Lions Prostheses Centre (Singapore)

Financial Controls & Authorisation Limits Policy

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Policy owner	Treasurer / Finance & Investment Sub-Committee
Approved by	Management Board of Lions Prostheses Centre (Singapore)
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1. Introduction and Purpose

1.1 This Policy sets out the internal financial controls of Lions Prostheses Centre (Singapore) ("LPC" or "the Centre"; UEN T20SS0073D), including its system for the delegation of authority and limits of approval, so that LPC's funds and assets — largely donations and grants given for charitable purposes — are safeguarded, properly accounted for and applied to LPC's objects of providing free or subsidised prosthetic legs to low-income amputees. It is LPC's financial operating manual, covering revenue and receipting, procurement and payment, and the delegation of authority. Where this Policy conflicts with LPC's governing document, the governing document prevails.

1.2 Scope. This Policy applies to all Management Board members, Sub-Committee members, staff and volunteers who handle, approve or record financial transactions. Compliance is mandatory. All amounts are in Singapore dollars. LPC's financial year runs from 1 April to 31 March.

1.3 Guiding principles. No single person initiates, approves, records and reviews the same transaction; where full segregation is impracticable given LPC's size, the compensating controls in paragraph 2.6 apply. No person may approve a transaction from which they benefit or which they initiated; approval is given instead by the other officer of that Group under paragraph 4.4, or by the Management Board. Every transaction is supported by original documents (invoices, receipts, quotations, approval records) retained for at least 5 years.

2. Delegation of Authority

2.1 The General Meeting of members is LPC's supreme authority. Its approval is required for all expenditure of a capital nature exceeding $100,000 per transaction and any monthly expenditure exceeding $50,000 per transaction, and for the election of Honorary Auditors and any sale or mortgage of immovable property.

2.2 The Management Board endorses the annual budgets and headcount; approves this Policy and the authorisation limits in it; opens and closes bank accounts; approves unbudgeted expenditure, subject to paragraph 2.1; approves fundraising projects, investments, asset disposals and write-offs, and any loan, grant or financial assistance outside LPC's core charitable programmes. It seeks to operate on a balanced budget.

2.3 The Management Board determines LPC's staffing requirements, salary scales, compensation and benefits, and appoints or terminates salaried staff and their terms of employment. Expenditure is approved by the officers who hold the bank mandate under paragraph 4.4, other than the matters reserved to the General Meeting under paragraph 2.1. The Management Board may delegate any of these functions to named office bearers in writing, and any such delegation is recorded in its minutes.

2.4 The Treasurer ensures the proper accounting of all funds collected and disbursed within the limits in this Policy: prepares the monthly Income and Expenditure Statement, prepares the annual financial statements for audit and the AGM, reviews bank reconciliations, and monitors compliance with this Policy. The Treasurer serves two-year terms, may not serve more than two consecutive terms in the same position, and a lapse of at least two years is required before reappointment. The Assistant Treasurer deputises.

2.5 The Management Board is elected by the members in General Meeting. Day-to-day operations and financial administration, within the endorsed budget and the approval limits in this Policy, are carried out by the Administration Manager, LPC's sole salaried staff member, who holds no expenditure or payment approval authority. Approval rests with the officers holding the bank mandate under paragraph 4.4, and with the General Meeting for the matters reserved to it.

2.6 Operating with limited staffing. Full segregation of duties is not achievable with one salaried staff member. The compensating controls are: no person approves a transaction they initiated or benefit from; every payment requires two office bearers acting jointly under paragraph 4.4; bank reconciliations; monthly Income and Expenditure Statement, are tabled at each Management Board meeting.

3. Budgeting and Financial Reporting

3.1 The Treasurer prepares the annual budgets before the start of each financial year. The budgets are endorsed by the Management Board, and presented for information at the AGM.

3.2 Annual financial statements are prepared in accordance with the applicable accounting standards and audited each year. Audited accounts are submitted to the authorities as required, together with the Annual Report.

