and "Computer and Accessories". These two categories shall be included exceptionally in the list of non expendables irrespective of the above recognition criteria.

2.3   Non Expendable Record

2.3.1   **"Memorandum Record for Non expendables"** shall be maintained for control purposes**.**

2.3.2   The Non expendable items record described above shall be maintained by the "logistic Officer or Logistic Assistant and storekeeper".

2.3.1   In case of addition, deletion or transfer of any Non expendable items, the record shall be updated promptly by Logistic Officer or Logistic Assistant where in their absence the administrator should do the job.

2.4   Acquisition of Non expendables/Fixed assets

Subject to any procedures defined by any Donor, Non expendable items shall be purchased according to the procedure mentioned below:

- **Purchase Request Form:** It shall be submitted to the Finance department stating the specification of the item (s) to be acquired.
- The Finance department will, after consulting with the Finance Assistant/officer for the budget availability, give the approval for the purchase of the item;
- If there is no provision for the purchase of that item in the budget and still it is considered necessary for the smooth running of the organization, special approval shall be obtained from Executive Director in writing for the purchase of that particular item (s) from general reserves;
- Logistic Officer or his assistant will survey the market, as mentioned in the Procurement section of this manual, and submit **Comparative Statement** along with quotations, quality control and guarantees to the appropriate Purchase Committee (herein after referred as the Committee) for their decision;
- Quotations should be on supplier's own letter heads. However, in exceptional circumstances for the reasons to be recorded in writing, this provision can be over ruled.
- Comparative rates shall be called in the following manner against purchase of non expendable items:

Limit of purchase	Mode of Calling comparative rates
Up to USD 300 or equivalent Afghani	3 Quotations

- The committee described in preceding paragraphs shall be constituted as per provisions of Administration and Procurement Section of this Manual;
- The committee shall select the vendor stating reasons of selection;
- The purpose of evaluation and comparison of quotations, offers, and proposals is to determine which vendor has the lowest price for a given set of acceptable specifications and/or conditions.
- When determining if a quotation / offer / /proposal is acceptable, non-price factors (specifications and conditions) must also be considered. Having done so, the lowest acceptable quotation, offer, or proposal should be selected.
- Purchase order should be approved from executive director/assistant director in-case the purchase is more than 300 USD or equivalent Afghani.

Non-price factors to be considered in an evaluation for the purpose of determining the best acceptable quotation, offer, or proposal shall include where applicable:

- o Compliance with technical specifications, relevant international standards and technical norms.
- o Compatibility with existing equipment and standardization plans or policies.
- o Compliance with required time schedules.
- o Delivery times.
- o Payment terms.
- o Guarantees or warranties, availability of spare parts, after-sales services and training.
- o Life-cycle aspects covering maintenance and operating costs.
- o Capability, capacity, financial standing, past experience and performance of the vendor and its local representative.
- o Compliance with donor regulations

Care should be taken to thoroughly review each supplier or vendor's quotation, offer, or proposal in order to detect problems at an early stage.

2.5   Disposal and sale of Non expendables

2.5.1   Subject to the rules and Regulations for the disposal of Non expendable items implemented by Government of Afghanistan and any Donor Bodies, if any item is considered obsolete, the Administration department shall after obtaining approval from Executive Director, instruct the Logistic Section in writing for making arrangements for sale of the item (s).

2.5.2   Where a non expendable item (s) is approved for sale, it must be liquidated in such a manner as to maximize DAO's returns. The most common and competitive method is an auction.

2.5.3   The concerned section/unit or office shall hand over the items to be sold out to the Stock Officer.

2.5.4   A committee shall be constituted for auction of the items to be sold out;

2.5.5   Members of the committee shall be decided by the Executive Director and in his absence this could be done by the Assistant director of the organizations with assigned responsibilities;

2.5.6   The committee shall inform the potential buyers stating the following minimum details:

- What is to be auctioned?
- Where and when the item(s) may be inspected.
- Where and when offers will be opened.
- Terms and conditions of sale and payment.
- DAO's contact person and address.

2.5.7   Potential buyers should be instructed to submit sealed offers. DAO may conduct the auction but if high value items, like vehicles are to be sold, then auction must be

performed in accordance with the Government regulations as mentioned in the Non Government Organizations' Law.

2.5.8   The quotation obtained from different bidders shall be opened in front of the committee.

2.5.9   The committee shall organize for all sale items to be available for public inspection at an appointed time and place.

2.5.10 On disposal or sale of items, the finance manager will take in to consideration cash, cheque or demand draft against the amount of sale proceeds.

2.5.11 On receipt of sale proceeds, receipt voucher (cash or bank) for recording cash/bank receipt shall be prepared, approved and posted into the system.

2.6   Inter Office Transfers

In case of any non expendable item is to be transferred from one department to another, a "**Non expendable Transfer Letter**" shall be prepared by the Administration Department and will be accompanied with **Non expendable Transfer Form** and the items to be transferred to the concerned section or office. The form shall be in duplicate and when the items are received in that particular section or office shall be acknowledged and filed for future reference in both sections.

2.7   Control over Non expendables

2.7.1   Every non expendable item shall be assigned a unique identification mark called "Code Number" which shall be affixed to each item with a reference in the record mentioned above.

2.7.2   The Admin officer will conduct periodic count on semi-annual basis of all the non expendable items and will submit the report of his/her findings to Finance Officer for further action;

2.7.3   The Finance Officer shall after scrutiny of the above, submit the said report to the Executive Director.

2.7.4   To ensure the physical existence of non-expendable items, the Executive Director can assign any Officer to conduct physical verification of non expandable items at the end of a year or when desired and to submit a report of his findings.

2.7.5   Subject to the procedure described in section 2.7.2, the Executive Director can assign any officer or independent member of any Professional body of Accountants to conduct surprise physical inspection of Non expendable items at any time, as he/she may deem fit.

2.8   Tag Numbers

A unique code is assigned to each individual non expendable item at the time of receipt. These codes shows the fixed assets item number, year of purchase, donor source, project title (in abbreviation), and its location etc. The code is then pasted on asset for easy identification and references. Fixed assets codes include the following information:

- Serial number / code
- Donor Source;
- Project Title (in abbreviation).
- Year of purchase;
- Location.

Chapter 3 Loans and Advances

1.1   General

3.1.1   This chapter sets out the policy and procedures regarding extensions and adjustments of loans and advances issued to employees for personal and official purposes.

3.1.2   For the purpose of this chapter, Personal loans includes loans or advances extended to employees for meeting their personal needs while Official advance means advance issued for conducting any official activity including claim for TA(Travelling Allowance)/DA(Daily allowance) etc.

1.2   Accounting policy for Personal loans/Advances

3.2.1   Personal loans or advances shall be extended to employees only on the approval of Executive Director on exceptional basis.

3.2.2   The loan or advances shall not exceed one month salary of the employee and shall be deducted from the salary of the employee in following three months in equal instalments.

3.2.3   Request of new loans or advances must not be entertained before the settlement of any previous outstanding loans or advances.

1.3   Procedure

3.3.1   The Employee shall submit **Salary Advance Request Form** to the Finance Officer who will scrutinize that no previous advance is outstanding against him or her, upon checking the record.

3.3.2   The request form after certification from Finance Officer shall be submitted to Executive Director for approval.

3.3.3   The amount so requested shall, after the approval be paid to the employee by cashier.

3.3.4   Monthly deductions shall be made from the salary of the employee.

1.4   Accounting policy for Official Advances

3.4.1   Official advance shall be extended to employees for the following:

- Advance for travelling allowance.
- Advance against purchases.
- Advances for any other official activity.

3.4.2   The advances shall be approved as per below approving grid:

Advance limit	Approving authority
Up to USD 500 or equivalent Afghani	Assistant director and on his absence the finance manager could do the job.
If more than USD 500 or equivalent Afghani	Executive Director

3.4.3   Request of new advance must not be entertained before the adjustment of any previous outstanding advance. However, in exceptional circumstances where the procurement section needs, the reasons to be recorded in writing, this rule may be over ruled.

3.4.4   Official advances shall be adjusted within (8 days) after the activity and all outstanding advances shall be as for as possible cleared/settled on or before (the end of every month)

1.5   Procedure

3.5.1   The Employee shall submit the **Official Advance Request Form** to the Finance Officer. The said form shall be accompanied by Budget/break up of amount requested.

3.5.2   The Finance manager or any other competent authority as mentioned earlier shall scrutinize the following:
- No previous advance is outstanding against him/her; and
- The activity proposed is within the approved budget line.
- The request form approved by the competent authority as per approving grid mentioned above.

3.5.3   Competent Authority has the final authority to accept or reject any request.

3.5.4   The amount so requested shall, after the approval from the Competent Authority, be paid to the employee by the Cashier.

3.5.5   The employee shall within (5 days) after the activity of the month end, submit the details of adjustment and outstanding balances to the Finance Officer along with detailed supporting documents.

1.6   Accounting Treatment in the QuickBooks

Separate accounts shall be opened for personal and official advances to bifurcate them and having maximum control thereon. In the current accounting system, DAO is using employees name dimension linked with the accounting heads, Advances; Personal and

Official. In the employees name dimension, all employees have been feed into QuickBooks and while entering extension or adjusting of any advances, these are linked with the name of particular employee. It enables to reduce the chart of accounts in terms of account head and account codes and employees wise movement schedule of advances can be generated with the name filters.

Chapter 4 Cash and Banking Management

4.1   General

4.1.1   This chapter sets out the policy and procedures regarding receipts and payments of cash, maintenance and management of cash and bank accounts and relevant books and records.

4.1.2   For the purpose of this chapter, cash includes notes, coins, (pay orders, draft pay orders etc.)

4.1.3   DAO often works in environments where a cash economy or a lack of banking services necessitates a high level of cash transactions. Regardless of the level of cash handling, cash transactions must be carefully controlled and those entrusted with cash must be trained on basic cash handling procedures.

4.1.4   Because circumstances vary widely from section to section, local procedures and cash handling thresholds must be established. These procedures should conform to the basic guidelines provided in this section. It is the responsibility of the Finance Officer to develop these procedures and provide appropriate training to staff. Executive Director should review and approve all local cash handling policies and procedures.

4.2   Accounting policy for cash handling

4.2.1   Cash shall be kept under petty cash system. Maximum limit of cash in hand shall be fixed by the Executive Director from time to time and the cash in hand balance shall not be in excess of such limits.

4.2.2   Petty cash should be opened and maintained by the cashier.

4.2.3   Any expense not exceeding (USD 300 or equivalent Afghani) can be paid through petty cash however in exceptional circumstances this limit can be overridden. Maximum cash in hand limits shall be:

Office and currency	Cash in hand limit
Head Office	USD 1500-2000 or equivalent Afghanis
Project Offices	USD 500-1000 or equivalent Afghanis

4.2.4 Cash in hand shall be checked on daily basis and be reconciled with books and records. Cash counts should be performed on weekly basis.

4.2.5 **Cash Count Form** should be used and filed appropriately.

4.2.6 Petty cash should only be paid/spend for official work.

4.2.7 The DAO's staff, who receives cash, has the overall responsibility for security and accountability of the cash. In order to reach an agreement on the security and accountability issue, an **Agreement Form** should be signed between DAO and the staff who receives petty cash. The finance section should file **Agreement Form** for any future reference.

4.2.8 The petty cash should only be expended after request in writing has been duly submitted to Finance department.

4.2.9 Old petty cash balance should be cleared before new cash is received.

4.2.10 The number of petty cash holders should be limited to possible minimum extent.

4.2.11 Petty cash should never be used for private purposes.

4.2.12 Officers are required to use a safe for the storage of office cash. Safes should be large enough so that they may not be easily removed and should be bolted down.

4.2.13 Safes should be discreetly placed and kept in locked or barred office.

4.2.14 Access to the safe should be strictly controlled. A set of keys should be kept by the cashier or cash custodian only. A back-up set of keys should be kept by the Finance Officer.

4.3 Accounting policy for banking handling

4.3.1 Proper record for bank accounts shall be maintained by Finance Officer, who will also reconcile the balance of records with banks on monthly basis.

4.3.2 The following persons shall be joint signatories to the DAO bank accounts:

Name	Position
Haji Omara Khan Muneeb	Executive Director
Mohammad Sarwar "Mamound	Project Manager
Bismillah Khan Safi	Finance Manager
Gul Nabi "Sayar"	Program Manager

4.3.3 Authorized signature of the Executive Director shall be mandatory for banking transactions while any one of the above shall sign.

4.3.4 Authority to open foreign currency bank account shall be vested with Executive Director. The Executive Director can open local currency bank account in the name of DAO.

4.3.5 All bank accounts shall be in the name of DAO.

4.3.6 Departing employees who are authorized as signers on bank accounts should always be officially deleted before termination of employment from DAO.

4.3.7   All the payments exceeding (USD 2000 or equivalent Afghani) shall be made through bearer cheque. However in exceptional circumstances, for the reasons to be recorded in writing, the said provision can be overruled by taking prior approval of the Executive Director

4.3.8   All bank accounts must be reconciled to bank statements on a monthly basis or need base. An official statement must be obtained from the bank for each account, regardless of whether any transactions took place during the month.

4.3.9   **Monthly Bank Reconciliation** should be used to reconcile each bank account. The purpose of this form is to reconcile the balance shown on the bank statement with the ending balance on the bank ledger or bank book. The form should not be used to restate the monthly bank activity, but should be used to show any outstanding transactions that occurred during the month but have not yet been reflected on the bank statement.

4.3.10 The prior month's bank reconciliation must be checked for any items that still remain outstanding. Transactions that remained unclear from previous months should be promptly researched with the bank or the payee.

4.3.11 Where banking services are not available, DAO should research alternatives to handling large volumes of cash. Western Union, authorized money dealer or Hawala should be considered, but must be researched carefully since these systems rely largely on trust and can be expensive. Other agencies or donors operating in the area should be consulted for recommendations or alternatives.

4.3.12 When using the services of an authorized money dealer, an agreement which carefully outlines the procedures and authorities is required. The agreement should state, at a minimum, who is authorized to request money from the dealer and who is authorized to receive funds, along with the specific procedures and documentation required to release funds. These arrangements may operate on an advance basis (i.e. the dealer advances the cash and DAO reimburses the dealer through an off-shore account) or on a reimbursement basis (i.e. the dealer releases the funds locally after the funds have been wired by DAO).

4.3.13 In highly insecure areas, authorized dealers may also be used to deliver payments directly to payees. This type of arrangement requires a high degree of coordination and procedural controls. It is the responsibility of the Finance Officer to document all local procedures and forms related to working with cash traders and to train staff in their use.

4.4   Procedure for Receipts

4.4.1   Receipts at DAO can be obtained from the following sources:
- Receipts from Donors.

4.4.2   Funds from donor (s) are transferred to according to terms and conditions of donor agreement through banking channel which are subsequently withdrawn for expenses.

4.4.3 In case of receipt from donors, Finance Assistant shall prepare bank receipt voucher which shall be checked by the Finance Officer and thereafter be approved by the Executive Director. The bank receipt voucher shall be supported by fund transfer letter/email from donor and copy of bank statement. The voucher shall be entered in QuickBooks/donor specified formats after approval.

4.5   Procedure for payments

Payments

4.5.1 Payments include payment against project(s) expenses.

4.5.2 In case of payment of expenses, Finance Officer/Cashier shall prepare the cash/bank payment vouchers respectively which shall be checked by Finance Officer and will get the approval from the competent authority in accordance with the expenditure approval grid mention in **chapter-06**. After the said approval, payment will be made and the transaction shall be recorded in books.

