



**Solidarity
Fund**

Unity in action

Solidarity Fund
Operating Model & Processes

May 2020

Finance and Fund Admin

- Responsible for the management and reporting of financial and asset flows of the fund
- Managing the expected inflows and outflows of funds for the SF
- Implement, monitor and track financial risk controls through the fund's various processes
- Producing SF financial statements and other reporting material
- Daily verification of the asset balances (finance and physical) of the fund

Finance and Fund Admin | Core Functions

ACTIVITIES

CASH FLOW MANAGEMENT

- Donation & distribution forecasting
- Tracking, managing and reconciling funds flowing into and out of the fund
- Cash flow forecasts to determine required cash balances for payments
- Manage bank balances and currencies to ensure timeous payments
- Manage foreign currency requirements

INVENTORY & ASSET MANAGEMENT

- Tracking and management of flow of PPE or food parcels procured by or on behalf of the fund
- Monitoring the sourcing and disbursement of these assets
- Managing IP

PAYMENTS

- Managing the inflow of payment requests for approved proposals
- Validate documentation submitted for payments
- Reconcile supplier payments
- Collecting reporting material for settlements
- Monitoring draw downs against balances for approved grant funds

ACCOUNTING & REPORTING

- Collecting and compiling financial information of the fund to develop reports
- Collecting and consolidating material critical to reporting on the activities of the fund
- Management of relationships with internal & external audit

RISK AND CONTROLS

- Identifying risks associated with various process steps
- Developed risk controls for each risk and monitor compliance across the fund

FUND ADMINISTRATION

- Conducting daily fund balance recons
- Financial Reporting
- AML monitoring
- Monitoring and managing fund bank accounts

TAX COMPLIANCE

- Managing the fund's PBO & S18A status
- Managing VAT compliance
- Managing income tax compliance

COST MANAGEMENT

- Monitoring and tracking of costs identifying potentially inflated pricing against market averages

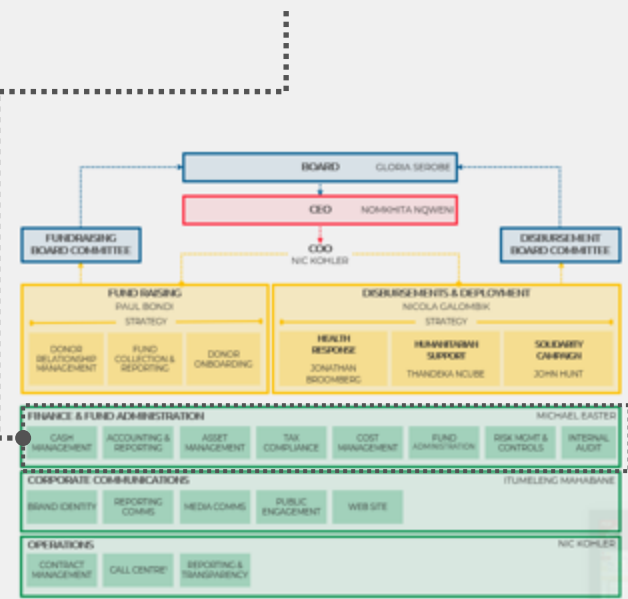
INTERNAL AUDIT

- Provide oversight on the effective operations of the funds governance and internal risk processes

ACCOUNTABILITY

CFO supported by:

- SF Finance Team
- Focus Area teams responsible for providing input to finance activities
- Old Mutual – fund administration
- PWC



Finance and fund admin | **Overarching process**

	Planning & Forecasting	Execution	Compliance	Reporting
Process	<ul style="list-style-type: none"> Review fund disbursement strategy to confirm Fund resource requirements in order to execute strategy and deliver desired impact. Develop associated disbursement forecast for agreed planning period. Confirm fund raising requirements based on disbursement forecast. Review pledge and donation registers to confirm Funds ability to meet disbursements needs and/or determine where additional fundraising effort is required. 	<ul style="list-style-type: none"> Oversee collections processes . Manage fund cash flow and bank accounts. Manage fund payments processes and activities. Coordinate inventory and asset management processes (including the update and maintenance of inventory/asset register). Oversee grant administration processes. 	<ul style="list-style-type: none"> Conduct fund risk assessments and reviews. Maintain/ update fund risk register. Conduct tax reconciliations and compliance checks. Coordinate and oversee internal audit. 	<ul style="list-style-type: none"> Coordinate development of fund management accounts for reporting to Fund board. Coordinate external audit and reporting activities.
Function	<ul style="list-style-type: none"> Cash flow management 	<ul style="list-style-type: none"> Cash flow management Payments Cost management Inventory and asset management Grant management 	<ul style="list-style-type: none"> Risk and controls Tax compliance 	<ul style="list-style-type: none"> Accounting and reporting
Responsibility	SF finance team	SF finance team	SF finance team	SF finance team
Documentation	<ul style="list-style-type: none"> Fund disbursement and fund raising forecasts 	<ul style="list-style-type: none"> Fund balance recons Payments tracker Asset and inventory register Grant management tracker 	<ul style="list-style-type: none"> Tax compliance reporting Risk register Fund risk assessment and control framework 	<ul style="list-style-type: none"> Fund management accounts

Finance and fund admin functions | Payments

Process

Payment request

- Payment requests against signed contracts with executing agents of the Fund are submitted to SF Finance team via email to initiate payment process
- Request for payment to include all required documentation.
- In the event of a price deviation from the global pricing benchmark on health procurement or specifications on humanitarian initiatives on a funding envelop draw-down, a deviation sign-off note will need to accompany the supporting documentation.
- All payment requests are loaded onto the payment register by the SF finance team with the status set to "Requested".

