



Funds handling and financial governance policies Oxfam Sweden

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1. General

The underlying policy document covers guidelines and rules in the area of funds handling. The objective of this document is to structure the organization in such a way that the handling of funds and the financial management is sound, transparent and managed in a satisfactory manner. Each element is developed to contribute to the following financial starting points of Oxfam Sweden:

- the operation is fit for purpose;
- accounting and administration of funds take place in a satisfactory way;
- the fundraising and administration costs are not too high;
- the assets are protected;
- the Swedish Fundraising Control's standards and instructions are followed;
- applicable legislation is complied with.

Furthermore, the document also covers the following requirements of SFC (FRII). It states that the organization must have:

- ✓ a governing document that dictates how the organization is allowed to receive funding;
- ✓ a governing document that dictates how the organizations financial capital should be placed/ invested;
- ✓ if the organization transfers funds to other organizations there should be a governing document that describes how evaluations and follow-ups is done to ensure that the funds are used for the stated purpose';
- ✓ a governing document that describes how the organization manages earmarked donations;
- ✓ a governing document that describes how quality and reliability in the financial reporting is ensured.

2. Fundraising

2.1 Oxfam Sweden is a Swedish fundraising foundation (in Swedish: *Insamlingsstiftelsen*) registered under Swedish Law. Oxfam Sweden is a SFC (FRII) member and a 90-account holder. Oxfam Sweden shall ensure all standards set out in "The Swedish Fundraising Control's standards for 90-accounts and Swedish Fundraising Counsel's (SFC) Quality Code are followed.

2.2 Oxfam Sweden will develop various fundraising activities in Sweden to generate funds for its aim. The fundraising activities will be targeted at the general public, corporates, trusts and foundations. We have clear rules regarding the way we approach the public and the way we raise funds (see *Fundraising Policy Oxfam Sweden*).



- 2.3 Oxfam Sweden has a strict policy regarding receiving funds from the corporate sector. The *Corporate Sector Policy Oxfam Sweden* describes the guidelines and the decision making process regarding Corporate Fundraising in detail.
- 2.4 In the start up phase Oxfam Sweden will receive a grant from Oxfam Novib, the Dutch Oxfam that is the founder of Oxfam Sweden, and Oxfam Great Britain. Terms and conditions connected to these grants are registered in the *Agreement Financial Investment ON in IOS* and *Agreement Financial Investment OGB in IOS*.
- 2.5 All donor funds (except for the Oxfam Novib and Oxfam Great Britain grant) will be paid to the following bankaccount:
- Plusgiro 90 03 72-4 and 90 03 85-6
 - Bankgiro 900-3724 and 900-3856
- 2.6 Every month around the 28th Kommed, our CRM supplier sends a file to the bank which lifts the money from the accounts of the regular donors each month. For donors who do not have money on their account at this first occasion, additional three attempts will be made to lift the money within the nearest days. All memberships and financial transactions are registered in Kommed. The money will be on the bankaccount of Oxfam Sweden directly.
- 2.7 Gifts via sms will be received by Kommed first and then the funds received by Kommed are deposited to Oxfam Sweden's bank account once per month.
- 2.8 Gifts via the website of Oxfam Sweden will go through Payex, our service payment provider, and then transferred to the Nordea bank account of Oxfam Sweden. For card payments from Payex, Nordea settles the transactions for day 1 and pays Oxfam day 2. For real time banking Payex takes in the transactions and transfers the money to the Oxfam account once a week (Wednesday). Monthly withdrawals from committed donors will be done in the 28th every month and the money will be transferred to Oxfams account the bank day after.
- 2.9 All the money received in cash needs to be in sealed containers. These containers are opened and counted in the presence of at least two staff members.

3. Investments

- 3.1 Apart from maintaining an appropriate degree of liquidity to cover working capital, Oxfam Sweden does not invest any money in investment funds; stocks; real estate; long term saving account or any other financial products.
- 3.2 In order to receive interest, Oxfam Sweden might hold part of its working capital on a saving account as long as this account does not have any restrictions nor calculate costs when the money is taken off again.
- 3.3 Every year, Oxfam Sweden's aim is to use all the donations in the program work via Oxfam Novib and Oxfam GB. If budget deficit occurs, Oxfam Novib and Oxfam GB are responsible to secure and contribute with the missing money.



4. Transfer of funds to Oxfam Novib and Oxfam Great Britain

4.1 As stated in the statutes, Oxfam Sweden spends part of its revenues on activities of Oxfam (Novib). Since Oxfam Novib is the Oxfam affiliate that founded and invested in Oxfam Sweden and Oxfam Great Britain is co-investor, in the beginning all money being spent outside Sweden will be transferred to Oxfam Novib in the Netherlands and Oxfam Great Britain. As soon as the total revenues that these organizations received from Oxfam Sweden equals the grants Oxfam Novib and Oxfam Great Britain provided to Oxfam Sweden, the money will be spent in line with the approved *Oxfam Fundraising Principles*.

