



**FINANCIAL MANAGEMENT
& POLICY MANUAL
Updated July 2023**

**INTERNATIONAL GRADUATE SCHOOL OF LEADERSHIP, INC.
FINANCIAL MANAGEMENT & POLICY MANUAL**

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**INTERNATIONAL GRADUATE SCHOOL OF LEADERSHIP, INC.
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I. INTRODUCTION

The International Graduate School of Leadership Inc. or IGSL (hereinafter referred to as the School) depends on the Lord Jesus Christ for its provisions. Its funds are God's and shall be used for the purpose and mission of the School to fulfill the Great Commission. It shall seek to generate general and specific sources of funds locally and internationally for its operations and ministry as it continues to trust in God who also uses others to provide.

This Financial Policy shall govern the financial undertakings of the School. Faithful Stewardship and excellence shall characterize the financial management in compliance with the appropriate financial reporting framework and statutory law and regulations, policies and procedures. As a school, IGSL shall comply with related government regulations as follows.

II. INCOME TAX-EXEMPTION

While Section 30 (H) of the National Internal Revenue Code of 1997 lists a non-stock, non-profit educational institution as exempt from income tax, each institution is required to apply and obtain a specific ruling declaring it as such. IGSL has a Certificate of Tax Exemption (CTE) with a specific ruling on tax exemption on revenues or receipts for tuition fees and other school fees, and income derived from operation of cafeterias/canteens, dormitories and bookstores located within its premises, owned and operated by the School to be actually, directly and exclusively used for educational purposes.

However, IGSL is subject to income tax on all its income/receipts/revenues not expressly exempted and stated in the Certificate of Tax Exemption. Moreover, it is subject to the corresponding internal revenue taxes imposed under NIRC, as amended, on its income derived from any of its properties, real or personal, or any activity conducted for profit, which income should be returned for taxation, unless said revenues are actually, directly and exclusively used for educational purposes.

To continuously enjoy this income tax exemption, IGSL needs to continue to abide with the two requirements set forth by the BIR RMO 44-2016:

1. The school must be non-stock and non-profit
2. The income is actually, directly, and exclusively used for educational purposes

As such, IGSL is required to submit a certification under oath by the Board Treasurer with the following statements to accompany its annual filing of income tax returns:

This is to declare that all amounts paid in cash or in kind, including administrative expenses, were utilized to accomplish the purposes for which IGSL was organized; that any acquired assets are being

used to accomplish the purposes for which IGSL was organized; and that any income derived from any investing activities are used exclusively in activities of IGSL related to its purpose.

This is to further declare that no part of the net income or assets of IGSL inures to the benefit of any member of the board of trustees, any officer, or any private individual.

A. BENEFIT INUREMENT CLARIFICATION

In order for an entity to qualify as a non-stock and/or non-profit organization exempt from income tax, its earnings or assets shall not inure to the benefit of any of its trustees, organizers, officers, members or any specific person. Revenue Memorandum Circular No. 51-2014 issued on June 11, 2014, clarified the inurement prohibition under Section 30 of the NIRC of 1997. The following are considered “inurements” of such nature:

- 1) Payment of compensation, salaries, or honorarium to its trustees or organizers;
- 2) Payment of exorbitant or unreasonable compensations to its employees;
- 3) Provision of welfare aid and financial assistance to its members;
- 4) Donation to any person or entity (except donations made to other entities formed for the purpose/s similar to its own);
- 5) Purchase of goods or services for amounts in excess of the fair market value of such goods or value of such services from an entity in which one or more of its trustees, officers or fiduciaries have an interest; and
- 6) Distribution of the entity's remaining assets to its trustees, organizers, officers or members upon dissolution and satisfaction of all liabilities.

B. PCNC-ACCREDITED AND BIR-CERTIFIED DONEE INSTITUTION

The School is accredited by the Philippine Council for NGO Certification (PCNC) and certified by the BIR as a donee institution in accordance with the provisions of the Revenue Regulations No. 13-98. Having a donee status allows IGSL to issue BIR-stamped donation certificate forms to donors for their income tax deductibility purposes and exemption from donors’ tax. This accreditation and certification has to be renewed every 3 or 5 years depending on the validity period given.

30% cap on administrative expense

As a PCNC-accredited tax-exempt non-stock, non-profit religious educational institution, the level of administrative expenses shall, on an annual basis, not exceed thirty percent (30%) of the total expenses for the taxable year. Thus, the school leadership needs to ensure that the budget for administrative expenses does not exceed 30% of the total budget and actual expenses.

Program expenses are expenses that directly benefit the program beneficiaries. These include scholarship and student services, leadership degree programs, faculty development, school infrastructure, dormitories, and extension certificate programs.

Administrative expenses are expenses that do not directly benefit the clients, which in our case are the students. This comprises mainly salaries and benefits of administrative staff not directly contributing to the program, repairs and maintenance of the administrative office, office equipment, professional fees (audit and legal fees), and share in the communication, utilities and office supplies expenses.