4.5.3 To prevent duplicate payments or claims of discrepancies, all cash payments must be documented by evidence of receipt by the payee. This means that the recipient of the payment must sign that the cash was received in total at the time of payment.

4.5.4 A numbered receipt should be prepared in duplicate indicating the amount and date and should be signed by the recipient. One copy should be given to the payee and one copy is to be retained and included with the voucher documentation. DAO is using cash receipt book for this purpose.

4.6   Control over Cash and Bank

4.6.1 Finance officer shall reconcile the cash of respective office against cash balance in records on monthly basis and prepare cash reconciliation statements which shall be checked by Finance manager and thereafter be scrutinized by Executive Director.

4.6.2 Cash in hand balance shall be counted and reconciled on daily basis before closure.

4.6.3 All supporting vouchers should be serially numbered in in order to facilitate subsequent checking.

4.6.4 Cash counts should be done discreetly, out of general view and should be undisturbed. Given the relatively large amount of cash that may be involved.

4.6.5 Counts should be performed by a minimum of two people, preferably the cashier and the Finance Officer. One should serve as the counter and the other as a witness of the count.

4.6.6 A final month end count must be performed on the last day of each month. This count will be submitted to the Executive Director with the monthly reporting. No cash activity for the month should take place after the final count has been taken. This cash count should be performed on **Cash Count Form.**

4.6.7　The Bank Books should be reconciled to the bank statements at least once a month. The purpose of this exercise is to make sure that the DAO's own records agree with the bank's records which are rather like a parallel set of records.

4.6.8　Finance officer will prepare bank reconciliations statements using DAO's **Bank Reconciliation Form** which shall be checked by Finance manager and approved by Executive Director. This is an important check not only for accuracy and completeness of records, but also as an early indication of fraud.

Chapter 5 Income

5.1　General

5.1.1　This chapter sets out the policy and procedures for recognition and recording of Income.

5.1.2　For the purpose of this chapter, Income in DAO perspective includes Grants and Funds from donors.

5.1.3　Income from Grants and Funds shall be restricted to be utilized in the projects under consideration.

5.2　Accounting Policy for Income recognition

5.2.1　Subject to the condition of any donor, Income on account of grants and funds shall be recognized up to the extent of expenditure incurred. Any excess or shortfall of funds shall be recognized as payable to, fundable balance or receivable from donors.

5.2.2　Subject to the conditions of any donor, income from other sources shall be recognized when services are rendered.

5.3　Procedure for recording income

5.3.1　On receipts of intimation for transfer of funds from a particular Donor, the Finance manager shall confirm the amount so received from the bank and will compare the actual amount transferred with the amount due.

5.3.2　The difference between the amount due and amount received shall be classified into bank charges or exchange difference and be recorded in the system accordingly.

5.3.3　For recording and updating of records/books of accounts, all the provisions mentioned in the Cash and Bank Chapter should be followed.

Chapter 6 Expenditure

6.1   General

6.1.1   This chapter sets out the policy and procedures to be followed for recognition, approval and payments of expenditure.

6.1.2   For the purpose of this chapter, Expenditure means and includes properly approved and legitimate cost incurred for DAO activities.

6.1.3   All expenditure should be properly authorized and the finance department has to consider:

- The necessity of the expenditure; whether it serves the objectives of the project/program;
- The reasonableness of the expenditure;
- Whether an item is budgeted for; and
- Whether it is supported by sufficient and adequate supporting documentation.

6.1.4   Expenditure shall be classified in accordance with DAO's Chart of Accounts.

6.1.5   Expenditure should be accounted for under the correct account and approved budget codes, which reflect to the output and activities of the project/program. The Finance Officer shall check and ensure its correctness.

6.1.6   Subject to the provisions of contract with any donor, total actual expenditure for each budget line should not exceed the budgeted amount unless such an exceeding is justified and approved.

6.2   Accounting policy

6.2.1   Subject to the specific requirement of any donor, expenditure shall be recognized on accrual basis i.e. as and when these are incurred.

6.2.2   All expenditure shall be approved using the following approval grid. This grid is a proposed one to be used in future as in current practice, all expenditure are authorized and approved by the Executive Director with a view of centralized system.

Amount	Approving Authority
Up to USD 500 or equivalent Afghani	Assistant Director and the Finance Manager
More than USD 500 or equivalent Afghani	Executive Director

6.2.3   Detailed Policy and procedures for the following expenditure have been mentioned in their respective **Chapters.**

- Salaries and benefits;
- Materials, supplies and other administrative expenditure;
- Capital expenditure on non expendables;
- Professional services;
- Repair and maintenance.

6.3   Procedure for financial expenditure

6.3.1   Financial expenditure shall comprise of the followings:

- Bank charges;
- Money transfer charges;
- Exchange loss;
- Minimum bank balance charges.

6.3.2   Upon receipt of intimation of financial charges, Finance Officer shall check the exact amount deducted/with held, and prepare voucher there against.

6.3.3   The above transaction shall then be incorporated into QuickBooks/donor specified formats.

6.4   Supporting documents for expenditure

6.4.1   Supporting documents shall be classified into the followings:
- External Supporting Documents;
- Internal Supporting Documents.

6.4.2   External Supporting Documents include Invoices and bills raised by the suppliers/vendors.

6.4.3   Internal supporting Documents shall be prepared for those expenses which cannot be supported by external supporting documents and includes but are not limited to:

- Travelling Approval and Claim form;
- Advance Request Form. Etc.

Chapter 7 Payroll

7.1   General

7.1.1   Employees are DAO's most valuable resource. Employee compensation is also the DAO's single largest expense. Careful attention to all aspects of payroll and compensation related matters are critical to effective financial as well as human resources management.

7.1.2   This chapter sets out the policy and procedures to be followed for recording payroll. This is intended to address the payment and processing of payroll and payroll related transactions only. It is not intended to cover human resources management policies or procedures. All these policies are defined in DAO's Human Resource Policies and Procedures Section and Chapters mentioned therein.

7.1.3   For the purpose of this chapter, payroll includes Salaries, Allowances and Other benefits paid to DAO employees.

7.2   Accounting policy

7.2.1   Time specific contracts shall be made with the employees.

7.2.2   International Expatriate staff, if any, shall be managed and paid/transferred upon negotiation on case to case basis.

7.2.3   Salary, allowances and other benefits shall be paid to employees according to the provisions of the contract made with them.

7.2.4   All the contracts shall be signed by the Executive Director, on behalf of DAO. Executive Director can assign any other officer to sign the contract on his behalf, in writing.

7.2.5   Any change in the provisions of the contract shall be approved by the Executive Director or any manager authorized by him for that purpose.

7.2.6   Tax shall be deducted from employee's salaries in accordance with the provisions of "Income Tax Law of Afghanistan" and be deposited into Government Treasure within the specified time to avoid all penal provisions of the said law.

7.2.7   Number of days for calculation of salary and other benefits for all permanent staff shall be 30 days.

7.3   Procedure for Payment of Salaries

7.3.1   Monthly statement/salary sheets of payroll shall be prepared by Finance officer.

7.3.2   The above salary sheets or statements so prepared shall be checked by Finance manager and approved by Executive Director.

7.3.3   It is important to note that the monthly payroll process consists not only of the *calculation* of monthly pay, but also includes the *allocation* of payroll expense to Projects or Programs. The **Personnel Activity Report,** or timesheet, is therefore a

critical element in the payroll process since it serves as the primary source of documentation for both of these functions. This report shall include the following details:

- Document attendance, time worked and time away from work, including vacation, holidays and sick leave, etc., for each employee.
- Document time and effort spent by an employee on one or more projects during that time period.

7.3.4   Employees should be encouraged to receive the salary using banking channel i.e. payments through cheque or direct transfer to their personal bank accounts.

7.3.5   When paying in cash or by cheque, employees must sign for the payment. This may be done by signing a copy of the pay slip or by signing a respective column in the monthly salary sheet developed by the finance section. The finance section must maintain documentation that payment was received.

7.3.6   Salaries shall be paid after deducting any instalment of loan or advance payable.

7.3.7   Acknowledgement shall be taken on payroll slips/sheets from every employee receiving salary.

7.3.8   At a minimum, pay slips/sheets should include the following information:

1. Name of employee and employee identification number;
2. Period to which the payment applies;
3. Units, rate, and extended amount of gross salary or wage payments;
4. Units, rate, extended amount and description for each additional category of pay;
5. Units, rate, extended amount and description for each deduction;
6. Taxes withheld on behalf of the government or other taxation authority
7. Subtotalled net pay amount;

7.3.9   Tax withheld from salaries of employees shall be deposited into the treasury in accordance with the Income Tax Law of Afghanistan.

7.4   Maintenance of records for Payroll

7.5.1   Personal files shall be maintained for every employee containing the information mentioned in the HRM Section of this Manual

7.5.2   Personal files shall be updated on regular basis by the Admin Department.

Chapter 8 Professional Services/Consultants

8.1   General

8.1.1   This chapter sets out the policy and procedures pertaining to the hiring and compensation of consultants.

8.1.2   A Consultant is an independent contractor engaged by DAO to provide professional or technical advice or services. A consultant is typically a self employed individual, but may be employed by a consulting firm. For the purpose of this chapter, professional services include payments made to professionals including external consultants, evaluators and advisors.

8.1.3   Since consultants are independent contractors and are not DAO's employees, policies and procedures related to employees do not apply to consultants.

8.1.4   Consultants are not eligible for DAO's benefits.

8.2   Accounting policy

8.2.1   Professionals may be hired with the prior approval of Executive Director for the smooth running of DAO's activities.

8.2.2   Professionals shall be hired using the following minimum selection criteria:
- Relevant professional qualification;
- Relevant experience in the field;
- Appropriateness of work methodology;
- Reasonableness of Professional charges.

8.2.3   Every professional consultancy must be backed by a contract or agreement in writing.

8.3   Consulting Agreement

As a legal agreement between DAO and the consultant, the consulting agreement shall in all cases define the scope of work, payment mechanism and other terms of service for consultants. A consulting agreement must be completed in all respects before services begin.

8.4   Hiring Procedure

8.4.1   Request shall be made in writing by the respective department to the Executive Director for hiring the services of Professional along with the reasons and expected budget.

8.4.2   The Finance Officer shall check the availability of budget for the same and submit the application to Executive Director for final approval.

8.4.3   In case of non availability of budget special approval shall be obtained from the Executive Director for hiring professional and charging the same to General Reserve fund, if any or any other fund if maintained or created.

8.4.4   After the approval of Executive Director, a detailed **"Terms of reference"** shall be prepared by Admin department and will obtain technical and financial proposals.

8.4.5   Technical and financial proposals shall be evaluated by the officer or in charge concerned using the criteria described above.

8.4.6   The officer concerned shall submit his/her recommendations to the Executive Director for final approval.

8.4.7   Contract must be made with the consultant in writing and be duly signed.

8.5   Advances

8.5.1   Advances to consultants, national and international, shall be dealt with on the basis of contract entered into with them.

8.5.2   International consultants may receive estimated per diem payments in advance to cover travel expenses and deviations from this policy must be authorized by the Executive Director.

Chapter 9 Book Keeping and Reporting

9.1   General

9.1.1   This chapter sets out the policy and procedures to be followed for Books and records to be maintained along with preparation, frequency and types of financial statements and different kinds of reports.

9.1.2   This chapter is intended to cover financial record keeping and documentation only.

9.1.3   For the purpose of this chapter, Books and records includes accounting record maintained in manual form and accounting Software QuickBooks being used by DAO.

9.2   Accounting policy

9.2.1   Finance Manager shall be responsible for the overall maintenance of proper books and records.

9.2.2   Double entry book keeping system shall be maintained taking into consideration, the debit and credit aspects of a transaction.

9.2.3   Voucher shall be prepared for every transaction. Following types of vouchers shall be prepared, depending upon the nature of the transaction:

- Cash Receipt Voucher;
- Cash Payment Voucher;
- Bank Receipt Voucher;
- Bank Payment Voucher; and
- Journal Voucher
- Cash Transfer Voucher

9.2.4   Manual books and record shall consist of the following:
- Cash book.
- Bank book.
- Ledgers.

9.2.5   Multi-column cash book is maintained manually. Each column is used to record transactions incurred in different currencies. It ensures control over physical cash balances in all the currencies. Similarly Bank Book is maintained for each bank account**.**

9.2.6   Monthly cash summary is prepared in all the currencies. Vouchers are entered in the QuickBooks on daily basis and cash is reconciled with manual cash book.

9.2.7   Financial reports shall be submitted to Donor in accordance with the provisions of the contracts made with the respective Donor.

9.3   Procedure for preparation of vouchers

9.3.1   Vouchers shall be prepared by the assigned staff and will be supported by sufficient and appropriate evidence, which may include but not limited to:

- Invoices and bills;
- Contracts;
- Quotations;
- Requisitions;
- Purchase orders;
- Minutes of the Purchase Committee;
- Expense claim form;
- TA(travelling allowance) DA(Daily Allowance) request/ claim form;
- Approval letters/ emails;
- Any other document.

9.3.2   All the vouchers will be checked and approved by the competent authority.

9.3.3   Each and every transaction is classified on the basis of all or some of the following criteria before being recorded. Each voucher includes the following information:

- Voucher type
- Currency
- Donor
- Agreement
- Location (to which transaction relates and not where it is incurred)
- Project
- Name of Payer / Payee (employee or other name)
- Account code
- Amount (original currency)
- Exchange rate

9.3.4   Voucher number is designed in alpha numeric form. There are three parts of voucher number to include following information.
Part 1 Location

Particular	Location Codes
Kabul	KBL

9.3.5   New regions should be given codes accordingly.
Part 2 Transaction type

Voucher type	Transaction type	Code

Bank receipt voucher	for Bank receipts	BRV
Cash receipt voucher	for Cash receipts	CRV
Bank payment voucher	for bank payments	BPV
Cash payments voucher	for cash payments	CPV
Journal voucher	for transactions not	JV
Cash Transfer Voucher	Involving cash transfer	CTV
	Cash deposits and Withdrawals	

Part 3 Voucher Number

9.3.6   Last part will include sequential numbers such as 1, 2,3….Voucher No. "KBL607" is an example to illustrate the above.

9.3.7   Separate sequences of vouchers are used for transactions incurred in different locations and in different currencies.

9.3.8   Vouchers are given as per below details (Format):

- Cash Receipt Voucher
- Bank Receipt Voucher
- Cash Payment Voucher
- Bank Payment Voucher
- Journal Voucher
- Cash Transfer Voucher

9.4   Entering transactions into Books of account

9.4.1   Voucher shall be entered in the manual cash books and QuickBooks/Donor specified formats on daily basis;

9.5   Financial Reports Generation and Submission

9.5.1   DAO being a multi donor organization shall submit the financial reports in accordance with the provisions mentioned in specific contracts and agreements entered into with those donors.

9.5.2   Reports from QuickBooks can be generated using different dimensions like Donor, Donor's Projects, and Location etc.

9.5.3   The existing accounting system generates different types of financial reports at different levels. The Following matrix can easily explain what major types of reports it generates:

Report/basis	Consolidated	Donor	Project	Location
Trial balance	X			
Balance sheet	X			

	Statement of Income & expenditure	X	X	X	X
9.5.4	Income B	X	X	X	X
	Expenditure d	X	X	X	X

get variance analysis is prepared using Excel Sheets on the basis of reports of actual expenditure generated from QuickBooks.

