

Final Decisions

CC.02.15/DEC.01: The Board approves the Report of the 1st Board Meeting attached to CC.02.15/DOC.01 and requests the Secretariat to post it on the GCERF website.

CC.02.15/DEC.02: The Board:

- a. approves the Human Resources Policy, as set out in Annex 1 and described in Section 3, Part 1 of CC.02.15/DOC.02;
- b. recognises the jurisdiction of the International Labour Organization Administrative Tribunal (“ILOAT”) to hear, after exhaustion of internal remedies, complaints alleging non-observance, in substance or in form, of the terms of appointment of employees and officials of GCERF and of the provisions of GCERF human resources policies, procedures and regulations;
- c. declares that in its opinion GCERF offers sufficient guarantees as to its institutional capacity to carry out functions of a permanent nature at the international level as well as guarantees of compliance with the judgments of the ILOAT;
- d. approves the proposed salary scale, staff allowances and benefits, as set out in Annex 2 and Annex 3 and described in Section 3, Part 2 of CC.02.15/DOC.02; and
- e. requests the Executive Director to:
 - i. oversee GCERF’s compliance with the Human Resources Policy when the Headquarters Agreement between GCERF and the Swiss Federal Council comes into force;
 - ii. ensure that appropriate budgetary provisions are in place and available to meet the initial, annual overhead and potential session costs associated with joining the ILOAT, and, when applicable, any compensation that may be awarded by ILOAT; and
 - iii. oversee the application of the salary scale, staff allowances and benefits when the employment contracts of current GCERF project staff are transferred from the Geneva Centre for Security Policy to GCERF (pursuant to BM.01/DEC.09), and to future appointments made by GCERF.

CC.02.15/DEC.03: The Board approves the following policies for GCERF attached to CC.02.15/DOC.03:

- a. Financial Management Policy(Annex 1 (Revision 1)); and
- b. Procurement Policy (Annex 2).

(signed) _____
Carol Bellamy
Chair

**CC.02.15/DOC.02: ANNEX 1
HUMAN RESOURCES POLICY**

1. DUTIES, OBLIGATIONS AND PRIVILEGES

1.1 GCERF will create a working environment based on trust and respect, where employees are treated with dignity and tolerance, and where they can work free from abuse, discrimination and harassment. GCERF shall at all times act with fairness and impartiality and in full respect of the human resources policies, regulations and procedures in its relationships with its employees.

1.2 GCERF will provide staff with employment conditions consistent with the terms of their appointment, their satisfactory performance and conduct, and the efficient administration of the organisation.

1.3 Employees are expected to conduct themselves in a manner consistent with the best interests of GCERF and with the highest levels of integrity, tolerance, professionalism, confidentiality, and respect for others.

1.4 All employees are expected to comply with GCERF's human resources and corporate policies, regulations and procedures at all times, including but not limited to those pertaining to staff conduct, non-discrimination, ethics and conflicts of interest, recruitment and selection, appointment and induction, attendance and leave, performance and professional development, disciplinary measures, grievances, leaving the organisation, travel (employee and third party), finance, procurement, and use of information and communication technology.

1.5 All employees are expected to comply with GCERF's Code of Conduct, which establishes the standards of behaviour expected of all employees, interns and secondees.

Independent contractors and consultants and staff from a temporary staffing agent on contract with GCERF are also expected to adhere to this Code whilst working for GCERF.

1.6 Violations of GCERF's Code of Conduct and/or any of GCERF's corporate policies, regulations and procedures may result in disciplinary action, up to and including termination of employment. It is the responsibility of all employees to familiarise themselves with GCERF's human resources and corporate policies, regulations and procedures.

1.7 By accepting appointment, employees pledge to discharge their functions in the best interests of GCERF at all times.

1.8 The privileges and immunities granted by the Swiss Government to GCERF employees are granted to facilitate GCERF's work, not to shield GCERF or its employees from the law. All staff members are required to comply with applicable national laws and regulations.

1.9 Employees may undertake work, whether paid or unpaid for another organisation, or serve on the Board or Advisory body of another organisation directly or indirectly related to GCERF, or hold public office, if to do so is compatible with and does not conflict with the proper discharge of their duties for GCERF. Employees must obtain the prior written consent of the Executive Director before doing so, and in the case of the Executive Director, the consent of the Chair of the Board. Any such activity or engagement must be undertaken on the employee's own time, unless explicitly approved otherwise.

1.10 Except in circumstances provided for in the Policy on Ethics and Conflict of Interest, no employee shall accept any honour, decoration, favour, gift or remuneration from any individual, group, government, commercial entity or organisation.

1.11 Employees shall disclose any actual or potential conflict of interest, or any facts that might appear to represent a conflict of interest, as laid out in the Policy on Ethics and Conflict of Interests. Each year Employees shall also file (and update as required) a Declaration of Interests form as set forth in that Policy.