Furthermore, any accredited non-stock, non-profit corporation/NGO enjoying the benefits provided for under Sec. 4 of the Revenue Regulations 13-98 is prohibited from undertaking any of the following transactions under Section 10:

- 1) Lending any part of its income or property without adequate security and/or a reasonable rate of interest unless the institution has a formal micro-credit or micro-finance program as approved by their Board of Trustees;
- 2) Purchasing any security and/or property for more than adequate consideration in money or money's worth;
- 3) Selling any part of the security or other property for less than adequate consideration in money or money's worth;
- 4) Diverting its income or transferring its property by way of lease or sale to any member of its Board of Trustees, founder/s or principal officers or any member of their families or to any corporation controlled directly or indirectly by the aforesaid individuals or their families in accordance with the attribution of stock ownership under Section 73 (A) and (B) of the Tax Code;
- 5) Using any part of its property, income or seed capital for any purpose other than that for which the corporation was created or organized; or
- 6) Engaging in any activity which is contrary to law, public order or public policy.

III. FINANCIAL MANAGEMENT

Financial management guidelines are put in place to ensure ministry funds and assets are safeguarded, expenses are charged in the correct responsibility centers or ministry accounts, and policies, procedures, laws, regulations, and budgets are complied with and followed.

All amounts paid in cash or in kind, including administrative expenses, are to be utilized to accomplish the purposes for which IGSL was organized; any acquired assets are to be used to accomplish the purposes for which IGSL was organized; and that any income derived from any investing activity will be used exclusively in activities of IGSL related to its purpose.

A. FINANCIAL SYSTEM

The School should secure a permit from the BIR to use its accounting system.

The School shall maintain a system consistent with the Campus Crusade for Christ International's (CCCI) Financial System standards and also in compliance with the Philippine financial reporting standards and other regulatory requirements.

B. FINANCIAL BUDGET

The leadership uses budgeting as a tool to prioritize and allocate our existing resources. A long-term overall budget covering the 5-year strategic plan is recommended.

Before the end of each fiscal year, each strategic team should submit an updated budget for the next fiscal year that will be consolidated into a school-wide budget for approval by the Board of Trustees. If there is a lack of funding for the annual budget, sponsorship and donations should be raised. The detailed budgeting process is explained in Appendix A.

For approved budget items with adequate funding, these will be released by the Finance office for requests with proper authorization and documentation. An allowance of 10% is considered for unforeseeable price increases.

Budgets should be monitored and reviewed regularly by team leaders to ensure that expenditures are still within the budget. If there is a crucial need to revise or make a major adjustment for an unforeseen or unexpected expense, it can be communicated to the Leadership Team for consideration, review, and approval.

C. AUTHORIZATION

Authorization is put in place to ensure that only valid transactions are processed. Valid transactions mean it is:

- 1) Reasonable - legitimate ministry expenses in accordance with budget and policy
- 2) Documented – supported with a valid official receipt for services and sales invoice for goods purchased;
- 3) Funded - funds to cover the expenses must be available or there should be an approved financial plan to cover them

The appropriate responsibility centre or ministry account to be charged should be indicated on the purchase request or cash advance submitted for approval.

The person to authorize expenses shall be the person in charge of the ministry responsibility centre to be charged (the ministry department head or team leader).

A person shall not authorize an expense that he incurred himself or an expense where he might have a personal interest (such as a plane ticket for himself). Instead, it must be authorized by his supervisor. In the case of the President, another member of the LT from the office of the President can authorize it.

Inadequately supported expenses should not be authorized for payment. Any questionable expense should not be authorized; appropriate clarification has to be made to ensure validity.

The authorization should be given either as a signature or initials (physically or digitally) on the Purchase Request Form or attached to the documentation, by the person assigned to authorize the items.

D. BANKING AND SIGNATORIES

All ministry bank accounts should be in the ministry's name.

Banks should be chosen based on its known financial stability, accessibility to the school, favorable banking hours, favorable rates, availability of services needed, preferred bank of donors, customers and suppliers, many available branches metrowide and nationwide, and a demonstration of having a high level of security for their online transactions. Deposits are to be distributed among the existing banks, no one bank has more than 50% of the ministry's cash balance. Regular rebalancing of balances held at each bank should be done quarterly so that each bank holds between 25-40% of the total fund. The banks used by other CCC ministries in the country should also be taken into consideration in choosing a bank to avoid concentration of ministry funds in the same financial institution.

The Finance Leader makes the proposal to open any new bank account to the LT through the OPS Director and is acted only upon the approval of the Board of Trustees. The finance leader should present the bank statements or certificates of deposits to the OPS director when reporting on the ministry cash balances.

Signatories are chosen preferably among full-time, responsible, senior IGSL staff members and according to their availability on campus. There should always be two signatories required for banking transactions and check issuance. No spouses or family members can be signatories on the same account. The President should not be a bank signatory as per ASEO region guidelines to protect him and his time. There should be a maximum of one person from the Finance office as a signatory. The number of signatories can range from 5-7 to distribute the responsibility.

A Signatory's Responsibilities

- 1) Should see to it that no checks or transfer forms should be signed blank, not even with one signature.
- 2) Checks should be made out to a person/company, not to "cash".
- 3) Should check the supporting documentation.
- 4) All transactions should have been authorized in writing by the respective strategy team leader or someone that he designated. Authorization coming from the strategic team leader signifies that the transaction is within budget or funding is ensured.