9.5.5   Finance Officer shall ensure the above on monthly basis and the in time submission of donor reports.

9.5.6   Financial reports of the donors shall be prepared by Finance Assistant within the time stipulated in the contract and be checked by Finance officer before submitting to Executive Director for approval.

Chapter 10 Currency Exchange Regulations

10.1 General

10.1.1 This chapter sets out the policy and procedures to be followed for the currency exchange and related issues.

10.1.2 DAO activities are carried in Afghanistan. As monetary system in Afghanistan is not yet stable, multiple currencies are being used in business community in different areas. DAO also keeps all the currencies required for the purpose of smooth functioning of its activities.

10.2 Accounting policy

10.2.1 Reporting currency for the purpose of annual financial statements shall be **"US Dollar/AFghani".**

10.2.2 Other currencies used are Afghani, Pak Rupee and Euro.

10.2.3 Exchange gains and losses on foreign currency transactions are recognized as income or expense in the period in which they arise.

10.2.4 As long as it is practical all the dealings shall be made in the reporting currency.

10.2.5 Expenditure incurred in currencies other than reporting currencies shall be converted into USD by applying (Specify whether average monthly rate or rate of date of transaction) rate.

10.2.6 In case of Donor reporting, DAO is obliged to follow the contractual obligations of the donors' regulation.

10.3 Conversion procedure

10.3.1 When there is need for changing one currency to another and it is not possible through the bank due to lack of banking services or unfavourable exchange rate, the **Currency Exchange Form** should be used. Two officers shall obtain 2-3 different quotations each (either by telephone but if this is not possible, by going to the market). The currency exchanger's name, address and telephone number should be written. The Finance Officer should select a suitable and reputable money exchanger with favourable rate.

10.3.2 Exchange rate of other currencies (Afghani, Euro etc) should be selected on a monthly basis from the officially published rates of UN where DAO maintains its accounts on open market.

10.3.3 The person approving conversion shall the most favourable quotation (keeping in view quotation rate, security risk involved or any other matter).

10.3.4 If a quotation is offering highest rate is not selected, reason will be written on the face of comparative statement or justification to be attached to comparative statement.

10.3.5 The successful money exchange dealer shall be asked to bring the agreed converted currency to DAO office, if possible.

10.3.6 Payment shall be made to the money exchange dealers for the amount of the actual currency exchanged when they will bring the currency required.

Chapter 11 Maintenance and Storage of record

11.1 General

11.1.1 This chapter sets out the policy and procedures for Maintenance and Storage of Data and related issues.

11.1.2 For the purpose of this chapter "Accounting record" means and includes Cash books, Bank books, Vouchers, hard copies of financial ledgers, supporting documents to vouchers, etc.

11.2 Accounting policy

11.2.1 As a matter of policy DAO shall retain records in accordance with the retention schedule mentioned below.

11.2.2 DAO should keep all its financial documents in the form of paper documents, microfilmed documents, or other media that could produce written documents i.e. scanned documents, etc.

11.3 Procedure

11.3.1 Hard copy shall be taken for each report generated from QuickBooks and shall be signed by the Finance Officer and be filed accordingly for ready reference.

11.3.2 Original vouchers of DAO offices in Afghanistan should be stored in a secure and organized manner. All original agreements relating to finance should be stored with finance department.

11.3.3 Data backup shall be taken on weekly basis and shall be given to the Admin department to store them in the DAO's safe.

11.3.4 All transactions within the DAO finance units are confidential. Finance Officer shall take care of it.

11.3.5 If details of transactions regarding the standard reports are required, the concerned officials shall have access only to the details of the financial transactions of their relevance.

11.3.6 It is not allowed to provide details of the transactions to the staff that are not directly responsible for the activity and its budget follow-up. Details of expenditure, particularly personnel cost, should only be released to the officer concerned. However, any details regarding all DAO costs and financial documents should be provided to the Executive Director and the Auditors.

11.3.7 It is strictly forbidden to disseminate information regarding financial transaction especially regarding personnel cost i.e. salaries and other benefits to any internal or external source unless the information fits one of the above categories

11.4 Record Retention Schedule

11.4.1 Retention time periods are generally determined by donor regulations and legal requirements.

11.4.2 The following table outlines the required retention period by type of document. After the time period noted, documents should be destroyed. Items not listed should be referred to the Executive Director for determination of the appropriate period. It should be noted that the grant close out date is not necessarily the same as the final expenditure eligibility date.

RECORD RETENTION SCHEDULE			
Type of Retention Period Record	**Years**	**Type of Retention Period Record**	**Years**
Accident reports & claims.	7*	Notes	7*
Appraisals	P	Petty cash records	4
Bank statements reconciliations.	4	Receiving reports	4
Budgets & projections	7*	Repair & maintenance records	4
Cancelled cash requests – general	2	Shipping reports	4
Capital stock	4**	Income	P
Charts of accounts	P	Payroll	4
Cheque vouchers	P	Freight bills, bills of lading	4
Contracts & agreements	7*	Internal reports, memos, work	2
Correspondence	4	Inventory records	4
Other	4***	Non expendables (Fixed assets)	7
Damage and theft reports	7	Ledgers & journals	P
Employee records	7	Cash receipts & disbursements	P
Contracts	7*	General ledger, journal entries	P
Expense reports	4	Payroll journal	4
Personnel files	7*	Subsidiary ledgers (receivables, payables, etc.)	7
Time reports, earnings records	4	Licenses	4*
Withholding & exemption	4*	Minute books	P
Financial reports Annual, audited	P		
P means records should be kept permanently			
*** Some should be kept longer, e.g. cash requests & asset acquisitions should be kept with bill of purchase , etc.*			

> *** Legal and important correspondence should be kept as long as the documents to which they relate exist.*

Chapter 12 Audit

12.1 General

12.1.1 This chapter sets out the policy and procedures to be followed for Annual audit as well as Audit of Projects by Independent External Auditors.

12.1.2 For the purpose of this chapter, independent External Auditors means a member of any independent professional body of Accountants, internationally recognized and entitled to conduct audits.

12.2 Accounting policy

12.2.1 Subject to any specific reporting deadlines, Project Accounts of DAO shall be audited by independent external Auditors.

12.2.2 Provisions of contract with donor shall be followed for the Project audits.

12.3 External audit purpose and scope

An external audit is an independent examination of the financial statements prepared by the organization. It is usually conducted for statutory purposes (because the law requires it). External auditors may also be engaged to do other specific assignments, (e.g. a fraud investigation). The purpose of external audit is to verify that the Project accounts provide a true and fair picture of the organization's finances; and that the use of funds is in accordance with the aims and objects as outlined in the project proposal or constitution.

The purpose of an external audit is NOT:

- To act as a fraud investigation;
- To prepare the accounts;
- To provide a certificate to say "there are no problems";
- Proof that internal control systems are effective;
- Evidence that accounts are 100% error free.

Although it is not the prime role of the audit to detect fraud, this may of course come to light during the checks that take place. Auditors have thus been described as '**watchdogs** not **bloodhounds'.**

12.4 Appointment procedure

The selection and appointment of external auditors shall be in accordance with the procedure set out below:

12.4.1 An audit committee consisting of the following employees shall be formed:

- Executive Director;
- Assistant director
- Finance manager
- Program Manger

12.4.2 The Audit Committee as described in the preceding paragraph will oversee the appointment of the external auditor with the assistance of management.

12.4.3 The Audit Committee will ensure that tendering auditors receive information concerning DAO, its activities, financial statements and the selection criteria. The proposal will require the auditor to address the criteria, providing details of its capabilities and experience.

12.4.4 The selection process will be objective and based on merit.

12.4.5 The Audit Committee will undertake reference checks before making appointing.

12.4.6 DAO will execute a formal letter of engagement with the auditor before any audit work begins.

12.5 Selection criteria

The Committee will develop a list of its needs, expectations and criteria for appointing of the auditor. The criteria will include:

12.5.1 Actual and perceived independence;

12.5.2 An understanding of the DAO, its activities and the areas in which DAO works;

12.5.3 Past experience with DAO, if any;

12.5.4 The overall experience of the auditor within the NGO's sector;

12.5.5 The calibre of the team and team leader proposed;

12.5.6 The relationship between the audit partner, the Board and senior management;

12.5.7 Fee proposal and structure;

12.5.8 Although the fee proposal is a relevant factor, it will not be the determining factor in selecting the auditor. The determining factor will be the ability of the auditor to provide an appropriate audit to the level and depth of the Audit Committee requests and to otherwise assist the Committee and the Board. DAO seeks fees which are competitive but understands that the fee must be sufficient to undertake the audit in the appropriate manner. The auditor must be a registered company auditor with Afghanistan Investment and Support Agency (AISA) and a member of an accredited professional body.

12.5.9 Independence of the external auditor is a key component of the DAO's Policy. This selection method must ensure that the auditor is independent and has appropriate expertise and experience to provide the audit services to DAO.

12.6   What does the Auditor need?

An auditor will need a quiet place to work where the checks can take place without interruption. Depending on the type of audit taking place, the auditor will usually give advance notification of the records needed through a requirement letter. Ensure that all the records are up-to-date and properly filed as this will facilitate the routine checks and cause minimal disruption for DAO. This will also help to save on audit fees.

A checklist of records and other documentation which might be requested by the auditor follows over page.

SECTION 3 HUMAN RESOURCE MANAGEMENT

Chapter 1 Employment Issues

1.1   Human Resource Management

Human Resource Management (HRM) of DAO has a prominent role in creating a bridge that links the employees with DAO and vice versa. All the activities relating to HRM shall be performed by the Admin department. Recruiting people and further developing their skills are two of the major functions that are essential to achieving DAO's objectives. In this regard it is important to ensure that the right people are assigned to the right jobs, and that relevant training programs are provided to maximize the input of every employee.

Fundamental to the HRM policy is a focus on equal opportunity and non discrimination. This should be reflected in recruitment, work environment, career development and opportunity. Another focus in HRM work is an ambition to create a participatory, transparent and open work environment.

It is the obligation of all staff to adhere to these guiding principles and rules of DAO to achieve beneficial environment where all staff can develop and grow.

1.2   HRM Guiding Principles in DAO's Perspective

The approach to the people who work for DAO is that they are the foundation for the achievement of our mission. DAO recognizes that the people who work for us merit respect and proper management, and that effectiveness and success of our operation depends on the contributions of all salaried and contracts staff.

Principle 1

DAO sees it central to promote inclusiveness and diversity in its workforce to obtain operational objectives. Employees' participation and contribution towards strategic and operational is thus given high priority. This also recognizes the need for necessary allocation of quantity and quality of Human Resources and giving them the right capacity building and tools to achieve DAO's goals.

Principle 2

DAO recognizes that its policies must enable all to achieve both effectiveness in work and good quality of working life for its staff. DAO does not aim to respond solely to minimum legal professional and other requirements.

Principle 3

DAO's staff has the right to expect management which prepares them to their job and that they jointly can achieve DAO's goals and missions. To accomplish this, employees might

need relevant training and support; all staff need clear work objectives, performance standards and knows whom to report who.

Principle 4
DAO recognizes that open communication and dialogue regarding the development, implementation and monitoring of Human Resource Policy and practices with all staff is important.

Principle 5
DAO has written procedures outlined how staff are recruited and selected for different positions. The recruitment methods aim to attract the widest pool of suitable qualified candidates. Furthermore, the selection process is fair, transparent and consistent to ensure the most appropriate person is appointed.

Principle 6
DAO recognizes the importance of relevant training, development and learning opportunities, both personal and professional to help staff work effective and professionally. DAO aims to introduce a culture of learning in DAO so that DAO and the staff can share learning and development together.

Principle 7
DAO recognizes that work in Afghanistan can place great demands on staff in condition of complexity and risk. DAO has a duty of care to ensure the physical and emotional well being of the staff.

1.3   Job creation and Recruitment

For the purpose of this section, type of employment shall be classified into the following categories:
- Permanent Staff
- Temporary/casual staff (based on budget)

1.3.1   **Permanent Staff** are the staff members whose job description does not relate to a specific Project and have been hired by DAO for regular and recurring activities of DAO.

1.3.2   **Temporary/casual staff** Staff hired for short term but irregular in nature can be categorized as casual staff. Such staff can be hired for specific purpose and as per need, may be for a few days, few weeks, or few months. Daily labourers, artisans, driver, masons etc. can be hired under casual service category.

1.3.3   The hiring of permanent staff and project staff should follow the recruitment procedures outlined in this chapter. The HR Department will draw a contract covering conditions of employment in terms of specific agreements, payments and

work conditions, these may be partially in agreement with the policies manual or completely exempted.

1.3.4   Salaries/wages scales for temporary staff should be approved by Executive Director.

1.4   Recruitment policy

1.4.1   DAO shall employee most qualified persons within available resources.

1.4.2   DAO shall provide equal employment opportunity to all qualified individuals irrespective of race, colour, religion, national or tribal origin, veteran status, marital status or gender.

1.4.3   As a matter of policy, female and special (physically challenged) candidates shall be encouraged to apply for different positions within DAO.

1.5   Recruitment procedure

Vacancy Announcement

1.5.1   The need of recruiting staff members shall be requested by the concerned Admin Officer to the Assistant director/Finance Department along with the reason;

1.5.2   For any existing and budgeted position, if any, the **Job Requisition and Profile Form** should be filled in and signed by the Head of the respective department.

1.5.3   The above mentioned request along with the recommendations from Finance Department and Admin Officer of the concerned department shall be submitted to the Executive Director for his final approval.

1.5.4   All vacant positions will be advertised simultaneously internally and externally in order to provide equal opportunities for all qualified candidates to compete. **Application Form** shall be used.

1.5.5   Internal candidates have to follow the same application procedure as external applicants.

1.5.6   For internal candidates, HR department will be required to attach a copy of latest staff appraisal form and ask for written recommendations from the head of the respective department.

1.5.7   HR department will through ACBAR and other coordinating bodies advertise positions. News /media, personalized letters and other methods may also be used for positions as requested in **Job Requisition and Profile Form**.

Receiving and Processing of Applications

1.5.8   Applications for job with DAO are to be accepted in the office.

1.5.9   Whoever receives (reception or guards etc.) an application has no right to read, comment and certainly not to refuse any application on any grounds. Such acts will be treated as misconduct.

1.5.10   Before the end of each working day, all received applications must be handed over to the HR Officer for further processing.

1.5.11 Applications received after the dead line for submission will not be accepted and thus will be treated as if they have not been received.

1.5.12 HR Department should stamp each application and note the receiving date on application.

1.5.13 Once all the applications are received by the closure date and sent to HR Department together with the concerned department, will set a date for the employment committee to screen the application and select those to be invited for the interview.

1.5.14 The process will take place by selecting those candidates with the highest prospective according to the specified standards for the position.

1.5.15 Due to resource availability and communication difficulties, DAO does not promise information of the outcome for those not selected for a position.

1.6   Employment Committee (EC)

1.6.1   For any processing of job applications an Employment Committee should be selected. This committee has the responsibility to screen and short list candidates, prepare necessary tests, interviews and select a candidate.

1.6.2   In order to eliminate nepotism, no one in the committee can be a relative of a candidate.

1.6.3   If it is noticed that someone has a relative during screening process, he or she has to inform other members and give up his or her seat to another person.

1.6.4   Formation of the said committee shall be as follows:
   • Executive Director or any officer assigned by him for this purpose;
   • Finance manager;
   • HR Officer
   • Line Manager
   • One person from the concerned department

1.6.5   Nothing contained in above paragraphs shall be construed for the hiring of Executive Director of DAO.

1.7   Duties of the Employment Committee (EC)

1.7.1   The EC should first screen all applicants and make a short list of the candidates deemed mostly suitable, based foremost on education, skills and experience.