1.12 Employees shall not communicate in any form, to any person, any confidential and/or sensitive information known to them as a result of their position which has not been made public by GCERF or another competent authority, except following authorization by senior management. This obligation does not cease upon termination of employment.

1.13 Employees must not use their position for personal gain or the gain of an associated person or institution (as defined in the Policy on Ethics and Conflict of Interests), either monetarily or otherwise.

1.14 Employees shall only use the property, assets and resources of GCERF for approved purposes and shall exercise reasonable care when utilizing such property, assets and resources.

1.15 GCERF maintains appropriate safeguards to respect the personal privacy of its employees.

1.16 GCERF seeks to ensure the wellbeing, safety and security of its employees in the discharge of their duties.

2. EQUAL OPPORTUNITIES

2.1 In matters of employment, GCERF does not discriminate on the basis of race, religion or similar belief, colour, nationality, ethnic or social origin, gender, family or civil status, pregnancy, disability, age, political or other opinion or affiliation, gender identity, sexual orientation, or health status, in so far as the employee's characteristics do not affect performance of their work, or compliance with the employee's duties.

2.2 GCERF is committed to seeking gender balance and to the promotion of all forms of diversity.

2.3 The principles of equal opportunity are applied to all aspects of employment relations.

2.4 GCERF endeavours to make reasonable adjustments to accommodate the needs of current or future employees with disabilities.

2.5 Failure to observe these equal opportunities provisions may amount to misconduct and will be treated in accordance with relevant policies, regulations and procedures.

2.6 Employees are expected to treat one other with respect and refrain from harassment or other inappropriate behaviour. Failure to meet these standards of conduct may amount to misconduct or gross misconduct, for which disciplinary action may be imposed.

3. RECRUITMENT AND SELECTION

3.1 The paramount consideration in the recruitment and selection of new employees is to seek, attract and retain employees offering the highest standards of competence, dedication, efficiency, integrity and motivation.

3.2 GCERF is committed to the fair and open competitive recruitment of employees.

3.3 To ensure the broadest diversity obtainable, recruitment is based on the principle of equal opportunities for all.

3.4 Employment is subject to fulfilling any pre-employment criteria as may be outlined in GCERF's human resources regulations. Candidates must also have been deemed medically fit for employment.

3.5 In filling vacancies, full regard will be given to the competencies, qualifications and experiences of existing employees without prejudice to the recruitment of outside candidates.

4. APPOINTMENT AND INDUCTION

4.1 The Executive Director appoints employees as required and determines their duties and conditions of service in accordance with these policies and established human resources regulations and procedures.

4.2 The Executive Director may assign an employee to any position or functional role within GCERF which is deemed to be compatible with the employee's competencies, qualifications and experiences.

4.3 Employment with GCERF is subject to the continued need and relevance of the position, the availability of funding for that position and satisfactory performance of the employee.

4.4 Appointments may be made on an indefinite or fixed-term basis.

4.5 Appointments may be made on a full-time or part-time basis.

4.6 All appointments are subject to a period of probation to assess the employee's suitability for the position. The length of the probation period depends on the type of appointment and may be extended when necessary.

4.7 GCERF classifies all positions according to their purpose, grade and function, and their scope and level of responsibility and accountability to provide a sound and equitable basis for the remuneration of employees.

4.8 GCERF's human resources policies, regulations and procedures constitute the terms and conditions of employment of all GCERF employees and are deemed to form part of each employment contract.

4.9 GCERF provides appropriate assistance to new employees to facilitate the transition into their posts.

4.10 GCERF facilitates and supports the induction and integration of all new employees into the organisation.

4.11 The appointment, employment and performance criteria of the Executive Director are decided by the Governing Board, in accordance with GCERF's Statutes and Bylaws.

5. SECONDMENTS AND INTERSHIPS

5.1 Secondments to and from GCERF provide an opportunity for enhancing the profile, competencies, capacity and knowledge base of the organisation. GCERF recognises the potential contribution such secondments represent and seeks to capitalise on such opportunities.

5.2 GCERF may provide opportunities for a limited number of students and graduates to attain work experience with the organisation for periods of 3-12 months.

6. SALARY, ALLOWANCES AND BENEFITS

6.1 GCERF provides a competitive compensation package for all employees, which is reviewed on a regular basis to ensure its continued competitiveness to attract and retain staff.

6.2 GCERF provides equitable compensation to all employees, whether appointed on an indefinite or fixed-term basis and/or full-time or part-time basis.

6.3 GCERF provides a competitive compensation package that recognises and responds to the differentiated familial and personal circumstances of employees.