E. RESPONSIBILITY STRUCTURE

- 1) The Board of Trustees is responsible for the overall management of the school and also in establishing and supporting the school's mission and vision. The BOT are also acting as the legal owners of the school as they are named in the General Information Sheet and other legal documents. The Board Secretary keeps the record and maintains the minutes of meetings and also certifies decisions of the board that are needed for legal reasons. The Board treasurer deals with the school's finance decisions on spending and investing and also serves as the legal person for financial statements.
- 2) The Leadership Team as the BOT's appointed management team is responsible for the overall financial health of the School. The LT reviews the annual budget and recommends its approval to the board. The LT shall have access or receive regular financial reports necessary for decision-making.
- 3) The Finance Department is under the Strategic Leader for Operations. It is responsible for the financial administration of the School and maintaining an internal control system. It shall oversee the financial transactions in accordance with generally accepted accounting policies and procedures, statutory law and regulations, policies and procedures, and others as appropriate. It shall maintain and retain pertinent records of all financial transactions of the School.
- 4) All strategic team leaders, faculty, employees, and students are expected to conduct all financial transactions responsibly and in line with government regulations.
- 5) See Appendix D for a copy of the job description for the Finance Leader.

IV. FINANCIAL POLICIES

A. REVENUE

All contributions, donations, tuition, other school fees, interest income and other income paid or accrued to IGSL are considered IGSL revenue. A donation assessment of 10% will be charged on received donations. The assessment will be credited to the General Fund. Any donation not specifically designated for a particular ministry account will be credited to the General Fund.

Faculty

Donations raised for the faculty should be recorded in individual faculty accounts and disbursed in line with school purposes. See Appendix B for Question and Answer Regarding Faculty Accounts and Appendix C for Summary of Faculty Development Fund Types

Students

Exceptions would be donations received thru other CCC ministries where an assessment was already taken. The 5% assessment on funds applied toward the schooling expenses (tuition, internships, retreat) will automatically be refunded back to the student account.

B. TUITION PAYMENT AND REFUND POLICY

All existing receivables from a student and his registration payments are due upon registration. Installment terms are 60% of the tuition fee and 100% miscellaneous fees are due at the start of the term. The remaining 40% of tuition fee is payable before the final examination.

Late registration fees, dropping and adding fees, change course fees are applicable for requests that are submitted after the due date of registration period to discourage students from late processing of their registrations.

In case of payment refund requests for dropping a class or courses where the classes have already started, refunds can be granted if no more than 20% of the class hours have passed.

Details for the fees and other registration policy is in the Registrar's Academic Catalog.

According to CHED Memo No. 02 Series of 2010, no payment of the balance of the tuition and other school fees by the student will not disqualify him/her to be able to take the final examination and completion of his academic requirements. Higher educational institutions are requested by the Memorandum to extend all possible assistance to students with outstanding balances due to financial difficulties. In view of this matter, our school will not withhold anyone from taking the final examinations due to outstanding balance but will subject them to execution of promissory notes subject to approval of the Finance Leader. Finance office will not issue clearance prior to their graduation until all prior accountabilities are fully settled. Unissued clearance will also pending the process of the Transcript of Records of the student resulting in an active follow through of settlement of his/her outstanding balances.

C. TUITION AND MISCELLANEOUS FEES INCREASE POLICY

The School is following the CHED Memorandum Order No. 3, Series of 2012 for Enhanced Policies and procedures governing increases in tuition and other school fees, introduction of new fees and for other purposes in increasing the tuition and other fees for the incoming school year.

Accordingly, the intention to increase the fees should go through first in the consultation process with their student councils, faculty, alumni and/or non-teaching personnel associations, if applicable. Consultation period must be completed not later than February 28 (*adjusted to April 28, as per supplementary interim guidelines released Feb 2, 2023*) of the current School Year before the start of the School Year that the intended increase shall take effect. (*See details in CMO No.3, 2012 Article III. Consultation process and requirements*)

The allowable increase in tuition and other fees should not exceed the prevailing national inflation rate which refers to the *average annual headline* inflation rate at the national level of the immediate preceding year prior to the School year for which the intended increase shall take effect.

Tuition fees should represent direct cost of instruction, training and other related activities and for the student's use of the instruction and training facilities. Other miscellaneous school fees should represent other necessary costs supportive of instruction, including but not limited to library, medical, and admin fees. (See Appendix D for updated types of miscellaneous fees the School has.)

The memorandum also states that the intended increase in tuition and other fees' proceeds should be 70% used to pay the increase in salaries and benefits of its teaching and non-teaching personnel and other staff . While, at least 20% of the increase' proceeds should be used for improvement and modernization of buildings, equipment, libraries, gym and similar facilities and to the payment of other costs of operations to R.A 6728.

A report on actual utilization of proceeds of increase in tuition and other school fees after the academic year that the increase is implemented should be accomplished and submitted to CHED Regional Office. (See CHED's Memo from Regional Director No.21 Series of 2016 for details and requirements)

D. MINISTRY ASSETS CAPITALIZATION

All ministry assets should be in the ministry's name. This includes, but is not limited to, buildings, contracts, bank accounts, vehicles, furniture, and equipment. Asset acquisition from the support given through IGSL is considered an IGSL property. In rare cases when a donated asset is designated for the use of a strategic team or a faculty member, the asset is still considered an IGSL property and registered in the ministry's name.

The School's asset capitalization is patterned after the CCCI guideline. If the asset costs more than \$500 per unit or P26,000 and under normal conditions expected to last for at least five years, the disbursement or donated asset is for capitalization.

Because of the high pace of technological advancement, computers and media equipment are estimated to have a useful life of three years only as they are quickly outdated even though they may still be running. As an exception to the above rule, computers costing above \$500 will be capitalized and depreciated over three years.

Depreciation is computed using the straight-line annual method over the following estimated useful lives.