1.7.2   These candidates will then be invited for test and interview on dates, the EC may decide upon.

1.7.3   The EC also has the right to decide the location for the test and interview taking into consideration the location of short listed candidates.

1.7.4   For most positions a written exam (technical, mathematical or specimen of writing, grammar and understanding) or practical exam will add fairness to the selection procedure.

1.7.5 Exams can both be used to give guidance during the interview or further narrow the number of candidates to take for interview.

1.7.6 Exams should be prepared by concerned department and be:
- Clear and easy to understand,
- Free from questions that simply can be answered with a yes or no,
- Framed in such a way that there is no need of prior knowledge to specific rules, procedures or terminology.

1.7.7 For the purpose of eliminating any form of nepotism, the result will be viewed by the EC for correctness and interpretation.

1.7.8 Question papers and copy of the result will be kept with HR/Admin Department for further reference for (3 months) months. Only the Employment Committee (EC) will see results. Disclosure of the contents to outside parties will be considered misconduct.

1.7.9 The number of people called for interview for any one position should ideally be two or three of the most qualified candidates provided that an adequate number is available. However, there may be situations where more or less candidates are deemed necessary by the EC for interview.

1.7.10 The selection should be done unanimously by all members. If however one member of the committee disagrees, a second interview by alternate members from the same departments will be recommended for the purpose of obtaining a consensus.

1.7.11 If there is an internal candidate that is perceived equally qualified with an external candidate, DAO's candidate should be given preference.

1.7.12 An **Evaluation Form** should verify the consensus where all members of the committee may sign.

1.7.13 If the selected candidate is already a permanent employee of DAO, then he/she will carry any benefits from the previous position and will not necessarily have to be on trial period. However, would DAO decide on trial period the employee will have all the benefits as stipulated in the previous contract.

1.7.14 A first and a second choice should always be selected if, for some reason, the preferred candidate cannot take the job offer.

1.7.15 The decision of the EC is final and can only be revoked by the Executive Director. Members of the EC are not permitted to disclose or discuss why or why not a candidate was considered to be successful /unsuccessful to any outside individual.

1.7.16 It is desirable that references are checked at all times to verify a background check of the selected candidate. This is the responsibility of the HR /Admin Department.

Note: Recruitment for the position of Finance manager shall be done by the Executive Director.

1.8   Qualification, Experience and Competency required for different positions

Based on market availability, DAO will always look forward to hiring qualified, experienced, and competent candidates as demanded by the job. Generally three types of competencies (knowledge, skills and capacity) will be required for different positions. The selection of staff members will be on the basis of one's mastery on these competencies.

- Academic degree and work experience.
- Functional competency: including knowledge, ability, and past performance.
- General competency: including language, hands-on skills, and personal traits.

Every staff member must have these competencies to the extent specified by the EC, which will be defined at the time of recruitment. The following table gives the general qualifications and competency standard for the staff in each category.

Competency areas	Key requirements
Executive	
Academic degree and work experience	Post graduate or higher degree; At least 5 years experience in NGOs' sector or in any senior management position. Experience of three years in the relevant sectors is desirable
Functional competency	Knowledge about NGOs' Sector and institutions development Proven performance in the field of experience (advisory services, research work on development etc.) Well-versed in the indicators pertaining to NGO's Operations Other relevant competencies specified by the EC
General competency	Required computer skills – MS Word, Excel, Power Point Fluent in written and spoken English Fluent in local languages.
Senior and Middle Management	
Academic degree and work experience	Preferably University degree in related field (for internal staff this will not be mandatory) Five years of experience in similar projects with preferably two years in NGO's sector
Functional competency	Knowledge of modern management practices Familiarity with relevant field of work Functional skills as specified by EC Other relevant competencies specified by the EC

Competency areas	Key requirements
General competency	Good command in English Fluent in local language(s). Familiarity with computer application at least MS Word, Excel Appropriate job support competencies as defined by EC
Officer	
Academic degree and work experience:	Bachelor degree Experience in relevant field has an advantage
Functional competency:	Knowledge of the sector, job concerned Familiarity about development concepts Functional skills as specified by EC Other relevant competencies specified by the EC
General competency	Good command in English will have an advantage Computer skills – MS Word, Excel, computerized accounting software. Fluent in local language(s). Appropriate job support competencies as defined by EC
Assistant Officer/Supervisors	
Academic degree and work experience:	Graduate/Diploma in related subject Preference to experienced candidates
Functional competency:	Proven knowledge or suitable training appropriate for the position
General competency	Appropriate job support competencies as defined by EC Computer skills will have an advantage
Support Staff	
Academic degree and work experience:	Literate Other aspects as specified by EC based on nature of job
Functional competency:	Appropriate experiences as per the job requirements as specified by EC Other relevant competencies specified by the EC
General competency	Appropriate job support competencies as defined by EC Minimum Personal effectiveness competencies

1.9   Short listing of Applicants Criteria Weightage

Applications will be shortlisted according to the criteria decided by the EC for the position in question. DAO will follow the given criteria with Weightage for different categories of staff to be appointed.

Criteria	Weightage
Management Level	
Academic qualification and experience	40%
Functional expertise and competency	50%
Preferential criteria	10%
Officer, Assistant officer and Support Staff	
Academic qualification and experience	60%
Functional expertise and competency	30%
Preferential criteria	10%

Only shortlisted candidates will be informed for written test.

1.10 Screening of Applicants

The candidates will have to undergo through the following screening process for selection:

1.10.1 *Written test:* The written test will be conducted for shortlisted candidates to assess one's knowledge in the related field. This test will be aimed at assessing the job support and functional competencies required for the job. Besides, analytical skills and communication styles could also be inferred from this test.

1.10.2 *Individual interviews:* Successful candidates in the written test have to undergo through interview. Interview will be focused on candidates' general understandings of the job and also to gain additional information on his/her competency level in general.

1.10.3 *Practical test:* This will be applied to test hands-on skill of candidates in selected areas such as like computer application, driving etc. All candidates selected for interview will have to go through practical test if demanded by the job.

1.10.4 *Group dynamics test:* For some selected positions, especially for management level, candidates may need to go through group dynamics test. Group discussions or other appropriate tool like presentation will be used for this purpose. This test will assess the candidates' personal effectiveness qualities and their compatibility with the values and principles of DAO.

1.10.5 *Final selection*: Based on the results of the candidates' on different tests, most suitable candidates will be offered the job.

1.10.6 Depending upon nature of job, type of tests to be taken for given position will be decided by the EC.

1.10.7 Some candidates who failed to be finally selected but are just below the finalists in total ranking will be considered for waitlist. Depending upon number of positions to be fulfilled, 1-3 waitlist candidates can be considered.

1.11   Appointment

The name of the selected candidate(s) will be posted on the notice board of DAO. The selected candidate must join the service within (10- 15 days) days of selection decision. Failure to doing so will automatically lead to appoint waitlisted candidate.

However, in some cases if the candidate cannot join within (10- 15 days) days due to her/his obligation of meeting notice period to the employer, the EC can consider for some extension. The service period of all staff will be counted from the date of appointment, but only upon successful completion of the probationary period.

The HR Department of the organization will prepare the contract for all staff signed by the Executive Director, or designated authority. Two originals will be made, one to be retained by the employee and the other to be kept by the HRM Department. Along with the contract employee will be given **Appointment letter** and job description.

1.12   Staff Identity Card and Code

All staff working under permanent or contract basis will be given DAO identity card for use only while on official duty. Any misuse of the card detrimental to DAO may result in dismissal from the job. Loss of the card must be reported immediately to relevant Admin Officer with the reason.

Cards will be renewed for permanent staff upon completion of probationary period. The renewed card will also possess staff code number. For staff under contract basis card will be renewed at the time of contract renewal, if applicable.

Staff identity card must be returned to DAO upon termination of employment or staff leaving the organization due to any reason. For the employee failing to do so, an amount of Afs (500) or USD (12) will be deducted from his/her final payment.

DAO will assign organizational code to all staff upon successful completion of their probationary period. This code will be the main identity of a particular staff and should be used in all correspondence by/with DAO. For code number it can be given as 1, 2, 3, 4, etc. based on date of appointment or work start date with DAO, but irrespective of status (position).

1.13   Employment of Relatives

The number of closely related permanent or project employees in DAO will be limited to (2). This rule is adopted to maximize the level of fair employment opportunity should be allowed and any exceptions should only be approved by Executive Director. In addition, this rule should also encourage transparent and just relationships between employees that are expected to result in professional loyalty. Therefore, related employees may neither supervise each other nor work in the same department.

To this end, all staff should mention in their job application of any close relation they know of in DAO. If employees cover-up this information and work against this rule, they will be

subjected to disciplinary measures that may entail the termination of their own employment and that of their relatives.

1.14 Family Tree

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                    ┌─────────────┐
                    │  Employee   │
                    └─────────────┘
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  Brother/Sist     Husband/      Mother/      Mother/in
      er                                        Law

