FINANCIAL MANAGEMENT POLICY

1. GENERAL PURPOSE

The purpose of these policies is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of Global Skills Ledger Limited, and managing the Company's funds.

2. FINANCIAL RESPONSIBILITIES

a. It is the responsibility of the Board of Directors to formulate financial policies and review operations and activities on a periodic basis. The Board delegates this oversight responsibility to the Head of Finance. This responsibility is shared through delegation with the CEO and the Head of Finance.
b. The CEO acts as the primary fiscal agent, implementing all financial policies and procedures. The CEO is responsible for the coordination of the following: annual budget presentation, management of any investments, selection of the external auditors, and approving revenue and expenditure objectives in accordance with the Board approved long-term plans.
c. The Head of Finance has the day-to-day operations responsibility for managing Company funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval. The Accountant is responsible for the preparation of the Chart of Accounts, Reporting Formats, Accounts Payable Processing, Payroll input and Payroll processing, Cash Receipts input, Journal Entries for General Ledger, as well as Bank Reconciliations.

3. THE BOARD OF DIRECTORS

a. Will meet at least three times a year and ensure that the administration and activities of the Company are at all times within the law. The Board of Directors as a whole is responsible for the Centre's financial affairs. Directors may at any time arrange to examine the Company's financial records or discuss financial issues with the Head of Finance.
b. The Board of Directors will set an annual budget and monitor income & expenditure against the budget. They will also consider quarterly finance reports and monitor the Company's cash-flow; assess the projected performance for the year, revising the budget where necessary; ensure that the accounts are examined annually by a chartered accountant and that an annual report and financial statements are prepared in accordance with company law; carry out financial forward planning and ensure that the Company has a programme of income-generation aimed at maintaining the Company's financial security; ensure that the most effective use is made of the Company's income, including any money not required for immediate expenditure; ensure that all income due to the Company is received and monitor its trading activities; ensure that grants or advanced payments received from any organisation are used according to the terms of the grant or contract agreement; ensure that the Company does not take on any obligations which it may be unable to meet; oversee internal systems of financial control to ensure that they are both rigorous and observed by the staff team.

4. **CONFLICT OF INTEREST**
    a. Members of the Board of Directors are prohibited from activities that might present conflicts of interest.
    b. The powers of directorship may not be used to personally benefit the Director at the corporation's expense.
    c. If a Director has a financial interest in a corporate transaction, the Director must fully disclose the interest and abstain from voting.
    d. Loans to Directors are prohibited.

5. **BUDGETING PROCESS**
    a. The Company's CEO and the Head of Finance, shall be responsible for presenting to the Board of Directors an annual operating budget draft sixty (60) days prior to the end of the fiscal year and thirty (30) days prior to its submission to the Board of Directors.
    b. The Board of Directors shall review and approve the recommended fiscal year budget revenues, expenditures and cash flow. The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included.

6. **FINANCIAL STATEMENTS**
    a. The Company's financial statements shall be prepared on an accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP").
    b. Under GAAP, net assets and revenues, expenses, gains, and losses are classified. Accordingly, the net assets of the Company and changes shall be listed.
    c. The Head of Finance shall prepare and present Monthly Financial Statements in a format approved by the Company CEO.
    d. The statements shall be presented to the Company CEO and the Board of Directors for review.

7. **AUDIT**
    a. The Company will have an audit of its financial statements biannually.
    b. The audit will be completed by a firm of Certified Accountants.
    c. The Company CEO and the Head of Finance shall have direct responsibility in overseeing the implementation of the Financial Audit.
    d. The Company CEO and the Head of Finance shall recommend to the Board of Directors for approval, the selection of an Accounting Company to perform the audit.
    e. A representative of the audit firm shall be invited to attend the presentation to the Board of Directors, if the audit report is other than unqualified, or if the auditors report material weaknesses in internal controls or reportable conditions.

8. **RECORDING RECEIPTS**
    a. All income receipts received shall be forwarded to the Head of Finance for banking. The Head of Finance will record all receipts by date, name of company or individual, designation, and amount.
    b. A copy of the bank deposit slip is retained in chronological order with copies of the deposited cheques. All cash and cheques shall be deposited the same business day if possible, and no later than the next business day into the Company's Bank Account.
    c. Transactions will be periodically rechecked by the Head of Finance. The Accountant shall make the appropriate entries in the General Ledger books.