Computer and devices	3 years
Large office equipment (e.g. aircon)	5 years
Generator (second hand or brand new)	5-8 years
Vehicle (brand new)	5-7 years
Buildings and improvements (renovation of existing building)	20-40 years

Buildings and improvements (new construction)

40-50 years

All assets should have atleast one peso residual value.

E. PROCUREMENT

The procurement of supplies, equipment, construction, and services shall be made with proper authorization and as economically as possible through an open and competitive process.

Procurement is based on the school's needs and strategic plan to avoid unnecessary purchases and to operate within the approved budget. The purchaser must identify and clearly specify standards for the goods or services desired, and seek competitive offers where possible to obtain the best possible quality at the best possible price.

Some form of cost or price analysis shall be made and documented. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted and market prices, together with discounts.

Conflict of Interest

Conflict of interest may arise when an employee, staff, director, faculty or student of the School has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award.

No employee, staff, director, faculty or student shall participate in the selection, award or administration of a bid of contract if a conflict of interest is real and apparent to a reasonable person.

The School employee, staff, director, faculty or student shall neither solicit nor accept gratuities, gifts, consulting fees, trips, favors or anything from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a sub-agreement or ancillary contract.

Quotes/ Bids

If the asset costs more than \$2,000 per unit or P100,000, three (3) quotations shall be sought for different brands or from different vendors for comparison. Exceptions: unless no other vendors are available or no comparable vendors for a particular product. The following information should be provided:

- Date received or dates that the quoted price is valid, delivery date
- Company name, telephone, address, salesperson, contact information
- Each item, description or specifications, unit, total price, and quantity listed
- Delivery charges, if any,
- Any other important information

Written quotes should be requested on the vendor's letterhead. Telephone quotes must be

documented and should include all the relevant information above. Quotes may be obtained and documented by printing pages from a website. All of the quote elements must be documented. Note that better prices are usually obtained by contacting vendors directly.

Selection

Awards shall be made to the bidder whose bid is responsive to the solicitation and is most advantageous to the School (price, quality and other factors considered). A bid may be rejected when it is in the School's interest to do so.

Contract

It shall contain the following information:

- Parties to the contract
- Tax information - VAT/ Non-VAT, TIN, withholding, Certificate of Registration
- Date of event or contract period
- Description of service, fee, payment agreement
- Scope of work or details of the items purchased
- A clear and specific statement of condition when one party fails to abide by the agreement.
- Any other important information

Documentation

Procurement files must include the following:

- Basis for vendor/ contractor selection
- Justification for lack of competition when competitive bids or offers were not obtained
- Basis of award cost or price
- Contracts. These are to be managed with good administrative practices and sound business judgment.

Dispose of Assets Costing More than P10,000

Ops will set the market price of assets and announce the sale to the IGSL community. If two or more people want to buy the same item, Ops will draw their names and pick one buyer. If there is no buyer, prices will be cut down to half and then re-announced to the community. If there are no buyers after that, Ops will distribute the items for free. Ops will provide a summary report of the sold and/or distributed items for monitoring and updating the accounting records in FAM Assets (Netsuite) and for determining income from the sale.

F. EXPENDITURE GUIDELINE AND RATES

For expenses incurred, they must be supported with an official receipt for services or a sales invoice for goods bought. Ensure that the official receipt or the sales invoice is under the name of IGSL.

Ensure that the appropriate tax withholding is deducted accordingly and remitted to BIR:

- 5% or 10% for professional services (e.g. faculty honorarium, legal counsel, contract of services with individuals)

IGSL faculty, staff, employees or students performing official functions shall be allowed to reimburse expenses based on approved budget and subject to the availability of funds. The person who authorizes a reimbursement is responsible for making sure that it is in agreement with the financial guidelines and according to the approved budget. Ensure that the official receipt or the sales invoice is under the name of IGSL and is forwarded to the Finance Department to support the expense incurred.

If there is no valid official receipt or sales invoice, there will be no reimbursement. This includes but not limited to the following:

1. CONFERENCES

For Conference and Retreat expenses, this covers conference housing and food. No per diem or allowance shall be given. The following limits are to be observed when covered by the school budget. Expenses in excess of the guide rate will be shouldered personally.

Food budget (Breakfast 150, Lunch/Dinner 250)	P650/day/person
Lodging per night	P2000/night/person

Use Ezra Guest House as much as possible, charging the appropriate strategic team accounts for the room rates.

For out of town or out of the country conference travel expenses:

For hotels out of the country, book 3-star hotels

Asia - Southeast	\$50 /night/person
Asia - Other	\$70 /night/person
Other	\$100 /night/person

Meals/Per Diem

Asia - Southeast	\$20 per pax per day
Asia - Other	\$30 per pax per day
Other	\$40 per pax per day

2. MEETINGS

For meeting expenses, this covers food as appropriate with the following limits:

Faculty and General Staff Meeting snacks	P100 /person
Faculty and General Staff Meeting lunch	P250 /person
Whole day faculty meeting (including snacks)	P350 /person
All faculty training, dinner fellowship (in-house)	P350/person
Faculty Christmas Party & Graduation Day lunch	P400/person
Whole day meal (3 meals, outside)	P800/person

Graduation banquet	P1000/person
Faculty Lunch with Board Banquet	P650/person

3. TRANSPORTATION

a. Using public transportation

This covers bus fares, jeepney, and other mass transport public conveyances. Taxi and special transport services shall be allowed within a reasonable amount in situations when one is dealing with time constraints, emergency, baggage/ package transport or when one is representing the school officially (e.g. CHED, City Hall, BIR, etc.)

b. For staff regularly on the field during meal times while performing IGSL duties:

- Without receipt, as meal allowance P100 allowed
- For actual reimbursements with receipt P150 subsidy

This does not mean that a meal reimbursement is given for every errand but only when the job requires extended time and the schedule is such that it requires one to eat outside.

c. Using the school vehicle

Van mileage for a school vehicle used for school activities will be charged to the appropriate strategic team's account.