The revenue that will be transferred to Oxfam Novib and Oxfam Great Britain in each financial year will be calculated by Oxfam Sweden before July. The revenue calculation will be in line with *The Swedish Fundraising Control's standards for 90-accounts'* and the guidelines adopted by the Board (see *Agreement Financial Investment ON in IOS*). After approval by the Oxfam Sweden Board, it will be transferred to the following bank account of Oxfam Novib: IBAN: NL29 RABO 0139 2634 03 and the bank account of Oxfam Great Britain (t.b.d.).

4.2 The amount as mentioned in 4.2 will be stated in SEK (Swedish Crones). Potential changes due to exchange rate fluctuations will be the risk of Oxfam Novib and Oxfam Great Britain.

4.3 The money must be spent in line with the mission of Oxfam and the approved aim of Oxfam Sweden:

The objects of the Foundation are to raise awareness of people living in poverty and facing injustice; to foster active citizenship by connecting and mobilizing people via campaigns and to raise funds for projects and programs of Oxfam and Oxfam Novib aimed at empowering poor and marginalized people, in particular women and achieving a just world without poverty.

4.4 Based on the signed *Agreement Financial Investment ON in IOS* and *Agreement Financial Investment OGB in IOS*, Oxfam Novib and Oxfam Great Britain are obliged to provide Oxfam Sweden with timely information about how and where the revenue is spent. Information includes figures; project/program description; pictures and audio-visual material. Timelines will be adopted in consultation with the Secretary General of Oxfam Sweden.

4.5 In return, according to the *Agreement Financial Investment ON in IOS* and *Agreement Financial Investment OGB in IOS*, Oxfam Sweden is obliged to provide Oxfam Novib and Oxfam Great Britain with timely information about revenues, costs and other information needed for financial reporting, monitoring and consolidation purposes.

5. Earmarked donations

5.1 Although Oxfam Sweden will mainly collect 'unrestricted' funds, some restricted funds will most likely be generated. Earmarked donations are donations that must be spent on a specific project or program.

5.2 When a person or company donates money to a particular project with the agreement it will receive tailor made reporting (on top of regular Oxfam reporting), a separate contract will be made. The contract contains agreements regarding the financing; the project/program; monitoring;



reporting and evaluation.

- 5.3 In the bookkeeping of Oxfam Sweden, there will be a separate 'activity line' for earmarked donations.
- 5.4 The earmarked donation will be transferred to Oxfam Novib and/or Oxfam Great Britain separately from the yearly revenue transfer (chapter 4). Before accepting and transferring the fund, Oxfam Novib and/or Oxfam Great Britain and Oxfam Sweden will sign an agreement that all requirements of the donor (as written in the contract between the donor and Oxfam Sweden) will be adhered to.
- 5.5 Donor reports must be prepared in accordance with donor requirements and be reconciled with Oxfam Sweden's accounts ledger before sending to the donor.

6. Accounting

- 6.1 Although the ultimate responsibility of correct recording of all financial transactions lies with the Secretary General, the day to day bookkeeping of Oxfam Sweden is outsourced to the financial agency PwC Sverige.
- 6.2 As agreed in the contract with PwC Sverige, they will ensure the recording of all financial transactions takes place in a complete and timely fashion (with a soft-close after each month). They will also ensure all transactions are charged to the correct budget codes or account numbers.
- 6.3 Given the fact that Oxfam Sweden has to consolidate with Oxfam Novib, the Secretary General will ensure records; data and formats are correct and aligned with Oxfam Novib.
- 6.4 Supporting documentation for all transactions will be easily accessible. Original documents (like contracts) will be filed and kept in a safe at the office of Oxfam in Sweden and will not be destroyed before the legal time stipulated by:
 - the tax laws of Sweden; the Netherlands and Great Britain;
 - donors' requirements (because of the possibility of a donor audit after the project is closed).
- 6.5 As described in *the Procedures and Guidelines of the Secretary General*, the Secretary General can:
 - conduct financial transactions or perform juristic acts that are in line with the approved (multi-)annual plan and that do not exceed EUR 100.000 (SEK 860.000) and/or do not exceed a contract period of 1 year;
 - incur expenses that are in line with the approved (multi-)annual plan and that do not exceed EUR 100.000 (SEK 860.000) and/or do not exceed a contract period of 1 year.
- 6.6 The mandate of the Secretary General to authorize cash payments has the threshold of SEK 10.000 if needed for expenses on trips etc. Approval for staff carrying cash in excess of this amount should be obtained from the Board.
- 6.7 Rules covering staff expenses and advances are described in the *Oxfam Sweden Expenses*



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7. Bank and cash account

7.1 All bank accounts must be in the name of *Insamlingsstiftelsen Oxfam Sverige*. The opening and the closing of all bank accounts need to be approved by the Board.