    Wife/         Children       Uncle/      Brother/Sister
                                               in Law
```
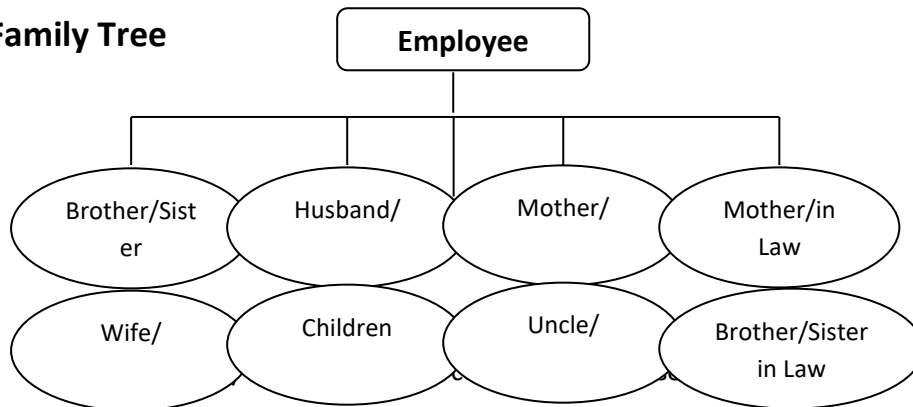
1.15 Employment Age

DAO does not agree to employment of persons, no matter position or contractual form, below the age of (18). The retirement age in DAO is (65) years. Anyone intentionally giving false information on the date of birth can be terminated with immediate effect. This shall not be applicable to the age of Executive Director.

Following minimum and maximum age bar will be applicable for different level of positions to be filled through open competition. However, for technical positions and for contract service this age limit will not be applicable, and will be as per decision of the EC. But in no case, person below (18) years and above (65) years can be employed even on contract basis.

For Assistant/Supervisor level: Minimum (18) years and not exceeding (_65__) years
For Officers level: Minimum (_25__) years and not exceeding (_65) years

'Age' here refers to the age of the candidate on the last date for submission of application for position in concern.

1.16 Ineligibility for appointment

In the following cases the selected candidate will be ineligible for appointment in any position of DAO. Reveal of fact even after the appointment will lead to dismissal from job with immediate effect.

- If she/he was terminated by other organizations with charges on corruption or misconduct.
- In case of attempt to influence the selection process by submitting false documents/statements in the application.

DAO

Chapter 2 Terms of Employment/Employment Contract

2.1   General

This chapter sets out main contents and rules of the signing of the employment contract. The employment contract is a signed agreement between the employer and the employee.

Under the terms of contract, the employee agrees to provide services to the employer in return for remuneration and benefits according to the terms and conditions outlined in the contract.

2.2   Policy

2.2.1   Contract shall be signed with every staff member of DAO.

2.2.2   The contracts of permanent staff shall be for a period of one year.

2.2.3   Contract period for the Project staff shall depend upon the Project period.

2.2.4   No clause shall be added in the contract which is inconsistent with the provisions of this manual.

2.3   Signing of Contract

2.3.1   Contracts of all the Permanent staff shall be signed by the Executive Director and the employee.

2.3.2   Executive Director or the Assistant director can expressly assign any other officer to sign the contract on his behalf.

2.3.3   Executive Director shall by any general order or special memo assign Managers to sign contracts with Project staff.

2.4   The employment contract

Employment contract shall provide following minimum information:

- Name of the employee;
- Designation;
- Duty station;
- Salary range
- Contract period;
- Working hours;
- Rights and obligations of employees;
- Duration of probation period;
- Other staff benefits;
- Termination and other penal activities.

2.5   Probationary period

All new permanent staff hired will be under probationary period of (2 months) months. This will also include on the job training wherever applicable. The candidate will be considered as permanent staff of DAO only if overall performance of the candidate remains satisfactory during the probationary period. However, in case of failure to meet satisfactory level of performance DAO can dismiss him/her from the job at any time without giving any notice.

If any permanent staffs are selected for another position in DAO either through internal promotion or open competition then she/he does not need to go again through probationary period.

2.6   Sample Job Descriptions

All DAO's staff will be given a Job Description at the time of employment. This document specifies a detailed duties and responsibilities pertaining to the employment. A copy of staff Job Description shall be kept in the personal file in the HR/Admin Department. The job description should be used as an active document and be reviewed by the line Admin Officer regularly for performance appraisal. Following are some sample job descriptions:

2.7.1   Job Title: Project Manager

Location: (City/Town)

Date of Joining:

Reporting to:

Summary: The organization is currently implementing a project on (Specify the purpose of the project) with the support of the (Specify donor) and it is seeking to appoint a Project Manager assigned with following duties. The goal of the project is to improve (Specify Purpose) in the (project area)

Duties/Assignments:

The Project Manager will:

- Oversee all project activities and be the main contact point for the donor and the field staff
- Ensure project activities comply with the policies and regulations of the donor organization.
- Responsible for overseeing the development and execution of project deliverables, lead project planning, budgeting, action plans and monitoring processes.
- Responsible for submitting activity reports, meeting minutes and financial reports on regular basis to the donor.
- Oversee the preparation and submission of annual activity-based project budgets as well as monthly and quarterly financial reports and sending of new funding requests.
- Lead and motivate the project team and monitor project activities and project expenditure and coordinate work with consultants and volunteers in the project

- Ensures close collaboration and coordination with cooperating partners to guarantee smooth implementation of activities and achievement of results as specified in grant agreements.
- Employs resourcefulness in project design, implementation and monitoring. Trouble shoots project problems. Identifies and implements creative solutions.

2.7.2   Job Title: Finance Manager

Location:

Date of Joining:

Reporting to:

Summary: The organization works for the <mark>Specify Purpse</mark>.. It is currently implementing projects supported by (donors). The organization is currently seeking to appoint a Finance Officer to manage its financial operations.

Duties/Assignments:

The Finance Manager will:

- Oversee the financial operations of the organization and ensure timely and accurate financial reports and practices including cash management, payroll, financial disbursements, ledgers etc.
- Responsible for entering financial information and maintaining all financial records for projects and for the organization.
- Manage financial control, prepare and analyze budgets, develop financial reports, and make recommendations to the organization on budget expenditures.
- Obtain approvals from the Executive Director and from the donors on all procurements and purchases for the projects and for the organization.
- Monitor the expenditures to ensure that program funds are utilized appropriately by the close of the fiscal year.
- Provide orientation and training to the organization staff on cost-effective management.
- Ensure that all financial reporting is completed on time and submitted to donors.
- Oversee the financial audits of all projects of the organization.
- Provide financial inputs for proposal development, project management, Human Resource Management policies, logistics, travel and other areas of administration.

2.7.3   Job Title: Admin officer

Location:

Date of Joining:

Reporting to:

Summary: Working under the supervision of the Executive Director, the full-time Administrative Assistant oversees and manages all office procedures and other tasks as assigned by the Executive Director. Salary is commensurate with experience.

Duties and Responsibilities:
- Oversee all aspects of general office coordination.
- Maintain office calendar to coordinate work flow and meetings.
- Maintain confidentiality in all aspects of client, staff and agency information.
- Monitor and assist with maintenance of the organization's website.
- Interact with clients, vendors and visitors.
- Open, sort and distribute incoming correspondence, including faxes and email.
- Preparing and maintaining donor agreements and staff contracts in close consultation with finance manager.
- Prepare responses to correspondence containing routine inquiries.
- Perform general clerical duties to include, but not limited to, bookkeeping, copying, faxing, mailing and filing.
- File and retrieve organizational documents, records and reports.
- Coordinate and maintain records for staff, office space, telephones, parking and office keys.
- Coordinate and direct office services, such as records, budget preparation, personnel and housekeeping.
- Set up and coordinate meetings and conferences.
- Prepare agendas and make arrangements for committee, Board or other meetings.
- Interact with the organization's Board of Directors.
- Attend Board, committee meetings or other meetings as requested in order to record minutes.
- Compile, transcribe and distribute minutes of meetings.
- Make travel arrangements for staff and board.
- Collect and maintain inventory of office equipment and supplies.
- Arrange for the repair and maintenance of office equipment.

- Support staff in assigned project-based work.
- Assists in special events, such as fundraising activities and the annual meeting.
- Assist with overall maintenance of the organization and its offices.
- Other duties as assigned by Executive Director.

2.7   Other employments

2.7.4   Permanent and project employees of DAO are not allowed to have employment contracts with any other entity. This would be considered as misconduct.

2.7.5   Permanent or project employees that obtained consultative/evaluative work with entity outside DAO must seek the written approval of the Executive Director before signing on such contracts.

2.7.6   Permanent or project employees that have an involvement/investment in any other entity must under all circumstances refrain from trying to obtain business contracts or hiring of equipment, tools and facilities with DAO. Doing so will be considered as misconduct.

2.8   Personal files and Records

2.8.1   Personal files for all employees will be set up by the HR/Admin Department. Such files will contain all relevant information related to job and employment history of the staff. Staff should submit his/her details in the job application form. Should any employee wishes to view his/her file; it can be done in the presence of the HR /Admin Officer.

2.8.2   The personnel file should contain, but not necessarily be limited to, the following:
- Application form;
- Appointment letter;
- Interview Notes;
- Copies of certificates,
- Copy of NIC (Tazkira);
- Copy of DAO's ID Card;
- Signed contract with job responsibility;
- Performance appraisal forms;
- Leave records – related to leave of absence, leave without pay, marriage leave, maternity leave, Hajj leave, and special leave etc.;
- Warning letters, letter of appreciation, if any;
- Changes of address, contact details, if any;
- Details of higher studies, training, seminars etc., if attended officially;
- Any other changes that relate to position, complaint, or any other relevant personal details.
- Clearance form/Exit Interview Notes if any;

2.9   Confidentiality of Information

Information contained in the personnel file should not be disclosed to any other staff or outsider until and unless required in connection with some official need. In such case, authority to disclose the information must be sought from the Executive Director.

Chapter 3 Remuneration and Benefits

3.1   General

DAO's will strive for providing competitive salary and allowance to its staff not only to attract them for job but also for long-term retention.
DAO has a policy for annual salary increment considering inflation and financial situation of the organization but at the same time it is linked to availability of funds as well.

3.2   Salary scale

3.1.1   The salary scale for staff working under permanent and contract basis will be as per decision of the senior management from time to time. Staff will receive his/her salary and allowance from the date of appointment.

3.1.2   Newly appointed staff will be on minimum salary scale of the level she/he is appointed to. However based on experience and skills and need of the organization, if the EC feels that the staff deserves higher step in salary scale then consideration can be made accordingly. But for new appointment the start salary should not go beyond the prescribed limit.

3.1.3   If the staff is promoted to higher level then she/he will get the minimum scale of promoted level from the day of promotion. However, if the current salary amount exceeds the minimum scale of promoted level then the staff will get current amount, i.e., no deduction will be made to the amount of current salary. If the staff gets Acting, she/he will receive current salary but not for the position given Acting for.

3.1.4   In case of death of staff while working with DAO, full salary and allowance for that particular month of event will be given to next of kin of the staff concerned. It is to be noted here that salary and allowance will not be provided for the period staff is absent from work). Salary will be paid to staff either in the form of cash or bank transfer (preferably bank transfer) on (5th of each month. No salary and allowance will be provided from the date of resignation/dismissal from the organization.

3.3   Salary payment on transfer

Salary will be paid to staff through transfer or cash till end of that particular month.

3.4   Annual Salary Increment

3.4.1   To cover part of inflation and also as recognition to staff's contribution to the organization, DAO will do its best to increase salary from to time based on market situation and its financial position. Salary increment will normally take place from the beginning of the project if fund for this purpose is available.

3.4.2   A committee comprising Executive Director, Finance manager, Assistant Director and HRM Officer/Admin will assess the annual salary increment to be provided and recommend to the Executive Director for final approval.

3.4.3   Staff performance Appraisal must be considered while giving increments to the employees.

3.5   Bonus

3.5.1   As a matter of rule no bonus is payable to any employee of DAO.

3.5.2   Executive Director in exceptional circumstance can approve bonus for any employee with reasons to be recorded in writing and specifying the sources from where the said amount is to be paid.

3.6   Accommodation, DSA and Air fare

DAO will provide accommodation and DSA as given in the below if and only if funds are available.

Country	Lodging*	DSA**
In Afghanistan***	Actual	USD 50 per day
Pakistan, Iran and Tajikistan	Actual	USD 100 per day

*For lodging actual cost will be paid based on bills.

If the trip is organized for more than one person together, accommodation should be on room sharing basis (double) unless male staff and female staff are travelling together. For executive class and above this will not be mandatory.

** Full DSA will be paid only if night is spent outside Kabul or abroad.

Fifty percent of DSA amount will be provided if staff participate in training or workshop (domestic or international) which is residential and all three meals are provided to participants.

If any meal is provided by DAO in any way, the DSA will be deducted as follows:

Provision of breakfast   15% of DSA

Provision of lunch   30% of DSA

Provision of dinner   30% of DSA

3.7   Meal/Food Allowance

DAO shall pay food allowance @ USD 20/month to Drivers and guards (based on availability of donor allocation).

3.8   Medical Allowance

Medical Allowance shall be paid to every employee of the organization based on the approved budgets from donor organization (based on availability of donor allocation).

Chapter 4 Time and Holidays/Leave Management

4.1   General

4.1.1   DAO respects government's decision with regard to public holidays.

4.1.2   Leave facility provided by DAO will be in commensurate to similar organizations operating in the country.

4.1.3   This chapter sets out policy for the admissibility of leaves to the employees.

4.1.4   For the purpose of this chapter, leave shall be classified in the following:

- Annual Leave;
- Sick Leave;
- Casual Leave;
- Emergency leave
- Maternity leave;
- Paternity leave
- Unpaid Leave;
- Hajj Leave, etc.

4.1.5   Any leave without taking permission from the respective Executive director, Assistant director or line Admin Officer shall be considered as absence and be deducted from the employees' salaries.

4.1.6   All DAO employees are required to fill out attendance book. For employees on annual leave or sick leave or any other types of leave, the attendance book has to be filled accordingly.

4.2   Public Holidays

DAO will observe the following as public holidays. Since some of the holidays vary from year to year and also subject to appearance of moon, tentative holiday list for the year will be announced at the beginning of each year by the HR Department.

Holidays	No. of days
Arafa	1
Eid-ul-Azha	5
Ashora (Tenth of Mahram)	1
Naw Roz	1
Islamic Revolution Day	1
Independence Day	1
First day of Ramazan	1
Eid-ul-Fitr	5

4.3   Annual Leave

4.3.1   Guards are entitled to 5 days leave in one month.

4.3.2   Other staffs are entitled to 2.5 days leaves per month.

4.3.3   The timing of availing annual leave shall be coordinated between the employees and the Heads of their departments to ensure that employees get break at regular intervals.

4.3.4   The leave can only be obtained after the successful completion of probationary period.

4.3.5   Staffs is required to fill out the **Leave Request Form** and obtain their Admin Officer's prior approval. Leave request form is then submitted to the Executive Director for approval.

4.3.6   Required advance notice for leave is as follows:

* 1-2 days   One day in advance;
* 3-10 days One week in advance;
* 2-3 weeks Two weeks in advance.

4.3.7   Employees are not entitled for the payment of unutilized annual leave.

4.4   Sick Leave

4.4.1   If an employee fall sick, in common cold, stomach ache or migraine, and cannot attend work, the first (1 day) days of such sickness will be deducted from annual leave. The sickness has to be reported on the first or second day.

4.4.2   Would the sickness last for longer than (3 days) days, a medical certificate from a well known/licensed Medical Doctor/Hospital is required.

4.4.3   Sickness Leave for (3 days) shall be approved by the Admin Officer while for more than (3 days) by the Executive Director or Assistant director.

4.4.4   Employees are not entitled for the payment of unutilized sick leave.

4.4.5   Sick leave exceeding the limit prescribed in section 4.4.3 shall be approved by Executive Director and salary of the employee shall be paid in the following manner:

* From 01 day up to 20 days   full pay
* From 20 days to 40 days   half pay
* From 40 days up to two months   without pay

4.5   Casual Leave

4.5.1   Casual leave is any leave outside the ambit of annual leave, sick leave, Hajj, maternity/ paternity leave and leave without pay.

4.5.2   Employees shall be entitled for a (12) days casual leaves per annum.

4.5.3   A maximum of (7 days) days casual leave can be taken at a time.

4.5.4   Employees are not entitled for the payment of unutilized casual leave.

4.6   Maternity Leave

4.6.1   Female staff shall be entitled for 2 months maternity leave. The leave can be taken before or after the delivery.

4.6.2   Application for maternity leave should be submitted in writing at least (two weeks in advance)

4.6.3   Maternity leave shall be limited up to (1 time in a year) times in total service period with DAO.

4.7   Bereavement Leave

In the case of death of immediate family member of staff, paid bereavement time will be given maximum of (7 days) at a time. 'Family member' for this purpose will cover only own father, mother, spouse, child, brother, sister, father in-law and mother in-law of the staff concerned. In case of death of other members in the family or of any other close relative, staff should use annual leave.

4.8   Hajj Leave

4.9.1   An employee shall be entitled for a (45) days Hajj leave.

4.9.2   An application to the effect shall be submitted (1 month) months prior to taking leave.

4.9.3   An employee shall be entitled for Hajj leave only once.

4.9.4   Hajj Leaves shall be approved by the Executive Director.

4.9.5   Nothing contained in this section shall apply to Temporary employees.

4.9   Marriage Leave

Any staff if to get married while working with DAO will be entitled for (10 days) working days marriage leaves. This leave will be granted only if it is his/her first marriage. If an employee getting married belongs to a remote outstation are, then she/he will be entitled for (15 days) working days marriage leave.

4.10   Unauthorized Leave

Unauthorized leave is defined as failing to report for work in (2 days) consecutive working days without a leave approval or sick leave notice. In this instance, a written warning will be given and salary be deducted for the number of days absent. If a staff member is absent from work for more than (18 days) without valid reason, his or her employment will be terminated.

4.11   Unpaid Leave

Staff has no automatic right to unpaid leave. However, in special circumstances, consideration may be given to a written request via the respective Admin Officer. In instance where the employee does not have any balance of any of the above mentioned leaves, she/he can opt for leave without pay. Salary shall be deducted for every day of leave without pay.

Granting leave without pay shall be at the discretion of the Executive Director.

4.12   Counting public holidays during leave period