Traveling using Skyway:

- For ministry use - Four (4) passengers and above may use Skyway to go to their destinations. exceptions: especially for VIPs (visiting speakers or National Team Leader, etc.)
- For personal use - Skyway may be used only with the consent of the paying passenger by signature.
- The driver without a passenger will use the regular route.

d. Using a personal vehicle

When a personal vehicle is requested to be used in lieu of a school vehicle, the following computation per kilometer shall be used to consider fuel usage.

Ministry mileage rate, inside Metro Manila P20/ kilometer

Ministry mileage rate, outside Metro Manila P15/ kilometer

A gas receipt is to be submitted as part of the documentation.

e. Others

- Accident-related. In case the personal vehicle is involved in an accident where the driver is NOT at fault while being used for ministry, IGSL can help shoulder the repair cost up to 50% after considering insurance proceeds and the like.
- Based on the authorization and approval of the Leader for Operations on a case to case basis.

4. COMMUNICATION

Prepaid cards reimbursement is allowed if it is part of the strategic team budget or during special events coordination. Personal calls should be avoided when using the ministry load. Actual ministry needs or usage determines the frequency of reimbursement (monthly reimbursement may not be needed even if the strategic team included a monthly budget).

5. REPRESENTATION

This covers expenses to entertain or host official guests by the office of the President or authorized members of the LT. The expenses covered shall be for meal costs only:

With CCC staff, faculty, ministry leaders for school purposes: P700 max/person

With VIP guests, speakers, donors: P1000 max/person

Amount in excess of the amount per guidelines will be considered as a personal expense unless there is prior approval and reasonability to the higher cost.

G. MINISTRY ADVANCES

Advances to Team Treasurer, Team Leader, Faculty or Employee for budgeted expenses are given to facilitate the preparation for the task, activity or ministry. At the earliest, it can be given a month before the event date for large projects.

PROCEDURES TO PROCESS REQUESTS:

- 1) Ensure that the request is duly approved and signed (physically or digitally) by the approver (Responsibility Center leader) and complete details are indicated (amount, computation, what, who, when) in the purchase request form.
- 2) When necessary, depending on the nature of the transaction, attach a price quotation from the vendor.
- 3) If a request is related to a project or event, attach a copy of the approved budget duly signed by the responsibility center leader or person in charge of the project (noted by the RC leader of the center where it will be charged).
- 4) Ensure that the responsibility center has sufficient positive fund balance and the expense is in the approved budget.

CLEARANCE OF ADVANCE:

- 1) Must be done within 5 working days from the date of release of funds by the Finance Department for regular/ordinary advances (small events, purchasing, etc)
- 2) Must be done within 10 working days from the date of the event (last day) in case the advance is for a large project (Team Leadership Practicum) or Special event.

- 3) Appropriate clearance form shall be accomplished properly and supported with valid official receipts and/or sales invoices and other supplementary documents.
- 4) No new advance will be given if previous advances have not been cleared, to avoid having long outstanding uncleared advances.

H. PETTY CASH DISBURSEMENT

A petty cash fund is maintained per Department. It covers small regular routine-type office expenses not exceeding a specific amount determined based on the intended balance per department.

Intended Amount	Expense Limit per Receipt
3,000 – 5,000	1,500 and below
5,001 – 15,000	2,000 and below

Replenishments should be made once the intended balance reaches approximately 25% of its total amount.

Cash disbursement beyond the expense limit shall require check issuance and shall meet the following requirements before release:

- a. It must be signed and approved by the Department Head or Supervisor.
- b. The request must be included in the budget of the department.
- c. The request for payment should have funding – which means the budget of the department concerned must have been approved and the source of the funds has been defined.
- d. Ordinary expenses, necessary for operations need not meet a – c requirements.
- e. The request shall be supported either by an Invoice for sale of goods or Official Receipt for sale of services.

I. EMPLOYEE EMERGENCY SALARY LOANS

The personal financial loan is accommodated in cases of urgent need or emergency. This loan is granted in the following cases with no interest:

- a) Death and/ or hospitalization of an employee or immediate family members
- b) Other emergency situations as determined by LDHR and/or the Finance Leader

Ensure that all possible sources have been identified and exhausted prior to the granting of the loan. The loan amount shall be based on the need, the repayment capacity and will not exceed the retirement/ separation due to the employee. The recommended repayment period shall be within four months; and no more than one (1) year if circumstances prevent repayment within four months.

Approval of Employee Salary Loan:

- a) For P5,000 and below, approval is to be given by LDHR or the Finance Leader as noted and recommended by the employee's supervisor or strategic team leader.
- b) For above 5,000 up to a maximum amount equivalent to a two-month basic salary, it should be approved by both LDHR and Finance Leader, as noted and recommended by the employee's supervisor or strategic team leader.