7. SOCIAL SECURITY

7.1 GCERF provides a scheme of social security for all employees including a provident fund to provide retirement, death and disability benefits, accident insurance, sick and family leave, and pay for absence during extended sickness. All employees are required to independently acquire private health insurance, for which GCERF provides a subsidy.

8. ATTENDANCE AND LEAVE

8.1 Employees are expected to work as specified in their employment contract, and the human resources policies and regulations and procedures derived from them.

8.2 GCERF employees are entitled to appropriate annual leave, as indicated in the relevant human resources regulations. Special leave may be authorised by the Executive Director in exceptional cases. Appropriate regulations may be adopted for areas of unexpected or unauthorised absence.

8.3 GCERF supports staff well-being, a healthy work/life balance and acknowledges the importance of permitting employees to have flexible work arrangements within reasonable limits while ensuring that the employee's responsibilities and assigned tasks are fulfilled.

9. PERFORMANCE MANAGEMENT AND PROFESSIONAL DEVELOPMENT

9.1 GCERF is committed to managing the performance of employees, and supporting their professional development.

9.2 GCERF periodically reviews employee performance against established performance criteria. GCERF implements measures to reward strong performance and manage under-performance.

9.3 GCERF recognises that promoting the professional development of employees supports employee retention, motivation and well-being. GCERF recognises that the professional development of employees further contributes to the capacity of GCERF to meet its goals and objectives.

9.4 GCERF periodically reviews and supports the professional development of its employees, in line with and subject to organisational needs and available resources.

10. EMPLOYMENT RELATIONS AND COMMUNICATIONS

10.1 GCERF is committed to ensuring productive and harmonious employee relations and effective internal communication.

10.2 Senior management is responsible for maintaining frequent and transparent communication channels with employees with regard to all issues deemed appropriate and of concern to them.

11. DISCIPLINARY MEASURES

11.1 Disciplinary measures may be imposed on employees who have engaged in misconduct or gross misconduct including breaches of human resources and other corporate policies, regulations and procedures. These measures may be up to and including termination of employment.

11.2 The Executive Director may summarily dismiss an employee for gross misconduct.

11.3 GCERF distinguishes between issues of conduct and issues of performance.

12. GRIEVANCES

12.1 In the first instance, attempts shall be made by GCERF and an employee to resolve grievances or disputes on an informal basis.

12.2 GCERF provides a formal framework and procedures that guarantee due process and equity for dealing promptly and fairly with an employee's grievances and appeals of employment-related decisions.

12.3 Any dispute arising between GCERF and an employee alleging the non-observance of the employee's terms and conditions of employment which cannot be resolved internally may be referred for final decision to the International Labour Organisation Administrative Tribunal (ILOAT). GCERF will comply with any decision made by the ILOAT, subject to any appeal.

13. WHISTLE-BLOWING

13.1 Any employee who has observed illegal, unlawful, unprocedural or unethical conduct in the organisation has an obligation to report that conduct in accordance with the 'whistle-

blowing' policy and/or relevant human resources policies, regulations and procedures.

14. LEAVING THE ORGANISATION

14.1 Leaving GCERF may be initiated by the organisation or an employee.

14.2 Employees may: (i) resign from GCERF upon giving appropriate notice, as required under relevant human resources policies, regulations and procedures; or (ii) retire upon reaching 65 years of age.

14.3 The Executive Director may terminate the appointment of an employee for: (i) under-performance, (ii) gross misconduct or (iii) reason of redundancy of the employee's position or function, in accordance with relevant human resource policies, regulations and procedures.

14.4 GCERF and an employee may mutually agree to terminate the employment relationship under agreed terms and conditions.

15. IMPLEMENTATION, MONITORING, EVALUATION AND AMENDMENTS

15.1 The Executive Director shall develop human resources regulations and procedures for GCERF as may be appropriate for the implementation of this Policy. Such regulations and procedures shall be made available for information purposes to Board members upon request.

15.2 GCERF will continuously monitor and periodically evaluate the content and implementation of these policies and those regulations and procedures derived from them.

15.3 In the event of any conflict between any provisions of this Policy and GCERF's Statutes or Bylaws, the Statutes or Bylaws shall prevail. In the event of any conflict between this Policy and any procedures developed thereunder, this Policy shall prevail.

15.4 This Policy may be amended upon approval by the Governing Board, as and when necessary to ensure its continued coherence with, and effective and efficient contribution to GCERF's human resources management.

15.5 Any amendments to human resources and other corporate policies, regulations and procedures shall be communicated to all employees in a timely and transparent manner.