Unless and otherwise specified normally public holidays will not be counted while approving leave request. But if any public holiday suddenly announced by the government falls during the leave period which has already been approved or in use then such leaves will automatically be included within leave days taken. No extra leave day will be considered/granted as compensation to such holiday.

4.13   Leave should not be considered as 'right'

Staff should never consider any leave as their 'right', rather it is a facility given by the organization in recognition to their hard work and dedication to the organization. In case of urgency of work, staff on leave can also be called back to duty. Staff who is already on leave, should not join office during the leave period without consent of the authority who approved leave earlier.

4.14   Leave request and Approval

All leave requests need to be channelled through concerned authority for approval. Leave request of Executive Director will be approved by chairperson of the board. Similarly, for other staff it will be as per table given below.

Leave request of	To be approved by
Executive Director	Board of Director
Assistant Director	Executive director
Finance manager, project manager	Executive director

Chapter 5 Promotion, Transfer and Staff Development

5.1   General

5.1.1   DAO gives priority to filling vacant positions through internal promotion to the extent possible.

5.1.2   DAO strives for promoting staff development opportunities to its staff.

5.2   Promotion

For the positions to be filled through internal promotion, based on experience, qualification and performance of the staff she/he will be promoted to higher level. Promotion will however strictly take place to one level/grade higher position only. In no case, staff will be promoted directly to second level/grade higher than the current position.

5.3   Basis for Promotion

Following criteria will be used to promote staff on internal competition basis.

a) Performance assessment		50%
	-Self assessment	25%
	-Management appraisal	25%
b) Academic qualification		25%
c) Seniority		15%
d) Service based on geographical areas		10%

a) Performance Assessment

DAO will appraise performance of all permanent staff once a year. For this two types of assessments will be done, self-assessment and management appraisal. Total score of the two (out of total marks 50) will be used for 'performance assessment' indicator as mentioned above. It is to be endorsed by his/her immediate manager.

Management appraisal is done to assess overall aspects including knowledge, attitude, character, honesty level etc. of the staff. Such assessment is done by immediate supervisor and higher authorities.

The HR Department will collect staff performance assessment reports and use for promotion. The performance appraisal will also be used to identify staff development measures, reward or to take punitive actions.

b) Academic qualification
For academic background, it will be as follow

University degree	20 points
Diploma	15 points

If any candidate cannot produce certificate then it will be up to the EC's discretion for number of points to be considered.

c) Seniority
Based on number of years of permanent service with DAO, the candidate will get 4 points equivalent for each year served. While counting service period, if the period results into number of months in a particular year then that period will be counted accordingly. To clarify, if any staff worked for 3 years and 7 months then she/he will get 14.33 points

{(3*4)+(7/12*4)}. Whereas 7/12 in the formula means 7 months converted into number of years which comes to be 0.6 years. Likewise, if for 2 years and 9 months then it will be 11 points. Seniority will however not be counted for the period while staff is on 'leave without pay' or for the period of absence without leave approval.

d) Service based on geographical areas
Based on remoteness and also considering security risk, DAO working area has been divided into three main categories. Staff will get following points for each year served in the areas mentioned below.

Category	Place	Points per year served
'A'	Kabul	3
'B'	Kunar, Urzgan, Nangarhar and other provinces of Afghanistan.	4

While computing points for service period on geographical area basis, staff who has served for more than six months in a year in a particular area should be counted as one year for that area.

5.4   Minimum service period required for promotion

To qualify for promotion to higher level position, the staff must have served as permanent staff for the following minimum period with DAO.

From Assistant Officer or Supervisor to Officer Level   (2) year
From Officer Level to Management level   (3) years
From Management level to executive level   (5) years

5.5   Restriction on Eligibility for promotion

Despite having met minimum criteria for promotion, the candidate will not be considered eligible for promotion in the following circumstances:
- During suspension period if she/he is under suspension.
- For the period in case she/he is barred from promotion due to disciplinary action.
- For the period if she/he has received warning letter or facing any other disciplinary action.
- During the period if staff is on 'leave without pay'.

5.6   Inter Departmental Transfer

5.6.1   As demanded by the Projects, staff will be transferred from one section to other. Transfer will be done to enrich the staff experience on different levels of section and nature of work. In general, a staff will not be transferred before completing his/her

one year term in the designated section. Also, with a view not to disturb the calendar of activities, transfer will be normally done during certain months in a year.

5.6.2   The Executive Director will have the authority to transfer all staff. However, authority to transfer a staff under assistant level and below can be delegated to Assistant director. While making transfer, it will however be ensured that the transfer is done in close consultation with the immediate line manager of the concerned staff.

5.6.3   Upon transfer, it will be concerned staff's responsibility to handover duty and other official materials/documents to the staff (as designated by the line manager) in the section and join the new section at the earliest possible. Failing to join within stipulated time period may lead to disciplinary action.

5.6.4   Upon joining the new section, it should be reported to Executive Director and other concerned like where she/he was transferred from and concerned manager immediately. The transfer letter duly authorized shall be placed in the personnel file of the respective employees for future reference.

5.7   Staff Development

DAO will continuously put its effort to develop staff competencies. Job orientation training will be organized to all staff upon appointment. Besides, the organization will also conduct in-service training, workshops, seminars regularly for its staff as and when deemed necessary. Based on funding availability, DAO will organize exposure visits to other countries in the region to give opportunity to its staff to bring in new ideas and skills that would contribute to excel future performance. Such opportunities will also serve as incentive to better performing staff that will be given priority in the nomination.

5.8   Academic career development

DAO will extend financial support and study time to those staff wishing to pursue academic career on part time basis if the study field is relevant to the organization's work. However, DAO will not provide such opportunity if the official work is to be affected due to absence of staff from work. Also while granting such opportunity; DAO management will consider overall performance of the staff. Depending upon nature of facility provided by the organization, the staff concerned has to sign bond with DAO as commitment to the facility provided by the organization.

Chapter 6 Code of Conduct and Disciplinary action

6.1   General

6.1.1   DAO strives for creating conducive work environment by maintaining mutual relationships with all employees.

6.1.2 DAO also respects individual rights, and treat all employees with courtesy and consideration. Equally, it also expects from all employees to promote an atmosphere in keeping view with DAO's vision, mission and goals.

6.2 Code of Conduct

6.2.1 DAO work is guided fully by its vision and mission, and always strives best to meet its goals and objectives set forth. To attain this DAO may assign any task to concerned staff at any time deemed necessary. It is therefore staff's responsibility to complete the job at the specified time frame. In case of problem, staff is always encouraged to discuss with his/her supervisor. Supervisor, within official means, will do best possible to sort out the issue. If the staff has some personal differences with supervisor then she/he can also put his/her grievances to second level higher authority.

6.2.2 While serving with DAO all employees are required to observe standards of personal conduct and job performance at all times. Violation of DAO polices/rules or other illegal or improper acts or practices by any employee is strictly prohibited and may result to any action including immediate dismissal. DAO has set the following standard of conduct which all staff must follow. This list is not all inclusive, but is expected to illustrate the types of conduct, if failed to abide by, may result in disciplinary action or dismissal.

- Show commitment towards the vision and mission of the organization.
- Feel duty as to safeguard organization's and donor's properties.
- Show due respect to her/his line manager and work under the authority and guidance of line manager.
- Meet the minimum performance standard acceptable to the organization
- Cooperate with all staff of the organization and stakeholders.
- Maintain full honesty with the organization and its stakeholders concerned.
- No influence in daily performance and decisions based on any political biases.
- Not abuse her/his authority in any circumstances.
- Not accept any gifts, gratuities or money or other favours from anyone DAO conducts activities with.
- Not criticize organization's rules and regulations in public.
- Not violate organizations and the stakeholder's confidentiality even after retirement.
- Not involve in any destructive or illegal activities.
- Not absent from work without prior approval.

6.3 Disciplinary actions

6.3.1 Disciplinary actions may include: written or verbal warning, probation, suspension, and/or dismissal from employment. DAO reserves the right to apply any or all of

these disciplinary actions as deemed necessary. An employee may also be dismissed for serious infringement without prior warning.

6.3.2 All staff must remember that breach of any above-mentioned code of conduct is punishable under DAO's rules and regulations. Disciplinary action will depend upon official investigation done by DAO.

6.3.3 Following disciplinary actions can be taken against the staff if proven guilty.
- Issue written warning
- Collect financial loss caused by the staff fully or partially from his/her salary or other personal assets.
- Suspend promotion or salary increment.
- Suspend from job declared "eligible for future DAO's jobs"
- Suspend from job declared "ineligible for future DAO's jobs"

6.3.4 DAO can terminate contract for both permanent and contractual staff in the following situation. The Executive Director or his/her designated official will have the authority to terminate contract of the staff in question.
- Not able to perform assigned duty due to incapability;
- Absent for more than (2) weeks without prior approval;
- Frequent breach of DAO's code of conduct;
- Loss to DAO's or donors' properties due to carelessness;
- Work against the prestige and future growth of the organization;
- Convicted by court in criminal or other moral ground;
- Corruption charges;

6.4   Procedure for disciplinary actions

If DAO deems necessary to take disciplinary action against any staff, the staff will be first oriented about the charges and the reasons of such charges in the written form (cautionary letter) by line manager. If the situation is not improved within a (2 days) his/her salary for two days will be forfeited. No improvement will further lead to issuance of second warning letter from the same authority after (2) of first warning letter. Ultimately final termination letter will be issued by the Executive Director after a (7 days) of second warning letter if the management sees no possibility for improvement.

Chapter 7 Resignation and Termination

7.1   General

7.1.1   DAO follows (above 18) years of age or (under 65) years of service period as forced retirement time.

7.1.2   Each employee of DAO is expected to behave in an honest, respectful and responsible manner towards colleagues, supervisors, visitors, donors, auditors, local authorities etc. Each employee is also expected to encourage an atmosphere of team spirit and cooperation within DAO.

7.1.3   The employee is further expected to respect and carry out instructions and decisions made by their line Managers.

7.2   Resignation

7.2.1   Any staff willing to resign from service should tender resignation in writing with (1) month notice to the Executive Director but through concerned line manager. Authority to accept, withhold or reject the resignation will however solely remain up to the Executive Director and on his absence to the Assistant Director.

7.2.2   Failing to give (1) month prior notice, salary and allowance for (1) month salary will be deducted from benefit package or any other source the organization is liable to pay to the staff concerned.

7.2.3   Use of annual leave balance in general will not be entertained for such notice period as it may affect the work. Staff should therefore plan in advance to use annual leave if she/he is to resign.

7.3   Termination

7.4.1   If a staff member is absence from his/her duty station without any intimation to his/her line manager for (18) days, disciplinary action shall be taken.

7.4.2   If a Project employee is absence from his duty station for more than (18 days)

7.4.3   In case of Permanent staff, if the employee continues to be absent from the duty for (25 days she/he shall be terminated from the job.

7.4.4   For the purpose of this section, proper intimation/communication shall be considered as follows:
   • Letter/ application to the effect;
   • Email;
   • Telephone to the line manager.

7.4.5   The committee shall after initial investigation, issue a show cause notice to the employee as to why the employee in question should not be penalized in accordance with the provisions of this chapter.

7.4.6   The employee shall submit his/her reply within (3 days) days.

7.4.7   The committee formed under section in this regard shall review the reply and if they don't find it satisfactory they can take any of the following disciplinary actions:
- Reprimand (Condemnation) (with or without name)
- Losses of up to (5) day's pay;
- Losses between (5) to (10) day's pay;
- Losses up to (1) month pay;
- Downgrading;
- Dismissal from DAO.

7.4.8   The above disciplinary actions shall be taken after giving fully opportunity of being heard to the employee.

7.4.9   The employee in question if aggrieved can file an appeal against the decision of the committee to the Executive Director within (2) days of the decision.

7.4.10 Following are few instances that may attract penal actions under this section:
- Theft, misuse of DAO's funds or property;
- Wilful negligence in the care of DAO's property;
- Physical or lingual fighting with any other employee, other stakeholders, auditors etc.:
- Wilful negligence/ disregard for safety of employee, programme beneficiaries or any party related to DAO;
- Unauthorized disclosure of confidential information;
- Discrimination among employees or any existing or intended programme beneficiaries for reason of sex, age, tribe, religion or any other factor not directly relevant to the purpose of the activities of DAO;
- Use of Alcohol or any intoxication with in duty hours;
- Wilful non compliance of rules and regulations set out by DAO;
- Soliciting and receipts of undue favours during the procurement process;
- Possession or use of fire arms during duty hours;
- General harassment verbal/ physical abuse and intimidation employee, present or intended beneficiary or any party related to DAO;

7.4   Departure feedback

All staff leaving DAO, either due to resignation or retirement should give their feedback to the management about his/her experience with DAO along with comments and suggestions for future improvement. DAO welcomes such inputs from its staff so that it could serve better in future. Line manager should ensure that departure interview of the staff is taken. In some cases (like due to personal difference with the line manager) second higher authority (Executive Director) may take departure interview of staff before leaving.

7.5   Clearance of Account

The staff who leaves DAO should have his/her personal accounts cleared in all respects. Also it is the responsibility of the concerned staff to ensure that all advances are paid back to DAO. Any official asset (like calculator, laptop for example) should be returned to the office. Any staff member failing to comply with these will be liable to face action including informing new office of the staff, if applicable.

DAO

SECTION 4 ADMINISTRATION, LOGISTICS AND TRANSPORTATION

Chapter 1 General Office Management

1.1   General

General office management practices may be adapted to suit local needs. However, in some cases, practices are mandated by policy and may not be altered. Such examples are indicated below in description text and often are implemented in coordination with other policies. Other topics covered in this section are best practice and meant to provide guidance to DAO administration management on establishing standard operating procedures. The overall responsibility of the administration of DAO is that of the Administration Department.

1.2   General Office filing

Filing procedures outlined in this and other sections of this manual must be followed. Filing systems should ensure that authorized staff members have access to information that is required for the performance of their duties. All DAO documents must be stored in a safe and secure location, protected from damage, loss or theft. Some documents (finance, HR) should be filed in a manner where access is restricted to authorized personnel.

1.3   Critical Documentation

Critical documentation must be kept in fireproof and locked storage. Critical documentation includes (but is not limited to):

- Correspondence with government entities and officials: agencies, ministry, embassies;
- Correspondence with donors, and embassies, etc.
- Registration papers, charters, and other documents related to DAO's status as a legal entity.
- Tax certificates;
- Documentation required by DAO's policy manuals.
- Legally binding documents and other commitments.

1.4   Grant Agreement Files

1.4.1   Copies of all grant agreements, budgets, amendments, reports, documentation, donor correspondence and other key program documents should be kept in a centralized location as a permanent office record of DAO projects. All original grant documents are archived in the Finance Department.

1.4.2   All sets of grant/program documents should be organized into a set of folders labelled as follows: 1. Proposals, 2. Agreements, 3. Amendments/Modifications, 4. Reports, 5. Correspondence.

1.5   Office policies

The authority to approve office policies rests with the Executive Director. Approved office policies must be translated into a language(s) appropriate to the locale, printed and posted for viewing by all staff. Office policies may cover topics including, but not limited to, the management of telephones, per diem and travel. Staff should receive sufficient training on office policies as described in the orientation process section of this manual.

1.6   Office hours

1.6.1   DAO office will be open from **08.00 am – 16.00 pm** (incl. 1 hour for lunch and prayers) Sunday – Thursday.

1.6.2   During winter months (The period will be decided upon and announced by the Executive director) the working hours will be from 8.00 am – 15.00 pm (incl. 1 hour for lunch and prayers).

1.6.3   During Ramazan Offices will close at **14:00 pm** unless otherwise decided.

1.7   Other general guidelines

1.7.1   **Electricity**
Make sure that all your lamps, UPS, computers, printers etc. are turned off and windows closed before leaving the office.

1.7.2   **Gas Heaters**
Gas heaters must always be regulated so that the flame does not go above the heaters itself. Turn off the heaters when you leave the office. The gas cylinder has to be kept outside the room where the heater is placed.

1.7.3   **Electric Heaters**
Electric Heaters are not allowed as they will consume much power or ruin the generator.

1.7.4   **Fire Extinguishers**
These must be available in the office. The fire extinguishers must be checked regularly to ensure that they function.

1.7.5   **Office Furniture**
Care must be taken to use all furniture and fixture items and movement in them should be as for as possible minimized.

1.7.6   **Visitor's entrance to organization's office**
The buildings are guarded 24 hours. All visitors entering the premises must first be identified and entered into the log book before access is allowed. They must be

provided with DAO's visitor's card which must subsequently be collected when the visitor leaves DAO's premises.

1.7.7 Entertaining of Visitors

In order to keep expenses down, it is important that certain guidelines are followed for meals served for visitors in office of DAO.

- Only one meal dish is served;
- As a general rule water or tea instead of soft drink should be served.

Chapter 2 Communication and Facilities

2.1   Transparency and information sharing