J. HOUSING DEPOSIT AND CHARGES

Faculty will have 1 month deposit for staying in Ezra

The deposit can be used for repairs or facility share by the faculty when they leave Ezra House

The staff's charges will be deducted end of the month's salary.

K. STUDENT /FACULTY RC AND TRUST ACCOUNTS

1. Open - Faculty and Student Account - The account will be open when a transaction occurred.
2. Close - 30days after the faculty and student leave IGSL.
 - Faculty Account - Before the faculty leave IGSL, LDHR should ask the faculty on whom the balances - to a beneficiary or to General Faculty Account.
 - Student Account - Release as Stipend (RC Account) with confirmation from the donor.
 - Trust Accounts: Return to Faculty or Student.

L. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts (estimate of the amount that may not be collectible) will be computed as follows:

- Accounts Receivables aging 181-360 days will be 3%
- Accounts Receivables aging 361- 720 days will be 5%
- Accounts Receivables aging 721 days and higher will be 10%

M. UNKNOWN DEPOSIT

An unknown deposit will be announced to the IGSL community to find its purpose. If it can't be found for 6 months, it will be transferred to the general fund as other income. If the purpose was identified after being transferred to the general fund, it will be transferred from the general fund to the right Responsibility Center (RC).

APPENDIX A

Budgeting Process

A. Strategic Planning Stage

1. Each strategy team or department conducts their own strategic planning and prepares the team goals and plans for the following school year in alignment and contribution to reaching IGSL's vision and mission. Ideally done no later than February during the second semester.

B. Budget Preparation

1. The strategic plan of each team with the budget is submitted to the OPS Director and/or Finance Leader for consolidation. Ideally by the end of March-midApril.
2. The OPS Director and/or Finance Leader makes initial review and clarifies items with the team leader like additional information or description regarding the purpose of the budget item, the computation of budget amount, source of estimates, amount in comparison to prior year's actual expense, amount in agreement with existing reimbursement guidelines, etc.
3. The adjusted budgets are then summarized into one IGSL consolidated budget and are matched with the projected income for the year: tuition and fees, housing, and any other projected income.

C. Budget Deliberation

1. A budget deliberation meeting with all LT members is scheduled where each strategy team leader highlights significant changes or increases from their regular annual budget.
2. Based on the plan and priorities determined by the LT, the budgets are adjusted together with the team leader during the budget deliberation.
3. The goal at the end of the budget deliberation is to come up with a consolidated budget showing proposed sources of funding (tuition/housing income, support to be raised, amount from General fund, etc) to be submitted to the board of trustees for approval.
4. The budget is submitted to the board for approval by May before the summer break.

Budget Adjustment

1. In consideration of unforeseeable price increases, there will be a 10% variance allowed.
2. If there's a proposed additional expense that is requested due to emergency, validity of importance to the strategies of the strategic team that's outside the approved budget:
 - a. The strategic team leader makes the purpose and details of the budget plan using the form in SIS, and the Finance Leader will suggest possible sources of funds.
 - b. LT will discuss it and approve it. Final approval will depend on the availability of funds or the willingness of the strategic leader to raise the funds.
 - c. The Finance Department will keep the budget approved by LT in the finance documents and execute it.

3. Another option is for the team to raise funds to cover any new budget item that was not submitted for board approval earlier.

APPENDIX B

Question and Answer Regarding IGSL Faculty Accounts

A. What is the purpose of the IGSL faculty account?

It is meant to be used to facilitate internal charging within IGSL. It is not meant to duplicate the faculty's sending mission's donation or reimbursement system.

B. Can faculty turn in support for their personal ministry to IGSL to be forwarded to their sending mission agency so that their donors can receive a donation certificate?

No, we can not serve as a conduit of donations for other organizations.

C. What are the allowed reimbursement from and charges to faculty accounts funded from a donor's support?

All donations to IGSL should be used towards accomplishing IGSL's stated purposes in accordance with BIR/PCNC guidelines. Support for the faculty can be used for the following expenses:

1. Professional development plan in line with each person's Leadership Focus and in line with the faculty's roles and responsibilities.
 - Training /tuition/ developmental conference fees
 - Books, resources, or subscriptions
 - Travel expenses, as needed for training or IGSL responsibility
2. Advanced studies
 - Tuition, books, school fees
 - Travel and visa expenses
3. Teaching opportunities on behalf of IGSL for ILC, CCC, MaOL, etc
 - Travel and visa expenses
4. Official visits to IGSL alumni representing IGSL
 - Designated/sent/approved by IGSL Alumni Team or LT
 - These visits should be strategic. A speaking engagement while on a personal visit to an alumni or vacation in their country does not necessarily qualify the travel as an official alumni visit.
5. IGSL retreats
 - Community retreat, team retreats, spiritual retreat
6. IGSL internal charges:
 - Use of IGSL facilities for ministry (e.g. Ezra Guest House)
 - Personal use of facilities like a family clan party or vacation does not qualify for account charging.
 - IGSL promotional materials, prayer journal, God of the Impossible book, etc. (for personal use, for supporters, disciples, etc).
 - IGSL tuition and seminar fees

- Ezra House facility maintenance share
7. Philippine Immigration expenses
 - Visa application and renewal fees for faculty members only
 8. Preparing class
 - Laptops, Pads, Projectors, and gadgets for teaching or coaching students: They will be assets of IGSL until depreciation.
 - Faculty can purchase the equipment after paying the residual value when they leave IGSL.
 - Books, internet, and subscriptions.