CC.02.15/DOC.03:ANNEX 1 (Revision 1)
FINANCIAL MANAGEMENT POLICY

1. DEFINITIONS

1.1 For the purposes of this Policy, the following definitions shall apply:

- a. “Board” means the Governing Board of GCERF;
- b. “Commitment” shall mean a legally binding obligation on the part of GCERF, arising from a written contract or other written agreement entered into by GCERF that is expected to result in the payment of GCERF financial resources;
- c. “Contributions” shall mean voluntary contributions, whether accepted by GCERF in cash or in kind, from governments, international organisations, non-governmental organisations, foundations, companies or individuals;
- d. “Executive Director” shall mean the Executive Director of GCERF appointed by the Board, or the Secretariat staff member to whom the Executive Director has delegated authority and responsibility for the matter in question; and
- e. “GCERF” shall mean the Global Community Engagement and Resilience Fund, a foundation established under Swiss law.

2. APPLICATION

2.1 This Policy shall govern the financial administration of GCERF at its headquarters in Geneva, Switzerland. A separate set of financial management policies and/or procedures shall apply to recipients of grant funds from GCERF. The Executive Director shall administer this Policy consistently with the applicable decisions of the Board.

3. COMPLIANCE

3.1 All GCERF Secretariat staff members are required to comply with this Policy and any regulations issued thereunder. A GCERF Secretariat staff member who contravenes this Policy or any regulations issued thereunder may be subject to disciplinary action in accordance with the GCERF’s human resources policies.

4. PRINCIPLE

4.1 This policy is premised on the principle that GCERF funds shall be used in accordance with sound financial management principles, and in accordance with principles of economy, efficiency and effectiveness.

5. FINANCIAL PERIOD

5.1 As set out in the GCERF Bylaws, the financial period of the GCERF shall be from 1 January to 31 December.

6. FINANCIAL RESOURCES

6.1 **Financial Resources:** The financial resources administered by GCERF shall consist of (a) Contributions; and (b) Other revenues, which together constitute “GCERF Revenue”.

6.2 **Pledges and Contributions:** Contributions to GCERF are on a voluntary basis. Pledges may be received by the Executive Director unsolicited or as a result of resource mobilisation activities.

6.3 **Currency:** GCERF’s primary currency shall be United States Dollars, exceptionally noting the special provisions set out in Section 7.3 concerning the operating expenses budget.

6.4 **Acceptance of Contributions:** Contributions may be accepted by the Executive Director on behalf of GCERF for a purpose consistent with decisions made by the Board and any policies, aims and activities of GCERF.

6.5 **Types of Contributions:** Contributions to GCERF may be accepted:

- a. in cash, in currencies which are usable or convertible by GCERF; or
- b. in kind (e.g. goods, services or real property).

6.6 **Payment of Contributions:** Contributions to GCERF may be:

- a. paid in a single payment; or
- b. in accordance with a schedule of payments included in the Contribution Agreement signed between GCERF and the donor.

6.7 **Currency of Contributions:** All Contributions recorded in a currency other than United States dollars in the GCERF Accounts, shall be converted into United States dollars using the rates of exchange on the date that the revenue is recognized. Differences in the United States dollar value of Contributions resulting from a timing difference between recognition of GCERF Revenue and payment of Contributions in currencies other than United States dollars shall be recorded against these Contributions.

6.8 **Crediting:** All GCERF Revenue shall be credited to the GCERF Accounts referred to in Section 9 below and shall be classified taking into account any restrictions agreed to by GCERF and the donor in connection with such financial resources, as follows:

- a. Unrestricted Contributions and proceeds from any revenue-producing activities and miscellaneous revenue shall be credited as “Unrestricted Resources”; and
- b. Restricted Contributions shall be credited as “Restricted Resources”.

6.9 **Receipts:** All contributions to GCERF will be acknowledged in writing at the time of receipt.

6.10 Annual Report: The Executive Director shall report annually to the Board on the Contributions pledged and received by the Secretariat on behalf of GCERF. Such report shall include, at a minimum, the donor, the amount or value of the Contribution, and all relevant terms associated with the Contribution.

7. OPERATING EXPENSES BUDGET

7.1 Preparation and Submission: On an annual basis, the Executive Director shall prepare and submit to the Board an operating expenses budget proposal for the following financial period allowing adequate time for the Board to consider and approve it.

7.2 Form of Budget: The operating expenses budget proposal shall include proposed Commitments and expenditures. It shall be accompanied by such information, annexes and explanatory statement as may be requested by the Board, including details on the changes from the budget of the previous financial period; and anticipated Contributions for the financial period of the budget.

7.3 Budget Currency: The budget shall be presented for approval in Swiss Francs with the indicative United States Dollars amount at the prevailing exchange rate provided for information.

7.4 Board Approval: The Board shall consider approval of the operating expenses budget using the decision-making procedures outlined in the GCERF Bylaws.