Transparency is a key principle to DAO and can only be achieved if information about projects and achievements are shared. It is the obligation of all senior staff to ensure that relevant information is passed both from senior management to staff members as well as vice versa.

2.2   Authorized signatures

2.1.1   The Executive Director or a senior staff member as per Executive Director's delegation must approve and sign all communications and reports for Ministries, Donors, other NGOs, and the media (including but not limited to press releases, articles, DAO and other website contents, etc.) as well as communications obligating DAO in any way.

2.1.2   Employees below Managerial are not authorized to sign correspondence.

2.1.3   All funding proposals and reports to donors are to be signed by the Executive Director or her representative.

2.1.4   These guidelines must be followed for letters as well as for all email correspondence.

2.3   Outgoing letter, Faxes and Emails

Official outgoing letters, faxes, and e-mails must have a standardised format. Letters and faxes must carry a unique reference number. The reference no., subject and other information must be registered in a book kept for this purpose in the DAO Admin Office from where the outgoing correspondence is sent. A photocopy must be kept in the relevant office files, including a chronological file. These guidelines must be followed in all sections within DAO. All original project contracts must be filed in the office and copies shall be distributed to:

- Executive Director;
- Assistant director
- Finance Manager.

A copy of funding proposals and reports to donors must be sent to the DAO addresses **director@daoafghanistan.org** for filing. All other communication through email to donors is also to be copied to the **admin@daoafghanistan.org**

2.4   Filing and distribution of incoming and outgoing mails

2.4.1   All incoming and outgoing emails to the official email address will be registered by the Admin Officer who shall be responsible for maintaining an updated file of an electronic filing system for all emails, incoming as well as outgoing.

2.4.2   It is the responsibility of the Admin Officer to distribute all incoming mail, incl. emails to relevant staff members.

2.4.3   Personal mail, if any has been sent to the official address, shall be passed directly to the relevant person.

2.5   Outgoing letters

All outgoing letters to be delivered within Kabul will be delivered by hand with obtaining the receipt acknowledgement of the receiver.

2.6   Use of email and internet facilities

2.6.1   Employees are not allowed to use email and internet for private purposes.

2.6.2   Employees' activities on the internet, including the contents of their emails, are not subject to systematic monitoring. However, justified suspicions of misuse may cause DAO to investigate a given user's internet and email activities.

2.6.3   Email correspondence to and from DAO's email facilities is considered as mail sent to and from the organisation, such correspondence must not be kept secret or private.

2.6.4   Employees are not allowed to download material that is protected by copyright.

2.6.5   When absent, employees should ensure that all incoming mails are answered by the automatic reply function which includes information of whom to contact in their absence. If necessary, a colleague could be asked to keep track of incoming mails.

2.6.6   The IT Unit store/log information about how employees use DAO's email and internet facilities, but will not analyse this information automatically or on a daily basis. However, if the organisation finds that there are justified reasons for suggesting, that an employee is using the IT facilities in violation of the above guidelines, the organisation may investigate the internet and email activities of that particular individual.

2.6.7   During the investigation, emails will be read regardless of whether they have been sent to or from the employee, and addressed in a manner which suggests that this is private mail, i.e. by the use of terms such as "Dear", "personal", "confidential", "and private" etc.

2.7   Phone cards

The DAO policy has been to provide the designated employees with pre paid mobile phone cards on month basis. Mobile phones or scratch cards provided by DAO must be viewed and used primarily as a business tool for legitimate business related purposes. In general, this facility should be used to create and disseminate information, to foster collaboration with all staff, and to facilitate communication between internal and external sources.

The primary use of tracking tools for phone cards is to monitor use and maintain a current record of who has been assigned these cards. Following are the maximum ceiling for mobile prepaid cards:

Designated Employees	Amount in USD per month
Director	60
Assistant Director	30
Finance Manager	20
finance Officer	10
Accountant	5
Admin Officer	10
Other officers	20
Project Managers	30
Other staff Directly involved with a project	5

These cards shall be distributed by the Admin Officer at the beginning of every month and their receipt acknowledgement shall be taken on distribution list for control purposes.

2.8   Stamps

All official rubber stamps (or their equivalent: seals, paper embossers, etc.) with the DAO logo, address, tax or registration number used to certify approval by authorized representatives are controlled items. They must only be produced under the direction of the Executive Director. Stamps must be assigned to specific individuals in the office for specific purposes and not shared. Stamps must be tracked, signed for, and returned upon termination - similar to an asset. Stamps must be kept in a locked space and their loss or theft reported to the Executive Director by the Admin Officer.

2.9   Print materials

Stationery should be made available and kept in quantities sufficient for normal use. Printing of materials such as letterhead, envelopes, business cards, etc. using the DAO logo, tagline, mission statement and addresses is required in the routine course of business in all sections. Avoid the unnecessary distribution of logo tool kits and any electronic files of the DAO logo. Use of DAO letterhead should be monitored.
The printing of donor and other external organization logos should follow branding and positioning protocols specific to each organization. Printing of materials is a service and should be procured as described in the Procurement section.

2.10   Scheduling

Administration functions are essential for effective implementation of project activities and administration staff should be scheduled to provide continuous, reliable support as needed. It is the responsibility of the Executive Director or designee to ensure constant coverage and identify replacements during absences. For example hiring three guards to perform 8-hour

shifts every day is not adequate staffing and scheduling as it does not allow for leave, absences, or provide for a regular workweek.

2.11 Translation

2.12.1 Oral and written translation services may be required for office operations. Translation services may be contracted or DAO may employ translators. Technical translation needs can be outsourced, as needed. Legal translations or official documents may need to be translated or approved by, a notarized translation service or as otherwise required by local laws.

2.12.2 Office documents and policies are translated as needed, to ensure all staffs are provided with the complete access to policies and procedures. Review is required to ensure a proper translation of concepts and details. It is best practice for translated documents to show both the translated language and corresponding English for reference. In all cases, the English version of a document is the legally binding version should a dispute or misunderstandings arise.

2.12.3 Forms required in the manual must remain in English as this is required for accountability to donors. In cases where staff may need a translated version to properly complete the form, a translated version may be printed on the back side.

2.12 Contact List

A contact list for all employees should be kept current and distributed quarterly to all staff. This responsibility is typically delegated to an administrative staff member. Contact details should include address, telephone/mobile number and email address (if applicable). The said list shall be updated by the Administration Department from time to time.

2.13 Rent agreements guidelines and filing

All DAO facility rentals or leases must be documented by a written rent agreement or other legally binding contract. DAO standard Rent Agreement format should be used for renting properties by making the necessary changes therein on case to case basis. Agreements are to be signed and reviewed as authorized. Two originals of each rent agreement (in English and local language) should be signed by both parties. It may be useful to include an annexure of property, furniture or other items owned by the landowner that will be returned upon termination of the contract.

Copies of rent agreements are to be kept in a separate file. Original agreements are kept with Admin. Documents to be included are:

- A copy of the Agreement;
- Any subsequent agreements between the property owner and DAO should be included in the folder.
- Permissions to construct or change a structure;

- Agreements authorizing DAO to incur costs for repairing a structure that may be taken off subsequent rent payments;
- The contact information and photocopy of the ID of the landowner should be included in the folder either separately or attached with the rent agreement.

2.14   Keys and Locks

All keys to DAO premises, individual offices, cabinets, safes, locks, etc. must be tracked and signed for. Finance Officer manages keys for safes and cash boxes. The issue of all keys should be recorded and signed for using a key log book or sign-out sheet. In addition to the sign-out sheets, a master list should be kept indicating all the keys (including copies) associated with each office. This list should indicate the current custodian or location for each key. Unauthorized duplication of keys is strictly prohibited. The distribution of keys should be limited to essential staff only. After loss or theft of a key, or when assuming new premises locks should be changed. When possible, locks with keys that cannot be duplicated are fitted in doors. Keys are returned as part of the routine, check out process at termination of an employee.

A locked master key box with duplicate copies of all the keys to the premises, including individual offices, cabinets, safes, and locks (excluding the safe and cash boxes) is kept under the responsibility of the Head of Office. Avoid labelling keys with stickers or key chains that clearly identify a room or location. Key numbers and staff member assignment should be logged with a master list.

Chapter 3 Transportation-Vehicles Management

3.1 General

3.1.1 This chapter sets out basic guidelines for the maintenance and controls over DAO's vehicles.

3.1.2 Logistic section shall have the overall responsibility for the entire DAO's vehicles.

3.1.3 The daily responsibly for vehicles rests with the Administration.

3.2 Vehicles Pool

3.2.1 All vehicles will be parked in DAO's vehicle's pool.

3.2.2 It is the responsibility of the Logistic In charge to ensure that all maintenance takes place and that all expenses are recorded.

3.2.3 All vehicles are in one DAO car pool. The Logistic section will carry out the day-to-day management of the DAO car pool.

3.2.4 Staff members are allowed to park their personal vehicles inside DAO premises provided that an approval is granted by the Executive Director. In case of damages to or loss of these personal vehicles while parked inside the premises, DAO cannot be held responsible for any compensation. This rule equally applies to DAO rented vehicles.

3.3 Request for Official Transportation

3.3.1 Local Transport

All transport required for official duty will be provided. If, in exceptional cases, a DAO vehicle is not available DAO will provide other means of transportation in case the trip cannot be delayed. Transport for official duties within Kabul area must be requested by using **a "Transport request"** which must be signed by the Admin officer. In order for the Logistic Section to be able to plan the needs for vehicles and drivers the transport request forms should be submitted as soon as possible.

3.4 Private use of Vehicles

As a general rule it is strictly forbidden to use DAO vehicles for private matters. In exceptional cases the Executive Director may however allow a staff member to use a DAO vehicle if the person has no other option. A DAO vehicle can be approved for transportation within a distance of maximum (10) km. from the office. The staff member who borrows the vehicle is to pay the fuel and if the transportation takes place outside of working hours the staff member also has to pay the expenses related to overtime etc. for the driver. Any damage to the vehicle is to be paid by the staff member who has borrowed it. As a general

rule, the use of DAO vehicles for private matters can only be approved in cases like funerals, weddings etc, and only on prior approval by the Executive Director.

3.5   Procedures in case of Accidents

3.5.1   Whenever a DAO's vehicle sustains damage of any kind, or is involved in an accident which results in personal injury or property damage, this must be reported immediately to the Admin Section.

3.5.2   The driver should immediately fill in the **Accident Report Form** and if possible present it to the Admin Section himself or otherwise.

3.5.3   If the above is not possible, then as for as possible call the Admin section.

3.6   Codes of Conduct for Drivers

Everyone who drives DAO's vehicles must follow these basic guidelines:

- Always show consideration towards other vehicles.
- Treat the vehicles as if these were your own.
- Always behave calmly in traffic and do not lose your temper.
- Do not stick to your rights.
- Follow traffic rules and regulations strictly.
- Be like a good role model.
- Always use safety belt.
- Always lock all doors.
- Do not use horns unless absolutely necessary.
- Do not take risk.
- Do never speed, drive above **60 KM/H** in urban areas and **100 KM/H** on highways.
- Do not pick up strangers or any kind of unauthorized luggage.
- Do not smoke inside the vehicle

3.7   Vehicles logbooks

The Vehicle Logbook is maintained for each vehicle in order to avoid any possible misuse of vehicles. Vehicle Logbook is used to record information about use of vehicles. Mileage is checked before every trip and recorded in vehicle logbook, after arrival from trip mileage is again checked and recorded in vehicle logbook in order to know total distance travelled in each trip. Purpose, date and time of trip are mentioned in vehicle logbook and the person using the vehicle signs it.

The Logistic Incharge is responsible to ensure that vehicle logbooks are maintained properly. At the end of month, Logistic Incharge prepares a vehicle logbook summary, which shows different vehicles have been used in different projects. She/he checks the respective

logbooks on weekly basis to reconcile the book meter reading with the vehicle meter and thereafter signs it.

3.8   Fuel for vehicles

Logistic In-charge is required to raise a request for advances showing the quantity (in litres) for fuel for vehicles. The request is then approved by the Admin officer and Finance officer. The Logistic In-charge signs all the fuel bills. The Logistic In charge registers the bills. He checks fuel consumption at the end of every month with distance covered. If actual consumption deviates substantially from month to month, investigation is carried in order to find out reason for such deviation. Necessary action is taken accordingly to control fuel consumption.

Vehicle logbook summary is used to calculate amount of fuel expense to be charged to different projects. Copies of both these documents are sent to finance department where fuel expense is charged to different projects according to mileage used for each projects. These are attached with the expense voucher for cross checking of fuel consumed and expense incurred thereon.

3.9   Periodical maintenance

Routine maintenance is done for each vehicle after each **1500 Km** running. Routine maintenance includes changing engine oil and oil filter, body wash, and cleaning the air filter. Diesel filter are changed after **3000 Km** running. Transport In-charge is responsible for maintenance and mileage record of each vehicle.

3.10   Routine checking

It is driver's responsibility to do routine checking of vehicles every morning including checking of oil, water, brakes oil etc.

3.11   Other maintenance

The driver and the Logistic Incharge are responsible for the maintenance of the vehicles. It is driver's responsibility, as mentioned above, to check daily the vehicles in the morning and report to the Logistic Incharge if it requires any repair and maintenance. The Logistic Incharge is then obliged to prepare the vehicle **Authorization/Repair Form** and get it approved from the Administration Department before sending the vehicles to the workshop. Both the driver and Logistic Incharge should be present in the workshop at the time of changing parts of the vehicles. The Logistic Incharge fills in the **Expenditure Summary Form**, attached the original bills thereto and gets it approved from Administration Department.

3.12   Charging of vehicle fuel and repair expense to different projects

Vehicle fuel and repair cost is charged to different projects based on actual use of vehicles in the respective projects.

Chapter 4 Procurement of Goods and Services

7.1 General statements

4.1.1 DAO is committed to implementing and maintaining the highest standards of efficiency and integrity in the purchase of goods and services. The overriding objective for all DAO procurement activity is the prompt and effective provision of materials and services to DAO's beneficiary populations in compliance with donor specifications.

4.1.2 The Procurement Department is responsible for the establishment of DAO standardized operating procedures that:
- Locate sources of supply consistent with DAO and donor specifications and regulations.
- Avoid the purchase of unnecessary items.
- Meet budgetary constraints and requests of programs for different projects.

4.1.3 Procurement is also responsible for the selection of suppliers. For specialized or technical purchases, the appropriately qualified program staff should be consulted.

7.2 Key elements

4.2.1 Based on a fully approved **Purchase Request (PR)** the Logistic Department may:
- Initiate, conduct, and conclude negotiations for the purchase of goods and services.
- Commit DAO for the purchase of goods and services subject to DAO Policies.

4.2.2 In the course of its duties, the Logistic Department has a responsibility to:
- Recommend changes in quality, quantity, or type of material requisitioned and suggest suitable alternatives if it is in the best interests of DAO.
- Develop and support standard specifications and processes for purchase and contracting of goods and services to provide improved service, quality pricing, and reduce time and administrative costs.
- Maintain adequate documentation of purchase transactions and procurement contracts for archival and audit purposes.
- Ensure that purchase orders and contracts are subject to appropriate reviews and approvals, and contain all necessary information, terms and conditions, and signatures to adequately protect DAO and comply with applicable DAO's and donor policies and regulations.
- Provide reports to effectively monitor and manage purchasing performance.

4.2.3 The Logistic department has no authority to approve purchases. The department may only return for correction, documentation for the following (but not limited to)

reasons: insufficient information, ineligible goods or service, not feasible, or in violation of donor specifications.

4.2.4   When goods are received, storekeeper is responsible for verifying the receipt of goods and ensuring the goods conform to order specifications.

4.2.5   The Finance Department independently reviews the purchasing documentation to verify that there is a budget and sufficient funds are available. It also ensures that records are complete and comply with DAO's policies and donor regulations. Finance is responsible for preparing payments and properly recording transactions in the financial records.

7.3   Pre Approval

With the exception of small or routine purchases as, all expenditure shall require pre-approval by the competent authority to approve that purchase.

Pre-approval is necessary to:

- Ensure that purchases meet the needs of a Project or purpose for which it is being made;
- Avoid the purchase of unnecessary items or items already in stock;
- Ensure that adequate budget provisions have been made for the purchase;
- Ensure that the purchase is in compliance with DAO policies and donor specifications.

7.4   Authority of Donor Specific Procurement Regulations

When required by the donor, specific procurement rules and regulations shall be followed as a supplement to DAO policies. In cases when donor requirements are more lenient than the thresholds outlined in this Manual, DAO policies are to be followed. It is the responsibility of both the Logistic In charge and the Finance Officer in consultation with the Executive Director to research any specific requirements as new grants are signed and inform all affected staff members of the requirements.

7.5   Sourcing