Instruction development

- SF Finance to review all supporting documentation submitted.
- For humanitarian effort disbursements, the SF Finance will review the following:
 - Bank confirmation letter
 - Contract detailing contract obligations against invoice details
 - FICA report
- For Health equipment & supplies payments:
 - Invoice
 - Bank Confirmation letter
 - BSA governance & sign-off report
- If additional information or clarification is required SF finance will revert back to requestor of the payment
- SF Finance develops payment instruction and updates payment register status to "To be submitted for approval"

Liquidity check & submission

- SF finance team checking the payment request value against available funds in the bank account.
- In the event of a draw down on an existing envelope SF finance team confirms draw down analysis accompanying the payment request the fund against the balance remaining on the approved envelope.
- SF finance team submits payment pack
- Payment register status changed to "Submitted"

Approval

- SF signatories receive payment pack via email and review.
- Payments that are approved signed electronically on the payment instruction and sent back to the SF finance team.
- Payments that require further clarification will be sent back to SF finance for additional information
- SF Finance to update status request on payments register to "Approved"

Payment

- Approved payment instructions, with their accompanying payment packs, are sent to Old Mutual to action.
- Payment packs and instructions received by Old Mutual by 3pm will be paid within that same day. All other payment instructions received after 3pm are scheduled for payment the following morning.
- Payment register status is changed to "Submitted for payment"
- Once payment has been made a proof of payment is shared with SF Finance team.
- SF Finance team updates payments register once proof payment is received to "Paid"

Reporting

- The following financial dashboards are created daily and shared with the Fund executive:
 - Bank Account Balance recons against disbursed funds
 - Reconciliation between funds pledged versus funds received in SF Bank Account
 - Envelope Balance Reconciliations against disbursed funds and planned disbursements.

Responsibility

Procurement agent (IHS)

- Submission of payment requests for procurement orders

Humanitarian effort team

- Payment requests for Humanitarian effort initiatives

Solidarity campaign team

SF Finance team

SF Finance team

- Review of payment request and documentation
- Development of payment instruction

Payment requestor

- Supply additional information as needed

SF finance team

- SF Finance team
- SF signatories as per delegation of Authority

SF finance team

- Issue payment instruction to fund administration
- **Old Mutual Fund Administrators**
- Execute payment

SF Finance team

- Bank account balance review
- Planned versus actual spending on approved funding envelopes
- **SF Fundraising team**
- Pledge and donations reconciliations

Documentation

- Payment instruction including supporting document
 - Contract
 - FICA report
 - Invoice
 - Bank Confirmation letter
 - Approved proposal

- Payment Pack including vetted supporting documentation
- Payment instruction

- Bank statements

- Payment pack including vetted supporting documentation
- Signed payment instruction

- Payment instruction
- Payment pack
- Proof of payment

- Detailed report including bank balance, expected pledges and donations received against pledges, disbursed funds, expected disbursement, balances on issued envelopes

Finance and fund admin functions | Cash Flow Management

	Collect	Reconcile pledges	Reconcile payments	Define expectations	Track and adjust	Report
Process	<ul style="list-style-type: none"> Collect financial data from fundraising flows segmented by individual donor flows and flows from corporates and foundations Collect data associated with payment outflows to vendors and segment by health and humanitarian interventions Track historic pattern of inflows and outflows for each segment to be used as basis for forecasting of flows 	<ul style="list-style-type: none"> Track and reconcile gaps between committed pledges, pledges being pursued and actuals Source estimated timeline of fulfilment of pledge from KAM Identify ongoing pledge pursuits by KAM and estimated size of pledge Compare anticipated pledges to historic flow of large pledges 	<ul style="list-style-type: none"> Identifying pending payments to vendors Identifying prevalent market needs associated with health or humanitarian interventions and associated costs 	<ul style="list-style-type: none"> Based on anticipated contributions through committed pledges and historic trends in fund inflows, project short and medium term donation flows Based on anticipated outflows of payments to vendors, costs associated with anticipated market needs associated with SF mandate estimate short to medium disbursement values 	<ul style="list-style-type: none"> Conduct daily recon of expected donations including confirmed pledges and deposits and adjust forecasts Conduct daily recon of payments executed and pending as well as developments in the market that may impact expected outflow of funds 	<ul style="list-style-type: none"> Consolidate forecast outputs as reporting input to financial reports shared with exco and board on a biweekly basis
Responsibility	SF Finance Committee	SF Finance committee with the support of the fundraising committee	SF Finance committee with the support of the disbursement committee	• SF Finance Committee	SF Finance committee with the support of the fundraising and disbursement	• SF Finance Committee
Documentation	<ul style="list-style-type: none"> Daily Financial reports Bank Statements 	<ul style="list-style-type: none"> Daily pledge reports Bank statements 	<ul style="list-style-type: none"> Approved invoice payables Bank Statements 	<ul style="list-style-type: none"> Forecast excel sheet 	<ul style="list-style-type: none"> Daily Financial reports Bank Statements Adjusted Forecast excel sheet 	<ul style="list-style-type: none"> Forecast report

#THAT'S SOLIDARITY



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