7.5 Authorisation: The approval by the Board of the operating expenses budget will constitute an authorization to the Executive Director to enter into Commitments and make expenditures up to the approved amount, subject to availability of resources. The Executive Director may reallocate funds across budget lines as needed, within the overall budget for the financial period.

7.6 Long-term Commitments: The Executive Director may enter into Commitments beyond the current financial period when the service provision or function to which such Commitments relate have been approved by the Board and are expected to continue beyond the end of the current financial period. Upon request from the Board, the Executive Director shall provide a report on GCERF's long-term liabilities derived from its long-term Commitments.

7.7 Supplementary Budget: If required during the financial period, the Executive Director may propose a supplementary operating expenses budget for the consideration and approval of the Board.

7.8 Unused Amounts: Following completion of the financial period to which an operating expenses budget applies, any balance of the amount approved by the Board in the budget shall revert to the GCERF Accounts referred to in Section 9.

7.9 Reporting: The Executive Director shall present to the Board on an annual basis a statement of expenditure as against the approved operating expenses budget.

8. GRANTS

8.1 **Board Approval:** Any use of Contributions for grants to other entities shall be subject to approval by the Board (or an entity delegated by the Board the authority to make grant funding decisions).

8.2 **Grant Agreements:** All awards of grants by GCERF to other entities shall be recorded in a written agreement.

8.3 **Grantee Financial Policies:** The Executive Director shall develop financial management requirements for GCERF grantees, consistent with this Policy.

8.4 **Grantee Refunds:** Refunds received by GCERF from grantees shall be credited to the GCERF Account as they were granted: as either Restricted or Unrestricted Resources.

9. GCERF ACCOUNTS

9.1 **GCERF Accounts:** There shall be GCERF Accounts for the purposes of accounting for all financial resources administered by GCERF and the activities thereby financed.

9.2 **Working Capital:** Working capital shall be provided from the cash resources of the GCERF Accounts. The Executive Director shall maintain cash balances, within the resources of the GCERF Accounts, from Restricted Resources and Unrestricted Resources to ensure that GCERF's financial obligation as approved by the Board may be met.

9.3 **Report:** The Executive Director shall report annually to the Board on the status of the cash resources of the GCERF Account.

10. MANAGEMENT OF FINANCIAL RESOURCES

10.1 **Signatory Authority:** The Executive Director shall have signatory authority over all GCERF expenditure and designate at least two other Secretariat staff who shall share this authority.

10.2 **Banking Arrangements:** The Executive Director shall designate the bank or banks in which the financial resources of GCERF shall be deposited and maintained, as may be required for transactions of GCERF business. Such banks shall be reputable, have a strong credit rating and offer the required services at competitive fee levels.

10.3 **Currency of Bank Accounts:** GCERF may maintain bank accounts denominated in Swiss Francs, United States Dollars, and Euros. The number of bank accounts shall be kept to a minimum for efficiency and control. Separate bank accounts shall not be required for Restricted and Unrestricted Resources unless specifically required by the donor.

10.4 **Exchange Rate Gains/Losses:** GCERF shall not engage in currency speculation in an attempt to make exchange gains or avoid exchange losses. Funds shall normally be held in US

Dollars unless they are received in another currency and expenditure is also likely to be in that currency. In such instances, Swiss Franc or Euro accounts will be used.

10.5 Bank Payments: All payments from GCERF bank accounts shall be made by bank transfer. The Secretariat staff member (including the Executive Director) authorising a payment request shall not at the same time be the signatory/executor of the bank payment instruction for that payment.

10.6 Petty Cash and Corporate Credit Card: The Executive Director shall establish appropriate control mechanisms for petty cash management up to USD 2,000 per transaction and the limited use of corporate credit cards up to USD 10,000 per transaction.

10.7 Receipt of Funds by GCERF: All financial resources received in cash shall be deposited in full in a GCERF bank account no later than the business day following the date of receipt. An official receipt will be issued for all funds received into a GCERF bank account.

11. MANAGEMENT OF NON-FINANCIAL RESOURCES

11.1 Receipt of In Kind Contributions: Receipts for in kind contributions shall be accounted for at the item's fair market value at the time of the gift in accordance with international accounting standards.

12. TRUST FUND

12.1 Arrangements for dedicated trust funds and accounts may be established by the Executive Director for appropriate reasons, including at the request of a donor in order to facilitate its contribution.

12.2 The purpose and limits of each trust fund or account shall be clearly defined and shall be reported to the Board. Unless otherwise authorized by the Board, these funds and accounts shall be administered in accordance with this Policy.

13. INVESTMENTS

13.1 Investments: The Executive Director may make short-term investments of monies not needed for the immediate requirements of GCERF. In making investments, the Executive Director shall place primary emphasis on minimizing the risk to principal funds while ensuring the liquidity necessary to meet GCERF's cash-flow requirements.