7.2 Money received from donors should be paid into the Oxfam Sweden bank account as mentioned in article 2.5.

7.3 Requests to open specific bank accounts for donors should be approved by the Board.

7.4 The process of all payments is as follows:

- I. All supplier invoices are sent or emailed to our billing address:
 - a. Oxfam, Box 2348, 103 18 Stockholm
 - b. Or sent by email to the person it concern
- II. Invoices are signed off against the original quote and delivery services confirmed. An account and a project number are specified on the invoice.
- III. The Secretary General approves or attests all the invoices.
- IV. Tom van der Leer (Chair of the Board) and Phaedra Mensen (replacement of Tom and Board member) are required to approve invoices over SEK 850,000 and the Secretary General's invoices that were not originally approved in the plan.
- V. The invoices are sent to PwC every Monday by mail.
- VI. After the needed approvals, PwC Sverige will put the invoice in the Nordea system.
- VII. The Secretary General authorises the payment every Friday.
- VIII. All the invoices are filed with PwC Sverige.

7.5 The process of salary and expenses payments of Oxfam Sweden employees is as follows:

- I. Copies of all employee contracts are registered with PwC Sverige..
- II. All staff is required to send deviation reports before the 10th of every month. These deviation reports are signed off by the Secretary General.
- III. PwC Sverige prepares payslips and processes salaries into the Nordea system for payment.
- IV. The Chair of the Board approves and signs off on the salary of the Secretary General before payment.
- V. The Secretary General approves and signs off on all other salaries.
- VI. Expenses are reported on a template provided by PwC Sverige and authorized by the Secretary General.
- VII. Expenses are sent to PwC Sverige with the receipts no later than the 10th of every month.
- VIII. The Secretary General sends her expenses and receipts for approval to Phaedra Mensen (Board member) or Tom van der Lee (Chair of the Board and replacement of Phaedra).
- IX. Expenses are repaid monthly with the salary.

7.6 Appropriate bank or cash balances will be maintained based on monthly cash-flow projections and should include a buffer for unforeseen circumstances.

7.7 Bank and cash accounts must be reconciled with bank statements and cash-counts at least



monthly, and action must be taken to resolve discrepancies. Other balance sheet accounts should also be reconciled monthly. The reconciliation is prepared by PwC Sverige (on the 7th of each month) and reviewed and signed by the Secretary General.

8. Assets

- 8.1 Assets with a value above SEK 25.000 will be tagged and recorded in an asset register. Fixed assets in the register must be regularly reconciled in the financial accounting system of Oxfam Sweden.
- 8.2 Depreciation in respect of fixed assets will be calculated and posted to the financial accounting system of Oxfam Sweden. All assets bought within a project, whether paid from restricted or unrestricted funds, are registered as expenses, not as assets. A physical inventory of assets must be performed at least once a year. The Secretary General can decide about the disposal of assets as far as the value does not exceed SEK 25.000 and it does not interfere with the approved Procedures and Guidelines of the Secretary General. In these cases, the Board must agree to the disposal.
- 8.3 All transactions must be properly authorized beforehand in accordance with the authorization policy of Oxfam Sweden (see article 7.4). Any delegation of authority, for instance during absence, must be clearly communicated in writing to the Board and be filed appropriately.

9. Financial planning and reporting

- 9.1 The Secretary General shall prepare a (long-term) strategic plan and a (multi-year) budget, and shall concretize this each year in an annual plan and an annual budget. The (long-term) strategic plan, the budget, the annual plan and the annual budget shall reflect the philosophy of the Board, the strategies to be pursued as well as the intended results.
- 9.2 The annual plan, annual budget and the (multi-year) budget shall be approved by the Board and shall in any case include:
- i. the revenue projections;
 - ii. the planned allocation of funds in pursuance of the objects of the Foundation (and a specification of concrete programs, projects and activities);
 - iii. the planned allocation of funds to fund-raising and support functions;
 - iv. the annual plan and the budget must be prepared by the Secretary General at least two months before the start of the financial year.
- 9.3 The Secretary General shall prepare a monthly monitoring/progress report and will send it to the Board for approval in their monthly meeting. It will also be sent to Oxfam Novib. The quarterly report will only be sent to Oxfam Novib after Oxfam Sweden Board approval (the Oxfam Novib deadline is the 10th working day of the month). The update (see annex) will be aligned with the Oxfam Novib formats and timelines for monitoring and reporting and will in any case include:
- i. revenues (realization to date and projection for the rest of the year in relation to the



- annual plan figures) per income stream;
- ii. costs (realization to date and projection for the rest of the year in relation to the annual plan figures);
- iii. explanation of differences between annual plan/budget and realization and projection for the rest of the year.

