



Policy for Fiscal Accountability

Introduction

As part of the Diocese of Richmond Haiti Twinning Ministry there are many parishes as well as diocesan committees and boards which send funds to Haiti on an ongoing basis. A reporting system accounting for the use of these funds is necessary for fiscal accountability and transparency purposes.

It is important that the Diocese of Richmond receive reports from their partners in Haiti on funds that are sent. This practice is expected and routine in the American culture.

The Diocese of Richmond recognizes that there are cultural differences between the two countries in their fundamental understanding of money and it recognizes that this policy will affect both the Diocese of Richmond and the Diocese of Hinche. Therefore, the Diocese of Richmond is working in a collaborative manner to implement the policy on fiscal accountability with the Diocese of Hinche.

Additionally, the Diocese of Richmond and the Diocese of Hinche must have an accurate reporting of how much money is being sent to Haiti during a fiscal year. Therefore, the Diocese of Richmond Haiti twinning parishes will be required to provide this information at the end of the year parish financial report (Form #6) with **all other reports that were used throughout the year** to the Diocese of Richmond's Office of Social Ministries' Director of Global Ministries.

Policy

I. When funds are sent to Haitian partners from the Diocese of Richmond parishes, committees or boards for the purpose of implementing a project, the following procedure and reporting will be followed:

The Haitian partner will submit a project proposal (Financial Report Form #1) which would include:

- A description of the project
- A cost estimate
- A time frame for completion of the project

The Richmond partner will review the proposal and decide whether to fund the project.

The Richmond partner will communicate the decision to the Haiti partner.

The Haiti partner will provide the Richmond partner regular reports based on a mutually agreed upon time frame during the project period (Financial Report Form # 3).

Reports must be submitted, received and reviewed prior to the transfer of additional funds for the project.

The report will include:

- A description of the project activities during the reporting period.
- The prior reporting period's expenditures
- Receipts for expenditures or use Form #7

- Description of any obstacles encountered during the reporting period and any anticipated obstacles or changes in the plan
- Anticipated expenditures for the coming period

The Diocese of Richmond partner will review the report prior to the transfer of funds.

Upon completion of the project a final report will be submitted by the Haiti partner to the Richmond partner (Financial Report Form # 4). This report will include:

- A summary of the project
- A summary of expenditures
- Final receipts for expenditures
- A final budget report including the projected expenditures and the actual expenditures with a description of the reconciliation of the budget if there is a discrepancy between the anticipated budget and actual expenditures

The Diocese of Richmond partner will assist the Haiti partner with any technical assistance needed to complete the fiscal accountability reporting policy.

II. When funds are sent to Haiti partners from the Diocese of Richmond parishes, committees or boards for the purpose of funding ongoing recurring costs - such as salaries (teachers, nurses, etc) or food programs, the following procedure and reporting will be followed:

The Haitian partner and Richmond partner should have an agreement in writing concerning the recurring cost. The agreement should include the purpose of the use of the funds, the amount of the funds and the frequency of the payment (Financial Report Form #2). For salaries the agreement should include arrangements to maintain monthly payrolls initialed by salary recipients. (Financial Report Form # 5).

The partners should agree on the procedure and frequency to report how the funds are used (Financial Report Form # 3).

III. When funds are sent to Haiti partners from the Diocese of Richmond parishes, committees or boards for the purpose of providing discretionary funds to be used for unexpected expenses and at the discretion of the Haitian priest, the following procedure and reporting will be followed:

It is the responsibility of the Richmond and Haitian partners to agree on the policy of the disbursement and use of discretionary funds.

It is asked that there be a reporting system of how the discretionary funds have been used (Financial Report Form # 4).

No funds collected from the Richmond partners that are designated for a specific purpose can be used as discretionary funds. All donations given for specific projects and/ or purpose must be used for the intended purpose. For example, money raised specifically for a school, etc. should not be used for discretionary items. On the other hand, if the Richmond partner has a monthly undesignated collection or a collection taken up while the priest is visiting; this can be used for discretionary purposes.

IV. Each Diocese of Richmond Parish which has a twinning relationship in Haiti will adhere to the following fiscal accountability reporting (Financial Report Form #6 in addition to all other Forms used in the Partnership throughout the Fiscal year)

Each parish which has a twinning relationship with Haiti will include in its end of the year financial report to the diocese:

- The total amount of money it sent to Haiti during the fiscal year
- An itemization of the funds sent during the fiscal year which would include the amount and the purpose of the funds.
- All reports that were used throughout the year with supporting documentation (receipts).

The Diocese of Richmond Haiti Ministry will compile the information and present an annual report to the Bishop of Richmond and the Bishop of Hinche. The report will include the total amount of money sent to Haiti and a further break down categorizing the purpose of the funds. (i.e. schools water projects, health care projects).