13.2 Investment Ledger: Investments shall be registered in investment ledger accounts, which shall show relevant details for each investment, including, the face value, cost, date of maturity, place of deposit, proceeds of sale and revenue earned/losses incurred.

13.3 Crediting of Income: Income derived from investments on unrestricted funds shall be credited to the GCERF Accounts and shall be recorded as "Unrestricted Resources" in the books and records.

14. INTERNAL CONTROLS

14.1 The Executive Director shall establish detailed financial procedures applying the highest possible international standards to ensure GCERF's effective and efficient financial management and proper use of resources. The primary objectives of these internal controls are to:

- a. ensure the reliability and completeness of financial management information;
- b. comply with applicable laws, regulations, policies and contractual provisions and Board decisions;
- c. document and support the validity and authorisation of financial transactions;
- d. safeguard resources; and
- e. promote the efficiency and effectiveness of financial operations.

14.2 Internal controls shall be embedded throughout all phases of the accounting and financial management process. Internal controls shall include:

- a. **Segregation of duties:** Segregation of duties is defined as the appropriate division of tasks and responsibilities such that no one person controls a process from beginning to end and that the processes are reviewed independently at various points. Secretariat staff assigned to the various tasks in a process shall be independent of each other in function at all points where significant control risk exists.
- b. **Signature requirements:** All expenditure requires authorised signatures as part of an approval process. Two authorised signatures are required for expenditure, excluding those under the procedures established for petty cash.
- c. **Supporting Information:** All payments shall be made on the basis of supporting documentation which ensure that the services or goods have been received, and that payment has not previously been made;
- d. **Financial Records:** GCERF shall maintain records that provide for the effective examination and/or review of financial transactions in order to ensure:
 - i. the regularity of the receipt, custody and disposal of all financial resources of GCERF;
 - ii. the conformity of Commitments and payments with the Board-approved operating expenses budget; allocations for grants; and agreements with donors entered into in writing; and
 - iii. the efficient and effective use of the resources of GCERF.

14.3 Authority and Responsibility: No Commitments shall be incurred until appropriate authorisations have been made in writing under the authority of the Executive Director.

14.4 Reserve of Commitments: Financial resources to meet Commitments and other expenses which may accrue in the financial period shall be reserved in the budgetary records by means of appropriate documentation. The Executive Director shall review outstanding Commitments on a regular basis.

14.5 Anti-Terrorism Compliance: GCERF shall comply with all requirements in donor contribution agreements to take reasonable measures to ensure that GCERF funds are not provided to organisations or individuals designated as terrorist pursuant to various international and domestic laws. The Executive Director shall establish a process for the enforcement of this provision, which shall apply to:

- a. Governing Board Members;
- b. GCERF employees and consultants;
- c. Banks which hold GCERF resources;
- d. Entities or individuals providing good and services as vendors to GCERF in excess of USD 10,000 per transaction; and
- e. GCERF grant recipients (including members of recipients' governing boards, senior management and sub-grantees receiving funding in excess of USD 10,000 in a financial year.)

15. FINANCIAL STATEMENTS AND ACCOUNTS

15.1 Preparation of financial statements: The Executive Director shall prepare financial statements for the financial period and submit them to the auditor approved by the Board not later than 31 March following the end of the financial period. The accounts for the financial period shall reflect financial transactions on an accrual basis; use internationally accepted accounting standards; and include:

- a. the GCERF Revenue and expenditure of all financial resources;
- b. the Statement of Pledges and Contributions to GCERF;
- c. the Statement of the Financial Position of GCERF;
- d. the Cash-flow Statement of GCERF;
- e. Statement of Changes in Funds of GCERF; and
- f. such other information as may be appropriate to indicate the current financial position of GCERF.

15.2 **External audit:** The GCERF Accounts and financial management of all funds governed by this Policy shall be subject to an annual audit as provided for in the Statutes and Bylaws. The arrangements for such audit shall:

- a. be undertaken in compliance with internationally accepted audit standards; and
- b. ensure an open and competitive process for selection of the auditor.

15.3 **Submission of Financial Statements:** The Executive Director shall submit to the Board for approval the audited financial statements and accounts of GCERF for the past financial period not later than 30 June of each financial year. The audited financial statement shall include the opinion, observations and/or recommendations of the auditor and any management response by the Executive Director.

15.4 **Financial Statements for Special Purposes:** Upon a request from the Board, the Executive Director shall prepare financial statements for special periods or particular activities consistent with the requirements of this Policy.

15.5 **Currency of accounting records:** The accounts of GCERF shall be presented in United States dollars. Accounting records may, however, be kept in such currencies as the Executive Director may deem necessary.

