



HEART فريق الإغاثة والتعزيز الإنساني
Humanitarian Empowerment and Relief Team



HEART's Financial Regulations Policy

(Official Internal Policy Document)

Version	2.0
Dated	March 18, 2026
Approved by	Board of Directors

This policy establishes the financial management framework of HEART, ensuring transparency, accountability, and sound stewardship of organizational resources. Detailed operational procedures may be further specified in financial manuals, project guidelines, or donor agreements. Where donor regulations impose stricter financial requirements, those requirements shall prevail. All personnel responsible for financial management must ensure compliance with this policy and applicable financial and donor regulations.



HEART's Financial Regulations Policy

Document Code: HEART/POL/FIN/FINREG/2026/004 - Version: 1.1 - Dated: March 18, 2026

1) Document Control

Document Title	HEART's Financial Regulations Policy
Document Code	HEART/POL/FIN/FINREG/2026/004
Version	2.0
Designated Responsible Unit	Finance Manager / Head of Finance
Approved by	Board of Directors (BoDs)
Oversight by	Oversight & Audit Committee
Effective Date	March 18, 2026
Review Date	Before: March 17, 2028

Controlling Notes:

Review Cycle

This policy shall be reviewed every two years or earlier if required due to operational, regulatory, or donor compliance changes.

Related Policies and Documents

This policy forms part of HEART's governance and accountability framework and shall be read in conjunction with the following documents:

1. HEART's Organizational Coding and Reference System Policy ([HEART/POL/GOV/DC/2026/011](#))
2. HEART's Procurement and Tendering Policy ([HEART/POL/PRC/PROC/2026/005](#)).
3. HEART's Human Resources Policy ([HEART/POL/HR/HRM/2026/009](#)).
4. HEART's Code of Conduct ([HEART/POL/GOV/COC/2026/001](#)).
5. HEART's Anti-Fraud and Anti-Corruption Policy ([HEART/POL/FIN/AC-AF/2026/003](#)).
6. HEART's Safeguarding and PSEA Policy ([HEART/POL/SAFE/SG/2026/007](#)).
7. HEART's Relevant program and operational manuals

2) Policy Objective

The purpose of this Financial Regulations Policy is to establish clear rules and procedures governing the management, control, and reporting of financial resources to ensure accountability, transparency, and effective stewardship of funds entrusted to HEART.



Article One: General Principles

- 1) These regulations aim to govern the management of the organization's financial resources and ensure their efficient and transparent use to achieve HEART's humanitarian and developmental objectives.
- 2) They apply to all financial transactions, whether internal or related to funded projects.
- 3) They shall be interpreted in line with the Constitution, national laws, and international financial accountability standards.

Article Two: Financial Management System

HEART operates a hybrid financial management system combining paper-based documentation with partially computerized financial tracking tools. Financial records are maintained through structured accounting templates and electronic spreadsheets (such as Excel-based financial tracking), including:

1. Budget versus actual expenditure monitoring
2. Transaction registers and supporting documentation
3. Grant-specific financial reporting templates

HEART ensures strong documentation and traceability through the application of standardized coding systems across all operations.

This system ensures traceability of financial transactions while the organization progressively strengthens its digital financial management capacity.

Article Three: Documentation and Reference Control (Coding)

- 1) All transactions, records, and operational documents shall be assigned a unique reference number in accordance with HEART's Coding and Reference System Policy. This ensures full traceability, audit readiness, and compliance with internal control requirements.
- 2) All financial transactions, including payment vouchers, receipts, and journal entries, shall be recorded and referenced using HEART's Coding and Reference System to ensure accuracy, traceability, and audit compliance.
- 3) Journal entries shall be recorded using the Journal Voucher (Annex 3) to ensure proper documentation, traceability, and audit compliance.

Article Four: Sources of Funding



- 1) Membership fees and subscriptions.
- 2) Donations, gifts, and legitimate contributions.
- 3) Direct funding from donor organizations and institutions.
- 4) Any other lawful sources approved by the General Assembly or the Board of Directors.

Article Five: Bank Account Management

- 1) Bank accounts shall be opened in the name of the organization in accredited banks.
- 2) The Board of Directors shall define financial signatory authority (dual or triple signatures depending on amounts).
- 3) Use of personal accounts for any organizational financial transactions is prohibited.
- 4) Bank accounts shall be reviewed monthly by the Finance Department and annually by an independent entity.

Article Six: Budget Preparation

- 1) An annual detailed budget shall be prepared, including projected revenues and expenditures.
- 2) The budget shall be reviewed by the Board of Directors and approved by the General Assembly.
- 3) Sub-budgets shall be allocated to projects and programs according to priorities and available funding.
- 4) A contingency line of not less than 5% of the total budget shall be incorporated.

Article Seven: Financial Disbursement

- 1) Funds shall be disbursed in accordance with the approved budget and work plans.
- 2) Supporting documentation shall be required for every disbursement (invoices, contracts, receipts).
- 3) Direct cash payments are prohibited except in emergencies, with a maximum limit set by the Board.
- 4) All disbursements shall be documented in official records and periodically reviewed.