4. Bank Accounts and Signatories

4.1 All bank accounts are opened and closed only with Management Board approval, in LPC's name, with licensed banks in Singapore. LPC transacts only through regulated financial channels. Blank cheques must never be pre-signed, cheques are crossed "A/C Payee Only", and unused cheque books are kept locked.

4.2 Bank mandate. All bank accounts are operated with any ONE signature from Group A and any ONE signature from Group B:

- **Group A** — Chairman, Vice-Chairman, Secretary
- **Group B** — Treasurer, Assistant Treasurer

This applies to every payment by cheque, GIRO, FAST/PayNow or internet banking, which is configured for dual authorisation on the same basis. Staff, including the Administration Manager, are not signatories. The mandate is updated with the bank upon any change of office bearers.

4.3 Bank reconciliations for every account are prepared monthly and signed off by the Treasurer, and presented to the Management Board at every Board Meeting. Unpresented cheques older than 6 months and unexplained items are investigated.

4.4 Approving and signing officers. Every item of expenditure, regardless of amount, is approved and signed by the same two officers — one from Group A and one from Group B — acting jointly, other than the matters reserved to the General Meeting under paragraph 2.1. Neither may be the person who initiated or prepared the payment, and neither may approve or sign a payment from which they or a related party benefit; in that case the other officer of that Group acts.

5. Procurement

5.1 Purchases are made only for LPC's charitable purposes, within budget, from suppliers selected on value-for-money considerations, and in accordance with the approval requirements in paragraph 4.4.

Purchases must not be split into smaller amounts to circumvent the approval requirements of this Policy or the matters reserved to the General Meeting under paragraph 2.1.

5.2 Waiver of quotations (for example sole supplier, urgent clinical need for a beneficiary, or standardisation with existing prosthetic componentry) must be documented with reasons and approved by the Management Board.

5.3 Staff, Sub-Committee and Management Board members involved in a procurement in which they or a related party have an interest must disclose it, must not be present during the consideration or discussion of the matter, and must not vote on it.

5.4 Contracts or commitments spanning more than one year are approved on total contract value.

6. Payments

6.1 Every payment is supported by a payment voucher with original supporting documents (supplier invoice, approved quotation or purchase requisition, and delivery evidence where applicable). Supporting documents should be marked “PAID” upon payment to prevent re-use.

6.2 Payments to Management Board members are limited to reimbursement of documented out-of-pocket expenses incurred for LPC; Management Board members are not remunerated. Journal vouchers and non-routine adjustments are prepared by the Treasurer and approved by the Chairman.

6.3 Grants to beneficiaries and payments to prostheses suppliers should follow LPC’s sponsorship procedure where applicable (Sponsorship Assessment Committee recommendation, Management Board approval, 50% on approval and 50% on completion), with payment approved and signed under paragraph 4.4.

7. Revenue, Receipting and Donations

7.1 Dual custody. All incoming cash and cheques are opened, counted and recorded by one authorised person in the presence of a second (a Management Board member, staff member or authorised volunteer); both sign the collection record. All cash and cheques collected are promptly deposited into LPC’s bank account — within [3] working days, and for donations within 7 working days at the latest. All donor information is kept confidential and is not disclosed except as authorised by law or with the donor’s consent.

7.2 Receipts. Serially numbered official receipts are issued for all donations and collections, and the receipt register is reconciled to bankings and to the accounting records monthly. Segregation is maintained between the person collecting cash, the person recording it and the person issuing receipts so far as LPC’s staffing allows; where it is not possible, the Treasurer performs a monthly review.