15.6 **Maintenance and Protection of Accounting Records:** The Executive Director shall maintain and safeguard against damage, destruction, unauthorized access and removal of such accounting records as are necessary for financial reporting and for management purposes.

15.7 **Writing off of cash, receivables and property:** The Executive Director may, after full investigation, authorize the writing off the monetary value of assets under USD 25,000, provided that statement of all such amounts written off shall be submitted to the auditor with the accounts. The writing off of assets with a monetary value of over USD 25,000 requires Board approval, following a recommendation by the Executive Director.

16. FINAL PROVISIONS

16.1 **Financial Regulations and Procedures:** The Executive Director shall develop financial procedures for GCERF as may be appropriate for the implementation of this Policy. Such procedures shall be made available to Board members upon request.

16.2 **Monitoring and Evaluation:** The Executive Director shall continuously monitor and periodically evaluate the content and implementation of these policies and those regulations and procedures developed thereunder

16.3 **Relation of Provisions:** In the event of any conflict between any provisions of this Policy and its Statutes or Bylaws, the Statutes or Bylaws shall prevail. In the event of any conflict between this Policy and any procedures developed thereunder, this Policy shall prevail.

16.4 **Amendment:** This Policy may be amended upon approval by the Board.

ANNEX 2

PROCUREMENT POLICY

1. APPLICATION

1.1 This Procurement Policy shall govern all actions undertaken by the Global Community Engagement and Resilience Fund (“GCERF”) at its headquarters in Geneva, Switzerland necessary for:

- a. the acquisition, requisition, purchase, rental or lease, of property, including goods, equipment, inventory and real property; and/or
- b. the acquisition of services from companies and individuals.

1.2 For the purposes of this Policy, procurement shall not be deemed to refer to the acquisition of services provided under Secretariat staff employment contracts.

1.3 A separate set of procurement policies and/or procedures shall apply to recipients of grant funds from GCERF.

2. COMPLIANCE

2.1 All GCERF Secretariat staff members are required to comply with this Policy and any regulations issued thereunder. The provisions of the Policy on Ethics and Conflict of Interest shall be applied to all procurements of goods and services by GCERF. A GCERF Secretariat staff member who contravenes this Policy or any regulations issued thereunder may be subject to disciplinary action in accordance with GCERF’s human resources policies.

3. PROCUREMENT PRINCIPLES

3.1 GCERF will be guided by the procurement principles set out below:

- a. **Ethics:** All individuals engaged in procurement activities have a duty to act in a manner which maintains and enhances the reputation of GCERF and preserves the public trust in GCERF by acting and conducting business with honesty and integrity, avoiding even the appearance of impropriety. This includes compliance with the provisions of the Policy on Ethics and Conflict of Interest;
- b. **Value for Money:** Procurement will be conducted with the aim of obtaining the best value for money. Obtaining the best value for money does not necessarily mean obtaining the lowest price possible, but rather represents the best return on investment. To obtain value for money, all procurement activities will be undertaken through the optimum combination of the following factors:
 - i. Goods and services meet the requirements for the task and are not over-specified;

- ii. Goods and services are contracted on the best possible terms, taking into account their expected life cycle;
 - iii. The quality and fitness for purpose of the goods and services to be procured; and
 - iv. Achieving economies of scale where possible.
- c. **Competition:** Procurement of goods and services are carried out to ensure competition.
- d. **Transparency:** Having easily accessible and understandable policies and processes to demonstrate the responsible use of funds.
- e. **Accountability:** Everyone involved in procurement activities is accountable for his/her actions and decisions concerning procurement to ensure that funds are used solely for the purposes for which they were provided.
- f. **Impartiality:** All decision-making and actions related to procurement will be impartial and unbiased This includes treating potential suppliers equitably and ethically, without exclusion of, discrimination or favouritism towards any potential supplier or contractor.
- g. **Efficiency, Effectiveness and Economy:** Procurement will be conducted in a manner that maximizes the efficient use of GCERF resources and ensures that goods and services procured effectively meet institutional requirements. Processes shall be proportionate to the procurement activities, so that the overall cost of conducting the procurement process is minimised and tailored to the size of the budget for the activities being undertaken, while upholding these guiding principles.

4. PROCUREMENT PROCESS

4.1 The procurement process shall include the following steps:

- a. Identify needs;
- b. Write specifications, terms of reference or statement of work;
- c. Choose a procurement method;
- d. Prepare solicitation document (if required);
- e. Seek, clarify and close offers;
- f. Evaluate offers based on selection criteria;
- g. Award contract;

- h. Negotiate the contract;
- i. Manage contract; and
- j. Evaluate the procurement.