- 5) All payments shall be processed and recorded using the Payment Voucher (Annex 1).
- 6) All received funds shall be recorded using the Receipt Voucher (Annex 2).

Article Eight: Procurement and Tendering

- 1) Commitment to fair competition and transparency in all procurement activities.
- 2) Prevention of conflicts of interest in procurement processes.
- 3) Ensuring all tenders are conducted according to clear and equitable criteria.
- 4) Documentation of all stages (from request for quotations to award) in line with the Records Retention Policy.
- 5) This chapter refers to HEART's comprehensive Procurement and Tendering Policy, which serves as the detailed reference for procurement operations.

Article Nine: Conflict of Interest

All individuals involved in financial decision-making, procurement, or contract management must declare any potential conflict of interest. Personnel must not participate in decisions where personal, family, or financial interests may influence objectivity.

Any conflict of interest must be disclosed to management and documented in accordance with HEART's Code of Conduct and Anti-Corruption Policy.

Article Ten: Records Retention

- 1) Records and documents shall be retained for at least five years, after which they may be disposed of with Board approval, through a designated committee, and in compliance with applicable local laws and international auditing standards and guidelines.
- 2) All records shall be properly indexed and referenced using the organization's Coding and Reference System to ensure accessibility for audit, review, and reporting purposes.
- 3) Records must always remain accessible and retrievable for internal or external audit when required.
- 4) Manipulation, concealment, or destruction of records to obstruct oversight or audit processes is strictly prohibited and subject to disciplinary action.



- 5) Secure recordkeeping systems (electronic and/or hard copy) shall be maintained, with appropriate access controls and backup procedures in place.

Article Eleven: Internal Financial Controls

HEART maintains an internal financial control system designed to ensure transparency, accountability, and proper management of organizational resources.

Internal control mechanisms shall include:

1. Segregation of duties between authorization, recording, and custody of assets.
2. Verification and approval of financial transactions by authorized signatories.
3. Periodic financial reconciliation of bank accounts and financial records.
4. Budget monitoring and variance analysis.
5. Periodic spot checks and supervisory review of financial documentation.
6. Bank reconciliation shall be performed using the Bank Reconciliation Form (Annex 4) to ensure accuracy and completeness of financial records.

These controls are intended to prevent fraud, financial mismanagement, and unauthorized transactions while ensuring compliance with organizational policies and donor requirements.

Article Twelve: Financial Risk Management

HEART identifies and manages financial risks associated with its operations through periodic risk assessments, financial monitoring, and internal oversight mechanisms. Measures include budget variance analysis, financial review meetings, and compliance checks to ensure that funds are used appropriately and in accordance with approved plans.

Article Thirteen: Financial Oversight

1. An independent Financial Oversight Committee shall be established, separate from the executive management of the organization.
2. The Committee shall review financial performance on a quarterly basis and submit reports and recommendations to the Board of Directors and, where appropriate, the General Assembly.



3. The Committee shall monitor compliance with financial policies, internal controls, and donor financial requirements.
4. The Committee may recommend corrective measures or further review where financial risks or irregularities are identified.

Article Fourteen: External Audit

1. HEART's financial statements may be subject to an independent external audit in accordance with donor requirements, national regulations, or decisions of the Board of Directors.
2. Qualified and independent audit firms shall conduct external audits.
3. Audit findings and recommendations shall be reviewed by the Board of Directors, and appropriate corrective actions shall be implemented where necessary.
4. Financial records and supporting documentation shall remain accessible for audit and verification purposes.

Article Fifteen: Financial Reporting

- 1) The Finance Department shall prepare monthly, quarterly, and annual reports outlining revenues, expenditures, and balances.
- 2) Reports shall be presented to the Board of Directors, with a summarized version published on the organization's official website.
- 3) Reports shall be used to assess financial performance and inform strategic decision-making.
- 4) Budget monitoring and variance analysis shall be conducted using the Budget Monitoring Sheet (Annex 5) to support financial control and decision-making.

Article Sixteen: Grants and Funded Projects

- 1) Sub-accounts or accounting codes shall be assigned for each grant or funded project in accordance with the organization's Coding and Reference System Policy.
- 2) Separate financial reports shall be prepared for each project and submitted to donors as per agreed schedules.



- 3) Full compliance with funding conditions shall be ensured, and donors shall be notified of any major changes in implementation or expenditure.
- 4) Financial tracking of grants shall be aligned with budget monitoring tools (see Annex 5) to ensure proper utilization and reporting of funds.

Article Seventeen: Assets and Properties

- 1) All assets and properties shall be recorded in a dedicated register using unique asset codes in line with HEART's Coding and Reference System Policy.
- 2) A custodian shall be assigned for each asset, and personal use of assets is prohibited.
- 3) Periodic inventories (semi-annual and annual) shall be conducted to verify the condition of assets.
- 4) Procedures for disposal of damaged or unused assets shall require Board approval.
- 5) Asset-related financial records shall be aligned with the Asset Register and supporting documentation systems.