DAO seeks to support the communities in which it works and shall consider local as well as international sources in procurement activities. If the requested goods are locally available, local purchasing is preferred when within reasonable limits of price margins. Donor guidelines and regulations concerning the source and/or origin of goods and services (i.e. preference for local procurement, restricted or prohibited source or origin, etc.) shall be followed for procurement activities conducted under donor-funded projects.

7.6   Competition

All procurement transactions shall be conducted in a manner providing open and free competition to the maximum extent practical. DAO personnel shall be alert to organizational conflicts of interest as well as non-competitive practices among contractors that may restrict or eliminate competition. Awards at all levels shall be made to the vendor whose bid or offer is responsive to the solicitation and is most advantageous to DAO in terms of price, quality and service. Solicitations shall clearly establish all requirements that the bidder must meet for the offer to be evaluated. Solicitations shall be evaluated based on objective criteria established before solicitations are sought.

7.7   Price and Cost analysis

An appropriate price and cost analysis shall be performed and documented in connection with every procurement action. Price analysis will generally take the form of a comparison of quotations, market prices or other indices. Cost analysis should ensure that each element of cost is reasonable, allowable under DAO and donor regulations, and allocable to projects based on relative benefit.

7.8   Documentation and Transparency

DAO is committed to maintaining a fair and transparent process in the procurement of goods and services. Accordingly, all steps in the procurement process shall be documented in writing using the forms outlined in this manual and signed by the appropriate authorities. The documentation shall provide a clear audit trail and shall be made available as requested by auditors or donor representatives.

7.9   Conflict of Interest

4.9.1   A conflict of interest occurs when an employee, officer, or agent of DAO participates in the selection, award or administration of purchases or contracts where immediate family (parents, children, siblings, wife/husband and wife/husband's parents and siblings), or partners have a financial interest in the supplier's organization.

4.9.2   A conflict of interest occurs when employees, officers, and agents of DAO solicit or accept cash, gratuities, favours, or anything of monetary value from suppliers or potential suppliers.

4.9.3   A conflict of interest occurs when suppliers participate in the development of specifications, requirements, requests for quotes, or requests for proposals (that include proprietary knowledge or equipment).

4.9.4   It is the continuing responsibility of DAO employees to scrutinize transactions, business interests and relationships for potential conflicts and immediately disclosure them. DAO policy requires the existence of any conflicting interests described above to be fully disclosed before any transaction is consummated.

7.10   Policy for Stock and Store

Subject to the specific provisions of the donor, stocks and stores are charged to expenditure when consumed or where directly purchased and consumed subsequently. This policy shall be applied specifically for long term projects. In case of short terms projects where keeping store items and thereafter their subsequent issuance cause delay in the project activities, then no need to maintain such stock and materials or other store items purchased shall be directly charged to the projects. However, quantitative record shall form as attachment with the supplier bills to be attached with the voucher for cross checking thereof.

7.11   Procedures for procurement of goods

The term **"Goods"** in this manual will be used for merchandise, supplies and commodities that will be purchased by DAO for use through the procurement process described below.

4.11.1 All procurement will be made following sound purchasing practices regardless of the purchase cost. Procedures and documentary requirements become more stringent as purchase costs increase.

4.11.2 Up to the estimated value of USD (300) or equivalent Afs, the Logistic Staff – or in extraordinary circumstances – Administration or Finance staff can obtain an operational cash advance for making small value purchases directly or through the Procurement Department.

4.11.3 In case of purchases of more than USD (300) or equivalent, Procurement Committee will call quotations and select the most suitable supplier. The Committee shall consist of at least three (3) members i.e. one person from concerned Department/unit, one person from Finance Department and one person from Logistic Department.

4.11.4 When the purchase is made by the Logistic Department on behalf of a program based on a Purchase Request, obtain cash from the Finance department and reconcile the purchase against a vendor receipt.

4.11.5 If a person supposed to participate in Procurement Committee is not available, the Procurement Department may be authorised by Executive Director in writing to make certain purchases with less than three (3) members' participation.

4.11.6 Requesting Officers (Originators) have a responsibility to:

- Furnish the Logistic Department with all information and specifications necessary to make a correct purchase.
- Ensure the Purchase Requests include full budget and account information.
- State an estimated price for the request (based on prior knowledge, a quotation or a budgeted amount).
- Ensure that Purchase Requests are fully reviewed and approved by the relevant managers.

4.11.7 Before any request can be executed, it must undergo the following process:

- If in doubt of technical details for requested goods, consultation with suitably qualified staff.
- Requirement and technical review by the Project (or suitably qualified) Manager.
- Financial review by the Finance Officer.

4.11.8 Approval by the Director or the next level of approval authority depending on the estimated value of the commitment. When goods are received, these shall be physically checked, counted or weighed and **Goods Received Note (GRN)** shall be prepared by Procurement Officer or Store Keeper in triplicate; one copy for Logistic section, one for accounts and one copy shall be retained and filed by store keeper. The above form shall be authorized by Logistic officer in token of materials or other items having received. When materials are received, these shall be checked for quality and quantity by the Admin Officer along with technical person as mentioned above from Finance and/or other department and **Stock Inspection Certificate** should be duly completed and filed.

4.11.9 After receipt of the items, **Stock Register** should be updated by the Store Keeper.

7.12 Issuance/consumption of store items

4.12.1 Stock record shall be updated on issuance/consumption of store items in the following cases:
- Issuance for consumption in different projects;
- Issuance for consumption in office;
- Adjustment of perishable items e.g., expired materials etc. (As defined in below) ; and
- Any other mode of consumption or issuance.

4.12.2 **Monthly store consumption report/summary** shall be prepared by the Store Keeper and will be submitted to the Finance/Admin Officers within (2) days after the month end.

4.12.3 The store keeper shall prepare **Goods Issuance Note**, and be authorized by (Executive director or Assistant director). This form is in triplicate and is used when stock is consumed and issued out. One copy is attached with the items issued and one copy each is retained by the finance/admin section and store keeper respectively for record purposes.

4.12.4 On issuance of material the Store Keeper shall update the **Store Register**.

4.12.5 Care should be taken not to issue stock in excess of what is required for better control and avoiding wastage of stock.

7.13 Record for Stationery and Staff Amenities

Record for general and computer stationery and office amenities shall be maintained by using registers by the Logistic Department. Items shall either be procured by the procurement department in bulk or on need basis as per procedure mentioned above.

Where procured in bulk and kept as a stock, shall be issued for consumption only after **Requisition Form** is filled in. This form shall be attached with the voucher as a proof of consumption of items from stock of stationery and amenities like food items for staff lunch etc.

7.14 Control over Store Items

4.14.1 Executive Director shall assign any officer to conduct physical verification of Stock items at the end of each quarter and to submit a report to the Executive Director of his/her findings. Normally, the Logistic Officer will conduct a physical stock take in the presence of any other officer (Admin Officer), on quarterly basis and shall submit his/her report to the Finance/admin Officer within (2 -5) days of the quarter ended. **Stock Take Form** shall be used for this purpose.

4.14.2 The Executive Director can assign any officer or independent member of any Professional body of Accountants to conduct surprise physical inspection of stock at any time, as he may deem fit.

4.14.3 Any stock issued which are found to be surplus in a particular job or project after its completion should be dealt with in accordance with the provisions, if any, has been mentioned in the donor contract or where no such provisions are specified, shall be returned to the stores and not to other projects. All particulars of stores returned should be recorded in the system and the Stock Keeper shall update the records thereof promptly.

Chapter 5 Information Technology

IT system includes: equipment, software, internet connections, back-up systems, and office set-up or network wiring, and maintenance and user policies. IT System Administrator is to be budgeted and hired or contracted to carry out IT responsibilities.

5.1 Equipment

5.1.1 IT equipment includes but is not limited to computers, printers, networking equipment and accessories, internet equipment and other accessories such as digital cameras, scanners, external hard drives, and other related items. Equipment should be compatible with local power supplies and external converters should be avoided. It is recommended to have a local, IT specialist review specifications before purchasing and conduct inspection/quality control when receiving new IT goods.

5.1.2 Generally, the set up and maintenance of IT equipment (including repairs, upgrades, virus updates etc) is the responsibility of the IT Systems Administrator in each office. While many staff may have knowledge of computers and applications, standards of use and maintenance follows established standards.

5.1.3 DAO procedures on non expendable/asset management as outlined in this manual must be applied in the purchasing, marking, routine checks and disposal of all IT equipment.

5.1.4 Software is also included on either the IT Equipment inventory or Asset Inventory of an office and controlled with the same attention as equipment. Separate inventory of all IT general equipment is maintained by the IT Officer. All changes or additions to IT equipment must also be reported to the Admin Officer maintaining the assets list.

5.2 Software

It is DAO policy that only original software is used on all DAO's equipment and networks. Software CDs and license keys should be stored in one location and responsibility for their safekeeping to be assigned to one individual by the Executive Director.

5.3 Local Area Network

A thorough assessment of needs and options should be undertaken before committing to a network design. Local area networks can be established using a variety of technologies. A cost analysis of actual needs and available equipment should be undertaken before committing to a system. Each network design should include security protocols that protect a network from viruses and unauthorized usage. Security protection includes password, firewalls and appropriate security protocols. It is recommended to use cable for connecting personal computers to a central system. Network systems should allow for future additions.

5.4   Security and Virus protection

The users should take following necessary steps to protect their computer from virus infection:

- They should ensure that antivirus program is running on their individual computers and antivirus icon is active on task bar.
- Weekly antivirus update definition file should be installed on the system.
- They should not open emails or attachment from unknown source.
- They should scan all files for viruses at least once a week.
- Disks scanning and Defragmentation should be run on all computers at least once a month to make sure drives are in good condition.
- The user must switch off all the equipment, when they finish their routine work at the end of day. They should also ensure that computers are properly shut down. Especially laptop computer, which needs to be properly shut down before it is moved from one location rather than transferring into hibernated mode. If laptop computer is moved while it is in hibernated mode it may damage hard drive and result in data loss.
- No external device will be attached to any computer while it is turned on.
- This is user responsibility to keep secret their ID and password from everybody.
- Playing and installations of Computers Games are not allowed.
- Personal prints are not allowed on DAO Computers.

5.5   Data Backup and back up content

5.5.1   Backing up data regularly is vital insurance against the potential loss of. It is user responsibility to backup the data on weekly and monthly basis, otherwise he / she will be held responsible for any loss of data from his local drive. Data is usually backed up on Compact Disk or on External Hard drive.

5.5.2   What is most critical to backup will vary according to the job function. For finance group, database and accounting files are probably the most critical data assets. For a program group, grants information and staffing info might be the most critical. In any case, the files should be backed up before and after any significant amount of data entry or system upgrade. Each group may have different backup strategies and time tables. For example a finance group should back up daily, while a program group may choose to back up only on a weekly basis.

5.5.3   It is not usually necessary to back up the complete contents of each hard drive -- most of that space is taken up by the operating system and program files, which can be reloaded from CD if necessary. The only exception is if an office has a dedicated file server; it's a good practice to do a full backup of the centralized file share on the server so that they are able to restore the files on another system.

5.6   Backup Location and Rotation

Backups should be stored off-site to maintain data integrity in the event of a site-specific disaster such as a fire, earthquake, break-in, or flood. Ideally, they should store their backups in a secure location (e.g. safety deposit box or at a separate geographic location). Generally, it is recommended to rotate a set of backups off-site once per week.

Chapter 6 Transactions with Sub offices

5.5.1   Advances may be given to sub offices based on their written request

5.5.2   Advances shall be channelled through banking system however in exceptional cases other means of transfers can be used

5.5.3   Proper transfer system of banking channels shall be used for such transfers.

5.5.4   Funds shall be transferred to the bank account of the organization in that region in the name of the organization.

5.5.5   There shall be three signatories to each bank account among whom two shall sign each cheque.

5.5.6   Monthly summaries of expenditures along with bills shall be submitted to the head office by not more than (5 days the month).

Chapter 7 Volunteer Management Policy

7.1 PURPOSE

The Volunteer Management Policy (the Policy) provides a framework to ensure best practice management of volunteers. It clarifies organization's underlying philosophy of involving volunteers and provides direction and structure to the way volunteers are managed.

The Policy aims to clearly define the relationship between organization and its volunteers; it sets out the expectations of organization and articulates the rights and responsibilities of volunteers.

The Policy informs paid staff at all levels of the organisation of their responsibilities towards volunteers.

7.2 Scope

2The Policy applies to volunteers and to those employees who work in activities, programs and services where volunteers are involved.

7.3 Definitions

Volunteer is an individual who is registered with and has approval by organization to undertake activities:

a) Of benefit to the organization, local community and the volunteer;
b) Of the volunteer's own free will and without coercion;
c) For no financial reward;

The following persons, for the purpose of the Policy, are not considered volunteers:

- People on work placement and work experience programs;
- Students undertaking volunteering as a part of the education curriculum;
- Persons receiving payment outside of the volunteer reimbursement framework.

Reimbursement is a payment to the volunteer for any pre-approved expenses incurred during the course of carrying out responsibilities.

True Honorarium is a gift made to a volunteer in recognition of the person's work as a volunteer. It follows that a true honorarium is not an amount that is relied on or expected by the person as a source of income.

Vulnerable people may be at risk of abuse or exploitation due to their dependency on others. This may include children, people with a disability and people from non-English speaking backgrounds.

7.4 Policy Statement

DAO values and encourages the involvement of volunteers in organization and the community's activities, programs and services.

7.5 Principles of policy

DAO recognises the added value that volunteers bring to the life of the community and the benefit their contribution makes to DAO's programs and seeks to provide a rewarding personal experience in return.

DAO will formally recognise volunteers for their contribution to the community on an annual basis.

Volunteers undertake activities that complement but do not replace the services provided by paid staff, however they may be utilised to perform activities that extend and enhance services provided by organization outside of the standard allocation of resources.

7.6 Application of policy

Protection
Volunteers will receive the same legal protection as paid workers and therefore will be accorded the same rights and have the same expectations as paid employees.

Placement, Induction, Training and Retention

Volunteers will be interviewed and placed in activities, programs and services that match their skills, interests, knowledge and experience.

Volunteers can expect clear delineation of their duties, responsibilities, time commitment and working environment and will be provided with a current Role Description that clearly sets out their duties, requirements, organisational relationships, training needs, accountability and authority.

Volunteers will be required to attend training and professional development programs appropriate to their role and as determined as essential by the volunteer's supervisor or Volunteer Development Coordinator.

The volunteer's role and level of satisfaction will be reviewed on a regular basis in order to ensure the best experience possible and to increase the retention rate of volunteers in organization programs.

DAO has the right to both refuse a volunteer placement or to end a placement if:

a) There is a perceived risk to the client or volunteer's health or welfare;
b) Suitable volunteer duties are not available or no longer available;
c) The volunteer does not comply with organization's policies and procedures, including the Code of Conduct;
d) The volunteer does not comply with the Role Statement;
f) The volunteer does not comply with any reasonable request for personal information, including name, address, personal and emergency contact details, police clearance and signing for receipt of information.

Finance
Where appropriate, budget provision will be made to cover reimbursement of pre-approved out of pocket expenses in some programs.

Where appropriate and within budget provisions, volunteers may receive a true honorarium.

Identification
In some programs volunteers will be required to wear a personal identification badge.

6.6 Rights of Volunteers
DAO determines the following as the rights of a volunteer:
a) To be treated fairly and respectfully and be valued as an important member of the team;

b) To receive ongoing support and direction from a nominated supervisor;

c) To work in a safe environment;

d) To have complaints or grievances heard in accordance with DAO's Policy and procedures;

e) To be able to decline or withdraw from work if it is not suitable, or is placing excessive demands on the volunteer.

Responsibilities of Volunteers

DAO determines the following as the responsibilities of volunteers:

a) To become familiar with, and work within, DAO's policies and procedures;

b) Respect and maintain confidential information;

c) Participate in training and development as determined by the Program Coordinator or Volunteer Development Coordinator;

d) Perform responsibilities as defined in the Volunteer Role Description;

e) Work within a team structure and accept any direction and supervision from appropriate staff;

f) Inform a supervisor if they are unable to attend their volunteer role at any time;

g) Attend their duties punctually and perform tasks appropriately;

h) Work in a safe manner and not put others at risk.

REVIEW

The Policy will be reviewed in line with DAO's Policy Framework or earlier in the event of major changes to legislation or related policies/procedures or if deemed necessary by the Executive Director or nominee.

END