4.2 The Executive Director shall determine the appropriate method of solicitation in line with the guiding principles outlined above. Subject to paragraph 4.4 below, the Executive Director shall ensure that:

- a. formal methods of solicitation (invitations to bid or requests for proposals) be used for the procurement of goods and services for an estimated value of USD 25,000 or more; and
- b. informal methods of solicitation (requests for quotation) be used for procurement of goods and/or services for an estimated value below USD 25,000, except in the case of low value good/services (as defined below).

4.3 Less competitive methods of procurement that constitute exceptions to formal methods of solicitation may be considered for procurements of an estimated value of more than USD 25,000 if the Executive Director determines that:

- a. The goods and/or services are highly specialized and therefore provided by a sole or limited number of manufacturers or suppliers;
- b. Open competitive bidding is not likely to be cost-efficient, based on experience; and/or
- c. A previous tender for the same goods and services was not successful or had to be cancelled.

4.4 A written record of the decision of the Executive Director to make an exception to open competitive bidding for contracts of a value of USD 25,000 and above shall be maintained and subject to further *ex-post* scrutiny by the auditors.

5. OPEN COMPETITIVE BIDDING

5.1 For the purposes of open competitive bidding, the Executive Director or such other Secretariat staff member duly authorized by the Executive Director shall oversee the Secretariat's preparation of bidding documents and evaluation methodology, including the criteria and an evaluation framework.

5.2 Bidding documents shall be made available on the GCERF website and other appropriate methods of public notices or advertisements. The Executive Director shall establish procedures for opening and recording all proposals/bids received and making final determinations on the chosen bidder.

6. OTHER METHODS OF PROCUREMENT

6.1 For procurement of a value of less than USD 25,000, any of the following informal procurement methods may be used:

- a. **Shopping:** A procurement method based on comparing price quotations obtained from at least three eligible suppliers to assure competitive prices. Shopping is an appropriate method for procuring goods and/or services with an estimated cost of not more than USD 25,000 when:
 - i. the goods and/or services are readily available and not customised;
 - ii. the goods and/or services are standard specification commodities or simple services of small value; or
 - iii. critical items are to be procured from specialist suppliers.

When using this method, a quotation from at least three endorsed sources or suppliers based on the institutional needs should be obtained. The evaluation of quotations will follow the principles of open bidding. The terms of the accepted quotation will be incorporated in a purchase order or brief contract.

- b. **Direct contracting:** Contracting without competition. Direct contracting is an appropriate method of procurement when the use of competitive methods of procurement would not respond to institutional needs in the following cases:
 - i. the contract relates to the procurement of proprietary goods, works or services;
 - ii. standardisation of equipment or spare parts require compatibility with existing equipment;
 - iii. rate contracts or standing offers were established by GCERF;
 - iv. the urgency of the requirement is such that the delay involved in applying other methods of procurement would be unacceptable;
 - v. offers for identical items have been obtained through competition within a reasonable period and the prices and conditions offered remain competitive; or
 - vi. the monetary value of the proposed contract is considered insufficient to make competitive procurement economical.
- c. **Purchase of low-value goods and/or services:** Low-value goods and/or services worth USD 2,000 or less do not require any form of competitive procurement.

Requirements for goods and/or services should not be disaggregated to remain under USD 2,000.

- d. **Corporate credit card purchases:** Corporate credit cards may be used to make payments when:
- i. the goods and/or services must be procured urgently to avoid an imminent degradation or suspension of a continuing service;
 - ii. no other means of payments is accepted by the vendor; and/or
 - iii. a deposit is required or payment in cash would be the only alternative form of payment accepted by the vendor.

Credit card purchases in such cases are settled using a corporate credit card in accordance with guidelines for its use to be issued by the Executive Director.

7. PROCUREMENT CONTRACTS

7.1 Written contracts shall be used for every procurement action, other than for low-value goods and/or services, under conditions determined by the Executive Director.

7.2 No contract shall be entered into on behalf of GCERF except by the Executive Director or such other Secretariat staff member duly authorized by the Executive Director.

8. CONTRIBUTIONS OF GOODS AND SERVICES

8.1 Acceptance by the Executive Director of free goods or services shall comply with GCERF's Policy on Contributions.

9. FINAL PROVISIONS

9.1 The Executive Director shall develop procurement regulations and procedures for GCERF as may be appropriate for the implementation of this Policy. Such regulations and procedures shall be made available for information purposes to Board members upon request.

9.2 The Executive Director shall continuously monitor and periodically evaluate the content and implementation of these policies and those regulations and procedures developed thereunder.

9.3 In the event of any conflict between any provisions of this Policy and GCERF's Statutes or Bylaws, the Statutes or Bylaws shall prevail. In the event of any conflict between this Policy and any procedures developed thereunder, this Policy shall prevail.

9.4 This Policy may only be amended upon approval by the Board.