Article Eighteen: Implementation and Follow-Up Mechanisms

- 1) Ethics and Conduct Committees shall monitor compliance.
- 2) Whistleblowing mechanisms shall be made available for reporting violations.
- 3) Procedures for investigation and accountability shall be established.
- 4) Periodic review of the regulations and related policies shall be conducted.

Article Nineteen: Final Provisions

- 1) These regulations shall be distributed to all staff involved in financial matters, who shall be required to comply with them.
- 2) Their provisions shall be incorporated into all financial contracts and agreements.
- 3) These regulations shall be reviewed every two years, or earlier if required due to operational, regulatory, or donor compliance changes.

Article Twenty: Approval and Promulgation

This policy is hereby approved and enters into force on the date indicated below.

Approved by:



HEART's Financial Regulations Policy

Document Code: HEART/POL/FIN/FINREG/2026/004 - Version: 1.1 - Dated: March 18, 2026

HEART's Board of Directors

Signed by:

Dr. Mohamed Mahdi - The Chairman, HEART

Signature:



Date: March 18, 2026



Annexes and Operational Tools

Annexes and Operational Tools (Independently Coded):

Annex	Code
Annex 1: HEART's Payment Voucher (PV)	HEART/VCH/FIN/PV/2026/001
Annex 2: HEART's Receipt Voucher (RV)	HEART/VCH/FIN/RV/2026/002
Annex 3: Journal Voucher (JV)	HEART/VCH/FIN/JV/2026/003
Annex 4: Bank Reconciliation Form	HEART/FOR/FIN/BR/2026/004
Annex 5: Budget Monitoring Sheet	HEART/REG/FIN/BUD/2026/005



Annex 1: HEART's Payment Voucher (PV)

Annex Code: HEART/VCH/FIN/PV/2026/001

Related Policy: HEART/POL/FIN/FINREG/2026/004

Payment Voucher / سند صرف

Item	Description / الوصف	البند
Voucher No		رقم السند
Date		التاريخ
Project Code		المشروع
Payee		الجهة المستفيدة
PO Number		رقم أمر الشراء
Invoice No		رقم الفاتورة

Payment Details / تفاصيل الدفع

Amount المبلغ	Currency العملة	Description / الوصف

Supporting Documents / المستندات المرفقة

- Invoice / فاتورة
- PO / أمر شراء
- GRN / إذن استلام
- Other / أخرى: _____

Approvals/الاعتمادات

Prepared by	Checked by	Approved by



Annex 2: HEART's Receipt Voucher (RV)

Annex Code: HEART/VCH/FIN/RV/2026/002

Related Policy: HEART/POL/FIN/FINREG/2026/004

Receipt Voucher / سند قبض

Item	Description / الوصف	البند
Voucher No		رقم السند
Date		التاريخ
Received From		استلمنا من
Amount		المبلغ
Currency		العملة
Payment Method		طريقة الدفع
Reference No		رقم المرجع

Purpose / الغرض

Signatures / التوقيعات

Prepared by	Approved by



Annex 3: Journal Voucher (JV)

Annex Code: HEART/VCH/FIN/JV/2026/003

Related Policy: HEART/POL/FIN/FINREG/2026/004

Journal Voucher / سند قيود محاسبية

Item	Description / الوصف	البند
JV No		رقم القيد
Date		التاريخ
Description		الوصف

Journal Entries | تفاصيل القيود

Account/الحساب	Debit/مدین	Credit/دائن

Notes / ملاحظات

Approval / الاعتماد

Prepared by	Reviewed by	Approved by



Annex 4: Bank Reconciliation Form

Annex Code: HEART/FOR/FIN/BR/2026/004

Related Policy: HEART/POL/FIN/FINREG/2026/004

Bank Reconciliation / نموذج التسوية البنكية

Item	Amount/المبلغ	البند
Bank Statement Balance		رصيد كشف البنك
Deposits in Transit		إيداعات (+) معلقة
Outstanding Checks		شيكات (-) قائمة
Adjusted Balance		الرصيد = المعدل

Item	Amount/المبلغ	البند
Book Balance		الرصيد الدفترى
Difference		الفرق

Note / ملحوظة

Difference must equal zero/ يجب أن يكون الفرق = صفر

Approval / الاعتماد

Prepared by	Reviewed by



Annex 5: Budget Monitoring Sheet

Annex Code: HEART/REG/FIN/BUD/2026/005

Related Policy: HEART/POL/FIN/FINREG/2026/004

Budget Monitoring / متابعة الميزانية

المشروع Project	Budget Line / البند	Budget الميزانية	Actual المصروف	Variance الفرق	%

Notes / ملاحظات

1. Variance = Budget - Actual / الفرق = الميزانية - المصروف
2. % Spent = Actual ÷ Budget / نسبة الصرف = المصروف ÷ الميزانية
3. Any variance must be justified / أي تجاوز يجب تبريره

