

# FINANCE POLICIES

**Last Updated:** November 2025

**Organization:** Movement for Development and Prosperity (MDP)

**Website:** <https://mdp.co.ke>

## 1. Purpose

To ensure that all financial resources of the Movement for Development and Prosperity (MDP) are managed responsibly, transparently, and in alignment with the organization's mission and legal requirements.

## 2. Scope

These policies apply to all officers handling finances, including the Treasurer, Finance Committee, Project Coordinators, and any person entrusted with financial responsibilities.

## 3. Financial Objectives

- Promote accountability and transparency in all transactions.
- Ensure accurate financial reporting and auditing.
- Safeguard organizational assets and donor funds.
- Support strategic decision-making and sustainability.

## 4. Budgeting

- Annual budgets shall be prepared by the Finance Committee in consultation with project heads.
- Budgets must be approved by the Executive Council before implementation.
- All expenditures must align with approved budget lines.

## 5. Financial Management and Controls

- All financial transactions must be recorded in official books of accounts.
- Dual signatories are required for all bank transactions.
- Cash payments above KES 5,000 are discouraged; electronic transfers are preferred.
- Receipts and vouchers must accompany every payment.

## 6. Procurement

- All procurement shall follow **competitive bidding** or **quotation comparison** to ensure value for money.
- Conflict of interest must be declared before engaging any supplier or contractor.

## **7. Banking and Cash Handling**

- MDP shall maintain accounts in reputable banks approved by the Executive Council.
- Petty cash shall not exceed KES 20,000 at any given time.
- All deposits must be banked within 24 hours of receipt.

## **8. Reporting and Auditing**

- Financial statements will be prepared quarterly and annually.
- Independent external audits shall be conducted once every financial year.
- Audit reports will be shared with members and relevant oversight bodies.

## **9. Asset Management**

- All physical assets (vehicles, computers, office equipment, etc.) shall be inventoried and insured.
- Disposal of assets must follow proper authorization and documentation.

## **10. Donor and Grant Management**

- All donor agreements must be signed by the Executive Director and Treasurer.
- Funds must be used strictly for approved project activities.
- Financial reports shall be submitted to donors within agreed timelines.

## **11. Fraud Prevention and Whistleblowing**

- Any suspected case of fraud or misuse of funds shall be reported confidentially to the MDP Ethics Committee.
- Whistleblowers shall be protected from retaliation.

## **12. Policy Review**

This policy shall be reviewed **every two years** or whenever financial regulations or donor requirements change.