D. Do we need to acquire approval before submitting requests for payment to the Finance office?

Yes, the professional development and advanced studies will need approval from LDHR in coordination with your strategic team leader. Teaching opportunities will need approval from your supervisor and LDHR. Alumni visits approval in coordination with the Alumni Team.

E. Can we submit ministry and personal expenses for reimbursements from this IGSL faculty account like gas receipts for personal travel, meal reimbursements, clothing purchases, medical expenses, etc.?

No. Please submit your reimbursements with your sending mission agency. Because IGSL is not set up as a sending mission agency, IGSL LDHR and the Finance office do not have the capacity to wade through Philippine tax laws, to come up with a policy and to maintain a faculty ministry expense reimbursement system.

IGSL faculty members are not legally hired or paid employees and there are possible tax implications when payments are deemed personal in nature and would be considered by the BIR as taxable income subject to withholding tax.

F. Can we use the funds to pay for our children's expenses, e.g. DLC tuition, visa or Philippine immigration fees, airfare if we bring them with us to teach, etc?

No. IGSL faculty accounts can be used for the faculty members' expenses only. Children's expenses are considered part of salary or personal expenses.

G. Can we transfer funds to another person or ministry within IGSL?

Yes. You can transfer funds to an IGSL ministry; or to another faculty, staff, or student for them to use within the same given guidelines.

APPENDIX C

Summary of Faculty Development Fund Types

What	Valid expenses	Who and how much	Funding
<p>A. Faculty Development Subsidy.</p> <p>Provided for training or development that better equip faculty members to succeed and excel at IGSL.</p>	<p>Training/tuition/developmental conference fees (travel not included).</p> <p>Books, resources, or subscriptions in one’s academic field, personal development plan priority, or roles at IGSL.</p>	<p>P12,000 subsidy limit for active full-time or associate faculty members per year (July-June).</p> <p>Exceptions are those availing the faculty advanced studies subsidy or receiving the Asian faculty devt gift.</p>	<p>Internal fund, budgeted annually by LDHR.</p>
<p>B. Faculty Advanced Studies Subsidy.</p> <p>Designed to assist Asian full-time faculty from developing countries pursue advanced studies contingent on fund availability.</p>	<p>Subsidy based on school location, and whether full-time or part-time:</p> <p>IGSL ThM/DMin: 100% tuition Philippines: 100% tuition</p> <p>Asia-Full Time: 60% tuition, 60% books</p> <p>Asia-Part Time: 80% tuition</p> <p>Non-Asia-FT: 40% tuition, 40% books</p> <p>Non-Asia-PT: 60% tuition</p>	<p>For full-time Asian faculty from developing countries.</p> <p>Maximum of \$12,000 for qualified faculty member based on a legitimate need.</p> <p>Has served at least 3 years for FT study leave, or 2 years for PT.</p>	<p>Donated funds.</p>

<p>Asian Faculty Devt Gift</p> <p>Gift that can be used for advanced studies, faculty development subsidy and more.</p>	<p>Items in faculty devt subsidy.</p> <p>Unsubsidized portion of advanced studies expenses.</p> <p>Travel for teaching opportunities on behalf of IGSL and/or approved alumni visits.</p> <p>IGSL retreats.</p> <p>Internal charges: for facility use by faculty; books produced by IGSL.</p> <p>Visa renewal fees of faculty members.</p>	<p>For full time Asian faculty. Amount depends on the actual gift given by the donor(s).</p> <p>Unused funds remain intact and roll over to the following year.</p>	<p>Donated funds to named Asian faculty members.</p>
<p>Western Faculty Devt Gift</p> <p>Gift to be used for purchasing book resources and travel for teaching.</p>	<p>Books, resources, or subscriptions in one's academic field, personal development plan priority, or roles at IGSL.</p> <p>Travel for teaching opportunities on behalf of IGSL and/or approved alumni visits.</p> <p>Visa renewal fees of faculty members.</p> <p>Housing - staying in Ezra house</p>	<p>For full time western faculty. Amount depends on the actual gift given by the donor(s).</p> <p>Unused funds remain intact and roll over to the following year.</p>	<p>Donated funds to named western faculty members.</p>

APPENDIX D

Current Type of Tuition and Miscellaneous Fees

APPENDIX E

Finance Leader Job Description

Working relationships

- Reports to: Director for Operations
- Reports to me: Accountant
- Works closely with: The ministry leadership team, the Fund Development department, the Global Finance Partner, Employees' Supervisor, HR, and the ministry's auditor.

Purpose of position

- ensure that the ministry's accounting system provides reliable and accurate information and complies with CCCI accounting policies and government regulations
- provide the leadership and staff with accurate and up-to-date financial information on which to base decisions
- oversee the process of analyzing the financial implications of ministry plans
- maintain a structure of relevant internal controls to ensure that the ministry's assets and records are protected and financial resources are used efficiently.

Specific responsibilities

1. Accounting and cash management
 - oversee the accounting functions for the school
 - oversee the banking functions and cash management in terms of cash flow and investment
 - monitor balances of designated funds
2. Reporting
 - review financial reports to ensure timeliness and accuracy
 - analyze financial information and present it to the leadership team and IGSL board
 - submit requested financial information to the WHQ
3. Budgeting
 - oversee the financial planning process in the ministry
 - maintain procedures to compare actual financial results with budgeted results and prepare related reports for the leadership
4. Internal controls
 - ensure that financial policies and procedures are developed, documented, communicated and followed consistently
 - work together with the ministry's external auditor to ensure that the audit takes place according to agreed-upon standards
 - ensure that the ministry meets the legal requirements set by the government authorities on its financial management
5. Others
 - lead the accounting team: plan and give direction, provide tools and development opportunities
 - participate in ongoing professional development

APPENDIX F

System Security Framework

The school is using Oracle NetSuite OneWorld Financials to record and manage all financial transactions it has. It is a system shared subscription from Global Cru to 153 countries.

