

Grants Making:

Manusher Jonno Foundation (MJF) makes financial grants available to a range of civil society organizations to implement projects on Human rights and Good Governance. Grant making is carried out through a detailed selection process which involves several steps. This is detailed out in partner selection section. . However; before signing the Deed of Agreement (DoA), MJF requires the following information:

- a) The total amount of grant and the quarterly requirement of fund i.e the total project cost or budget;
- b) The no. of permanent staff and the shared staff of the project;
- c) The fixed assets required for this project;
- d) The activity wise program and administrative budget ratio

In order to do so, the budget negotiation process is the starting point of grant making. The budget negotiation is an interactive session between the applicant organization and MJF. MJF has some standard cost analysis and the proposed budget must fall under the standard rate of MJF unless there is sufficient justification for variation. The budget negotiator reviews the proposed budget, compares it with the set standard of MJF and discusses with the applicant organization's representative. Soon after the completion of budget negotiation, the Deed of Agreement is drafted and shared with the applicant organization and ultimately signed by both the parties. According to the budget, a quarterly disbursement schedule is established. A separate dedicated bank account is mandatory for the operation of the project. Soon after signing the DoA and opening the bank account, the 1st advance is remitted to the mother/project bank account for starting the operation of the project. At the end of the 1st quarter, the partners are to report on the progress and financial position of the quarterly activities and budget. The whole process of grant making is carried out by Grants Control department of MJF. This Department also recommends the release of fund for partners at the end of each quarter, carrying out the risk assessments, the financial appraisals of the applicants and provides training and capacity building support to the partners' staff. The Operation section of MJF communicates with the Government agencies for the project approval fund clearance and reviews the legal status of the organization.

Role of Grants Management Team:

The Grants Management team plays the role of watch dog for the financial discipline of the projects throughout the year. The necessary training on financial management and administration of the projects are carried by this team with the assistance of Capacity Building Department of MJF. Through training, orientation, workshop and peer

learning, all the partner NGOs of Manusher Jonno Foundation build their capacity on financial management and administration. The finance and administration of MJF is responsible for maintaining necessary systems and documentation in order to ensure full transparency and accountability in the use of donor funds both within MJF and partner organizations..

Financial Systems and controls:

MJF is an organization where the resource allocations are made systematically keeping in mind the overall goals of the organization. MJF has introduced many tools and systems in the organization to ensure proper and accurate financial management.

Following policies and procedures are in place for running the day to day affairs of the organization:

- i) High Level Policy where the core policy statements described;
- ii) HR Procedures described the human resource related issues
- iii) Financial Manual described the financial and accounting procedures;
- iv) Procurement procedures described the transparent procurement process;
- v) Fund disbursement procedures described the PNGO selection and fund disbursement procedures;
- vi) Partnership policy describes the relation with partner organization and
- vii) Gender policy described the gender aspects of the organization.

Apart from these policies and procedures, MJF follows certain uniform guidelines and strategies for grants and programme management. Few of which are:

- a) Financial Guidelines for PNGOs;
- b) Budget Negotiation guideline,
- c) Seeking project guideline;
- d) Programme Strategy papers
- e) Financial monitoring guideline and
- f) Risk Assessment guideline

Moreover, MJF has a central MIS (Management Information System) containing of grants management system, payroll management system, inventory control system, vehicle management system, report tracking system, leave management system, task & event management system, field visit monitoring system and computerized quarterly reporting system etc. As a result, financial transactions and reporting are made easily, accurately and with error free. As a transparent and accountable organization, MJF has already established the credibility about its

financial integrity as a skilled resource mobilization and grant making organization.

Not only in its in-house practice, the effective and efficient use of fund is well practiced by all its partners. The Grants Control department of MJF is responsible for ensuring the proper use of fund by its partners. Financial appraisal is mandatory for any applicant intends to receive funds from MJF. The financial appraisal provides the basic information on the financial strength of the applicant.

Reporting and monitoring System:

MJF receives quarterly progress and finance report from partners on prescribed format, reviews and disburses required fund electronically to its partner organizations in advance on quarterly basis. MJF carries out its financial monitoring visit intensively in line with the risk assessment done every year. The partners' financial management is monitored at-least twice a year invariably and formally when on the job training & capacity building on managing the financial system also takes place. Weaknesses in the financial system of partners is detected and feedback given. After completing the field visits, the findings are shared with the partners through formal visit report. Upon receiving the explanations on the findings from the partner, the management of MJF provides their recommendation on the issue to take appropriate action and follow-up is also taken place during next visit. In case of serious irregularities an investigation is conducted and partnership cancelled whenever appropriate. Financial monitoring report are also automatically processed and documented under MIS. Under this system any responsible authority/person can see the track record of any partner's financial management if S/he goes through the reports.

Record keeping

MJF is using internationally recognised accounting software (*Sage ERP Accpac*) for keeping its accounting records which enables MJF to produce error free reporting as well as save time and prevents scope for manipulation. It has experienced finance and accounting team form professional background and performing their regular activities under close supervision of dedicated management transparently.

Internal Control and Compliance:

For the optimum use of the financial resources and to review the internal control and compliances, the internal audit of the organization is outsourced to reputed chartered accounting firms to report directly to the Chairman of the Governing Board of the organization on half yearly basis. The statutory and management audit of MJF also carries out by the most reputed, credible and international affiliated audit firms of the country each year. The recipient's organization's audits are also carried out by the reputed chartered accounting firms every year on time. Audit reports are reviewed by the management of both MJF and PNGO and take appropriate measures accordingly (if required).