9.4 Annually, the Secretary General shall prepare and put down on paper the Foundation's balance sheet and statement of income and expenditure and will make sure these documents are audited by the accountant Deloitte as contractually agreed.

9.5 The Secretary General ensures timelines are aligned with Oxfam Novib. This means the adopted financial statements need to be available before the meeting of the Oxfam Novib Board of Directors in June of each year. Alternatively, the Swedish accountant must provide a confirmation that they intend to provide approval before this meeting.

9.6 Given the fact that the financial statements need approval of the Board, there will be a Board meeting within 8 weeks after the end of each financial year at which the balance sheet; the statement of income and expenditure and the report of the accountant are being discussed and adopted. The Secretary General will ensure all documents are sent to the Board one week prior to the Board meeting.

10. Audits

10.1 The foundation's balance sheet and statement of income and expenditure will be audited by the accountant Deloitte on a yearly base.

10.2 On a monthly base, the department Quality and Control of Oxfam Novib will review the figures and reports provided by Oxfam Sweden.

10.3 Oxfam Sweden will be incorporated in the annual internal audit process of Oxfam Novib.

11. Fraud and corruption

11.1 Oxfam's Code of Conduct defines our stated ethical values and norms. This is an important condition for Oxfam to ensure that financial management is done in an honest way and that financial information and financial reports are reliable. In accordance with the Code of Conduct, staff must declare any possible conflicts of interest. These should be declared to their manager and any other relevant parties.

11.2 Internal audits, as described in chapter 10, also help to prevent and detect fraud or error.

11.3 As described in chapter 6 and 7, there is clear segregation of duties between the authorization of transactions and the reconciliation of balances. The same person should not be authorizing payments, recording these in the cashbook and reconciling the bank balance.



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11.4 When fraud and/or corruption occur, each employee has the obligation to highlight the case to the Secretary General or – if there is a conflict of interest – the Board, so that effective action can be taken. Issues of corruption are taken very seriously and Oxfam Sweden is committed to combating it wherever it is found. All Oxfam employees around the world are required to maintain the highest standards of integrity, objectivity and accountability in the performance of their duties.

11.5 The '*Disclosure of Malpractice in the Workspace Policy*' is designed to demonstrate Oxfam Sweden's commitment to the protection of staff and others who raise complaints.

11.6 It is against Oxfam Sweden's policy to pay bribes, backhanders or similar payments. These may also constitute a legal offence both corporately and individually under the Swedish law. However, in cases where refusal to make such payments could result in a physical or security risk they may be unavoidable. When such payments have been necessary, they should be specifically mentioned to the Secretary General and the Board of Oxfam Sweden.



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Annex 1 Monthly monitoring reports

Revenues monthly monitoring report									
Revenue source	Realization until XX/2014 (SEK)	Forecast until XX/2014 (SEK)	Difference until XX/2014 (SEK)	% realized until XX/2014 (SEK)	Light (red/green/orange)	Annual forecast (SEK)	forecast		
Donor base population									
Door2door experience									
Face2face experience									
Face2face 'on spot'									
Telemarketing									
Affiliate marketing									
Provision bad debts (1,5% of rev)									
<i>Subtotal private donors</i>	-								
Online									
Events									
Direct mail									
<i>Subtotal Gifts</i>	-								
Various									
<i>Subtotal Various</i>	-								
Postkodlotteriet									
<i>Subtotal third parties</i>	-								
Corporates, trusts & foundations									
<i>Subtotal corporates, t&F</i>	-								
Total Revenues	-								

Costs monthly monitoring report april 2014									
Fundraising and communication costs									
Cost component	Realization until XX/2014 (SEK)	Forecast until XX/2014 (SEK)	Difference until XX/2014 (SEK)	% realized until XX/2014 (SEK)	Light (red/green/orange)	Annual forecast (SEK)	forecast		
Total private donors									
Total Gifts									
Total Various									
Total Third Parties									
Total corporates, t&F									
Total Corporate Communication									
Total Marketing									
Total Payments									
<i>Total fundraising and communication costs</i>	-								
Other costs									
Cost component	Realization until XX/2014 (SEK)	Forecast until XX/2014 (SEK)	Difference until XX/2014 (SEK)	% realized until XX/2014 (SEK)	Light (red/green/orange)	Annual forecast (SEK)	forecast		
Salary costs									
Other office costs									
<i>Total other costs</i>	-								
Grand total costs	-								