This portion enumerates the security frameworks the school is following for secured and protected cloud-based transactions.

- **Access for users**

NetSuite has a diverse set of roles but Global has the Administrator role and has limited specific user roles for an entity to use. The school has the following access for users:

- Employee Center - enable users to request a payment or a reimbursement
- Donations Processor - enable users to enter donations as one of the basic transactions and also produce donation and donor reports.
- Bookkeeper - enable users to enter basic transactions affecting the General Ledger
- Accountant - enable users to enter basic transactions like bookkeeper but with an approval transaction functions
- Tax Reporting accountant - enable user to set up withholding taxes and generate tax forms and reports
- Finance Leader - enable users to access set-up of the entities, all financial reports, has approval functions and others
- HR Generalist - enable the users to manage the list of employees of the school and also set up their information and their access roles to NetSuite
- Entity Record Manager - enable the users to check and edit the school's organization set up information etc.
- Report Writer - enable the users to create customized templates
- All access for user roles is being managed by the Finance Leader through the HR Generalist role in Netsuite.
- All user roles that have access to confidential financial transactions of the school like bookkeeper, accountant, tax accountant, entity record, finance leader and the like should not be given to a non-finance personnel. Only the donation processor role could be given to the LIFE coordinator information of donations and others.
- Any need to add employee center users to a non-finance personnel needs discussion and approval with the RC owners and Finance Leader.
- Any roles needed aside from the standard user provided by Global needs to be requested through the ticketing system of Netsuite help. It will be evaluated and approved/rejected by the Administrators of the system.
- Users can access NetSuite in any devices over an internet connection but are prevented from opening one user into two or more terminals/devices at the same time.
- Global uses Okta platform to enter into a user's access in NetSuite. Okta was set to lock up an account for "_____" of multiple attempts
- Okta is using two-step authentication which requires the user to give another authentication to access his account aside from entering his/her password. In this case, the authentication serves as a better

security factor than changing passwords frequently since the authentication would only be available to the access' owner.

- An authentication can either be set-up by the access owner as 30 days automatic authentication or will enter it every time s/he log-ins. Therefore, Okta creates more secure log-in options for the access owner.
- Passwords are needs to be a combination of alphabetic and numeric characters
- An access should not be deleted but changed to be an inactive account whenever a previous user became disconnected to the school.

- **Audit Trails**

- Each transaction created in the system has a viewable system information tab which shows the trails of creations and changes made for a saved transaction. It shows the user initiating the creation and change made, the field values before and after the change, date and time the change, etc.
- Audit Trail reports are accessed by the higher access roles starting from Finance Leader wherein an action of creation, changing and deletion by a user is seen in the reports.
- Audit trails need to be backed up every month as part of the backup and recovery plan for the school. It is saved in an excel and pdf type and will be modified as a protected file. Passwords should only be set and changed by the Finance Leader.

- **NetSuite Data Center information**

- **An excerpt from [ds-data-center-factsheet.pdf](#)**

Oracle NetSuite currently operates geographically distinct data centers across North America, Europe, and Asia-Pacific. Each data center has a counterpart that provides data mirroring, disaster recovery and failover capabilities in its region in case any data center becomes non-operational. The NetSuite service is natively multi-tenant and leverages cloud infrastructure designed around multiple layers of redundancy.

Data Management: Redundancy is implemented in multiple levels in many layers in the NetSuite system. A disaster recovery plan is conducted semi-annually to ensure that systems and processes are in place, as well as to assess and enhance the competency of all personnel key to the successful implementation of DR activities.

Application Security: Encryption is implemented as transmission of user credentials, as well as all data in the resultant connection are encrypted with industry standard protocol and cipher suite. NetSuite supports Custom Attribute encryption and provides encryption APIs. NetSuite uses token-based application authentication and multi-factor end-user authentication. Also, each end user can be assigned a specific role with permissions that are specific only to his or her own job. There is a complete audit trail that tracks changes to each transaction by the user login details and a timestamp which defines the Role-level access and Idle disconnect features of the system.

Operational Security: For Continuous monitoring, NetSuite employs both network and server-based Intrusion Detection Systems (IDS) to identify malicious traffic attempting to access its servers and

networks. Security alerts and logs are sent to a Security Information and Event Management (SIEM) system for monitoring and response actions by a dedicated security team. Physical access is also secured as All data centers maintain stringent physical security policies and controls including photo IDs, proximity access cards, biometrics, single person entry portals and alarmed perimeters. Oracle NetSuite employs a global security team dedicated to enforcing security policies, monitoring alerts and investigating any anomalous system behavior including unauthorized connection attempts and malicious software. Near real-time monitoring is in place with a 24x7 worldwide incident response capability. All access to production is approved and regularly reviewed by the security team.

More details for the data center factsheet of Netsuite is published in Oracle NetSuite website.

Resource: <https://www.netsuite.com/portal/platform/infrastructure/data-management.shtml>