



## **CONTROL OF FUNDS AND RESOURCES POLICY**

1. PURPOSE AND ALLOCATION OF FUNDS AND RESOURCES
  - a. BETTER (Building East Timor Through Education/ Resources) is a not-for-profit company limited by guarantee. The intention and control of funds and resources is conducive with the objectives outlined in the company Constitution, and Non-Development Activity policy.
  
2. CONSISTENCY WITH DONOR PROMISE
  - a. BETTER (Building East Timor Through Education/ Resources) allows for tracking of financial donations and contributions.
    - I. Monetary Sponsorship

Donors are given options of sponsoring children, teachers, staff, maintenance or initiatives. Following this, they receive updates on the progress of their contributions, often in the form of personalized letters or photos.
    - II. Product Sponsorship

Products given to BETTER (Building East Timor Through Education/ Resources) are often used as prizes, and donors of products are given a letter following the distribution of the product to both thank and inform them of the location of their purchase, and the wider contribution it had (For example, if a product was placed into a raffle, and \$100,000 was raised, this would be noted in the letter). Donors are often approached in the subsequent year, and given notice of how their donation has contributed.
    - III. Events and Fundraising Proceedings

All events and fundraisers operated by BETTER (Building East Timor Through Education/ Resources) are publicized widely both prior to and following any event. Following any fundraiser, the amount of funds raised is published in the applicable BETTER (Building East Timor Through Education/ Resources) newsletters, social media sites and emails. Regular updates are also provided on the website regarding the status of the funds.
  
3. CONSISTENCY WITH OBJECTS, PURPOSE AND STRATEGY AND THE CAPACITY OF THIRD PARTIES
  - a. BETTER (Building East Timor Through Education/ Resources) will conduct due diligence reports on any third parties for which they have, or plan to, disburse funds or resources for development work. At a minimum, this should include:



- i. That the third party is appropriately registered and appears to be legitimate, including an assessment of the nature of the work that they do;
    - ii. The third party's compliance with laws, both current and previous (or any anticipated breaches, if applicable) and any alarming history of the organisation;
    - iii. The standing of the third party within both the industry, assessed on experience, profitability (if applicable), objective successes and achievements and any applicable reporting.
  - b. BETTER (Building East Timor Through Education/ Resources) will also conduct due diligence checks on donations received. At a minimum, this should include:
    - I. That the third party is appropriately registered and appears to be legitimate, including an assessment of the nature of the work that they do;
    - II. The third party's compliance with laws, both current and previous (or any anticipated breaches, if applicable) and any alarming history of the organisation;
    - III. The standing of the third party within both the industry, assessed on experience, profitability (if applicable), objective successes and achievements and any applicable reporting.
    - IV. That the purpose and activities of the organisation are either aligned or neutral with the objects and purpose of BETTER (Building East Timor Through Education/ Resources). Should the donor engage in activities which are contrary to BETTER (Building East Timor Through Education/ Resources) mission, this will be brought to the attention of the Board of Directors and the funds will be rejected.

#### 4. COMPLIANCE WITH RELEVANT LAWS

- a. BETTER (Building East Timor Through Education/ Resources) is a company limited by guarantee, and thus, will, at all times, comply with relevant laws beneath the Commonwealth of Australia, and any additional State specific legislation regarding funds and resources, in adherence to the Corporations Act 2001 and the Associations Incorporation Act 1984 (NSW).
- b. BETTER (Building East Timor Through Education/ Resources) completes regular annual and financial reporting, in adherence to the guidelines set out by Sarbanes---Oxley Act 2002 and the Corporations Amendment (Corporate Reporting Reform) Act 2010 (Cth).



- c. BETTER (Building East Timor Through Education/ Resources), its management and members are all bound by the BETTER (Building East Timor Through Education/ Resources) Constitution and subsequent policies. Moreover, BETTER (Building East Timor Through Education/ Resources) engages and encourages ethical policies and practices.
- d. The third party and employees are checked against the Australian National Security list of terrorist organisations and the Department of Foreign Affairs and Trade to ensure no funds are being redirected for terrorist purposes.

## 5. CONTROLS AND RISK MANAGEMENT

- a. Risk management and controls are implemented by the coordinating officers of tasks and overseen by the Founding Directors and Board of Directors.
- b. All transactions between BETTER (Building East Timor Through Education/ Resources), partners or employers/employees will take form in a written contract. Those that are not confirmed by a contract, signed by appropriate parties or representatives, will be voided.
- c. Risk and control are assessed on the following grounds (as a minimum guide, additional shall be added if applicable):
  - i. The amount of funding and/or resources involved;
  - ii. The particular circumstances of the development activity, such as the social, political, cultural or economic conditions for implementation/activity;
  - iii. The extent to which the activity is not only innovative, but also achievable;
  - iv. Use of formal or registered financial channels for transferring and managing funds, including the notation of whether signatories exist on accounts or any other financial controls;
  - v. Maintenance of the full program budget.
- d. Contracts entered by BETTER (Building East Timor Through Education/ Resources) are to include clauses that ensure financial protection and appropriate conduct. At the minimum, contracts relating to the dispersion of funds and resources should include the following:
  - I. How much funding or resources will be provided, and whether in tranches;
  - II. The timing and method of disbursements;
  - III. Application of interest and/or exchange rates and/or inflation;
  - IV. Reimbursements in the event that funds or resources are used for purposes other than the specified or agreed upon activity;



- V. Return of surplus funds;
  - VI. Governance required by both the benefice and beneficiary, and any expectations of reciprocity, roles or responsibility.
- e. For information regarding donor and member records, please review the BETTER (Building East Timor Through Education/ Resources) Privacy Policy, located on our webpage ([www.bettertimor.org](http://www.bettertimor.org)) under the “Get Involved” tab.
6. MONITORING AND EVALUATION
- a. BETTER (Building East Timor Through Education/ Resources) must follow Monitoring and Evaluation processes for all activities undertaken by the organisation as a method of tracking progress, adhering to donor promises, controls and risk management and good practice.
  - b. In regard to the control of funds and resources, BETTER (Building East Timor Through Education/ Resources) will keep records of all members, donors (both monetary and product), income and fundraising activities with appropriate details.
  - c. BETTER (Building East Timor Through Education/ Resources) abides by all necessary relevant laws when completing financial reporting (refer to s4), progress reporting and evaluation reports.
  - d. Any funds disbursed to partners overseas are accounted for by in-house financial management systems. Funds are sent from Australia, is accounted for through the scanning of all receipts on ground, in country and sent back to BETTER (Building East Timor Through Education/ Resources) where they are entered into balancing sheets designed by the organisation. Site visits of partner organisations are completed quarterly by BETTER (Building East Timor Through Education/ Resources) director/s as an act of due diligence.
7. INFLUENCE OVER ACTIVITY
- a. All plans, prior to implementation, are designed by appropriate authorities and presented to the Board of Directors for approval. Management should be consulted on all levels of project design, from the initial conception of the plan to the evaluation reports that succeed it's implementation.
  - b. All necessary budgets and required resources should be presented to the Board of Directors (or approved necessary authority) prior to implementation or purchasing.
8. ABILITY TO WITHDRAW
- a. In all transactions where funds or resources are being utilised, either party reserves the right to withdraw from the agreement if a misappropriation or misuse of funds is deemed evident, or if activity is no longer being performed satisfactorily (further to 6.2 and 6.4).



## 9. GOVERNANCE

- a. Roles and responsibilities of engaged organisations should be clearly set out, further to (or within) Article 6.2 and 6.4.6. This should include partners, affiliates, signatories and subsidiaries, if applicable.