7.3 Tax deduction receipts. LPC issues tax deduction receipts (“TDRs”) under its own IPC status, in accordance with its standing operating procedure on issuing tax-deductible receipts and the applicable IPC requirements. Where this Policy and that procedure differ, the stricter requirement applies. In particular:

- **no TDR is issued for a donation that is not tax deductible — for example one giving the donor a material benefit in return — or after any expiry or suspension of LPC’s IPC status, or before donor due diligence has been satisfied; a donation assessed as suspicious receives no TDR**

and is escalated. TDRs are in the prescribed form, serially numbered, and carry the prescribed statement that the deduction will be automatically included in the donor's tax assessment;

- TDRs are prepared by the Administration Manager and approved by the Treasurer; a TDR cancelled in error is marked "VOID", retained, and replaced under a new number. LPC maintains a donation record for every tax deductible donation (donor name and identification or registration number, date, type, amount or value, and any terms), retained for at least 5 years, reconciled monthly against the bank statements and the TDR issuance log, audited internally at the request of the Audit Sub-Committee, and e-submitted to IRAS by 31 January each year.

7.4 Fundraising. All fundraising projects require Management Board approval, and no funds may be raised from the public without the prior written approval of the licensing authorities where required. Information given to donors must be accurate and not misleading, and every person solicited must be told LPC's name, the purpose of the donation and whether a commercial fund-raiser has been engaged. Gross proceeds and expenses of each appeal are separately accounted for, fund-raising expenses are monitored against the applicable regulatory limits, and collection floats and proceeds are subject to the dual custody rules above. Donor screening, risk tiers, red flags and the handling of suspicious donations follow LPC's donor due diligence procedure.

8. Payroll and Expense Claims

8.1 LPC employs one salaried staff member (Administration Manager). Staffing requirements, salary scales, benefits and the appointment or termination of staff are determined by the Management Board. Payroll, CPF and statutory payments are paid through the dual-signature process in paragraph 4.2, and the staff member takes no part in approving their own remuneration or claims.

8.2 Expense claims are submitted within [30] days with original receipts, on the prescribed claim form, and approved in accordance with paragraph 4.4 — never self-approved. A claim is approved by one Group A and one Group B officer, neither of whom may be the claimant. Volunteer reimbursements may be pre-approved.

9. Fixed Assets and Property

9.1 Asset purchases follow the approval requirements in paragraph 4.4, noting that capital expenditure exceeding $100,000 per transaction requires General Meeting approval. Assets costing [$1,000] or more per item are capitalised in a fixed asset register (description, cost, date, location, custodian) verified at least annually; losses are investigated and reported to the Management Board, and all disposals and write-offs are approved by the Management Board.

9.2 Immovable property. Any immovable property acquired by LPC vests in Trustees under a declaration of trust. No sale or mortgage of such property may be effected without the prior approval of the General Meeting, and changes are notified to the authorities.

10. Loans, Grants and Financial Assistance Outside Core Programmes

10.1 LPC does not, in the ordinary course, make loans or give donations, grants or financial assistance outside its core charitable programmes. Any exception requires prior Management Board approval with documented reasons. LPC's funds shall not be used to pay the fines of members convicted in a court of law, nor for political purposes.

11. Records, Audit and Review

11.1 Accounting records are kept for at least 5 years from the end of the financial year to which the entry relates, and donation records for at least 5 years from the end of the relevant Year of Assessment. System access is restricted and password-protected, and access rights are reviewed whenever office bearers, staff or volunteers change roles or leave.

11.2 The Audit Sub-Committee, where constituted, or otherwise the Management Board, satisfies itself that these controls are effective and may commission independent reviews of internal controls. Findings of the Honorary Auditors and any external auditor's management letter on internal controls are tabled with management's responses and remediation deadlines.

11.3 Suspected fraud or financial irregularity must be reported under LPC's whistleblowing arrangements; the Management Board will consider reporting to the authorities and the police where warranted. Any member with an interest in a financial matter must disclose it as soon as practicable, must not be present during the consideration or discussion of the matter, and must not vote on it.

11.4 This Policy and its authorisation limits are reviewed by the Management Board at least once every [three] years, or earlier when LPC's size, staffing or activities change materially.