9. EXPENDITURES PROCEDURES

a. All expenditures shall be approved by the Company's CEO.
b. All expenditures shall be coded by account number using the Company's Chart of Accounts.
c. The Accountant maintains standard accounting records containing all aspects of the Company's financial operations. They include but are not limited to: A general ledger, a cheque register, and a payroll register.
d. Invoices shall be approved by the Company's CEO.

10. SIGNATURE POLICY

a. The Company CEO shall unless otherwise decided by the Board, sign all cheques, drafts, or orders for payment of money, contracts, and commitments for services issued in the name of the Company. In the absence of the CEO, the signature of the Chair of the Board must be obtained.

11. CREDIT CARD EXPENDITURES

a. The CEO may approve the issuance of a company-issued credit card for employees who travel frequently. Employees must utilise that card only for business travel. Employees must submit a voucher that explains the business reason for items purchased using the credit card. The direct supervisor must approve the voucher, which is then submitted to the Head of Finance for recording and reconciliation.

12. PURCHASING

a. Any expenditure in excess of an amount determined by the Board of Directors for the purchase of a single item should have bids from three (3) suppliers if possible. These bids are reviewed by the Company's CEO.
b. Purchases lower than the approved amount may be made at the discretion of the Company's CEO or Head of Finance without competitive bids. However, for fixed assets, reasonable diligence should be exercised to comparatively shop for available sources.
c. Any purchase made by a Board member on behalf of the Company will require prior approval by the Company CEO.

13. LEASES AND OTHER CONTRACTUAL AGREEMENTS

a. All leases and other contractual agreements must be negotiated, approved and authorised by Company CEO.
b. New leases in excess of an amount determined by the Board of Directors require the approval of the Board of Directors. The Company CEO and the Head of Finance are authorised to develop and enter into contractual agreements with vendors, bankers, and third parties for the purpose of ensuring the Company's general operations.

14. LOANS and GRANTS.

a. All loans and other indebtedness or liabilities to be contracted in the name of the Company shall require the signature of the Company CEO, unless otherwise specified by the Board or established in the present management policies and procedures.
b. All grants or advance payments must be recorded against a cost centre code allocated within the chart of accounts as 'advance payments' under liabilities.

Direct expenditure against grants or advance payments will be recorded against the specified cost centre code to ensure that there is transparency of expenditure.

15. DEEDS, CONVEYANCES, ETC.

a. The Company CEO and the Head of Finance shall execute all Deeds, Conveyances, Mortgages, Leases, Contracts and other instruments in the name of the Company.

16. BANK ACCOUNTS AND INVESTMENT ACCOUNTS

a. The Head of Finance shall maintain and oversee Bank accounts, and ensure the Company's day-to-day financial operations.
b. Any bank account(s) may be changed in line with and as the Company's financial conditions and requirements change.

17. BANK RECONCILIATIONS

a. Bank reconciliations shall be completed monthly by the Head of Finance and cross-referenced with the cash and receipts logs and the monthly Financial Statements.
b. The Financial Statements shall be compiled by the Head of Finance. The Statements shall be then reviewed by the Company CEO.
c. All Bank Statements and Credit Card Statements will be reconciled every month by the Accountant, and records will be kept in the Company office.

18. PETTY CASH

a. A petty cash fund provides a systematic method for paying and recording out-of-pocket cash payments too small to be made by cheque. The Company shall maintain a One Hundred Pounds (£100) petty cash fund that is replenished as needed.
b. The Head of Finance shall maintain control of, and responsibility for, payments disbursed from the Petty Cash fund.

19. PROPERTY AND EQUIPMENT

a. Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. A Depreciation schedule shall be prepared and maintained by the Company's Head of Finance on an annual basis, taking into consideration the annual equipment inventory.

20. RECORDS SECURITY

a. Financial records are restricted materials with limited access. Only the CEO, Head of Finance and Accountant (or others so authorised) shall have access to financial records (vendor files, cheques, journals, payroll, etc.).

21. DOCUMENT RETENTION

a. Financial documents are retained for 7 years in keeping with the law.

22. POLICY CHANGES

a. This policy does not form part of an individual's contract of employment and may be amended from time to time.