

ETHIOPIAN TRANSLATORS ASSOCIATION (ETA)

FINANCIAL POLICY

1. Purpose

The purpose of this **Financial Policy** is to establish clear guidelines for the financial management of the Ethiopian Translators Association (ETA). This policy ensures **transparency, accountability, and efficiency** in financial operations while safeguarding ETA's financial integrity.

Specifically, this policy provides a framework for:

- **Budget preparation and approval** processes.
- **Proper management of membership fees, donations, and other income sources.**
- **Financial reporting, auditing, and oversight.**
- **Procedures for handling financial disputes.**

This policy applies to **all financial transactions** conducted by ETA, including those involving the Executive Committee, the Finance Committee, staff, and members.

2. Financial Management Responsibilities

2.1 Executive Committee Responsibilities

- Approves ETA's **annual budget** and financial policies.
- Oversees financial **strategy, sustainability, and compliance.**
- Ensures that financial decisions align with ETA's **mission and objectives.**

2.2 General Manager Responsibilities

- Implements the approved financial policies and budget.
- Ensures proper **record-keeping, accounting, and compliance** with financial guidelines.
- Supervises **staff handling financial transactions**.

2.3 Treasurer Responsibilities

- Maintains **accurate financial records** and reports regularly to the Executive Committee.
- Ensures proper **receipt, disbursement, and management of ETA funds**.
- Oversees **financial compliance and risk management**.

2.4 Finance Committee Responsibilities

- Assists the Treasurer in **monitoring and reviewing** ETA's financial activities.
- Reviews and recommends **budget proposals** for Executive Committee approval.
- Oversees **financial audits and internal controls**.

2.5 Auditing Team Responsibilities

- Conducts an **independent financial audit** of ETA's financial records.
- Reports findings to the **General Assembly**.
- Ensures compliance with **national and international financial standards**.

3. Budgeting Process

3.1 Annual Budget Preparation

1. The **General Manager and Treasurer** draft the annual budget based on projected income and expenses.
2. The **Finance Committee** reviews and revises the proposed budget.
3. The **Executive Committee** reviews and approves the final budget.
4. The **General Assembly** ratifies the budget during the Annual Meeting.

3.2 Budget Components

- **Income Sources:** Membership fees, donations, grants, event revenues, sponsorships, etc.
- **Operational Costs:** Staff salaries, office expenses, utilities, technology, etc.
- **Program Expenses:** Training programs, research, outreach activities, etc.
- **Reserve Funds:** Emergency and contingency funds for financial sustainability.

3.3 Budget Review and Adjustments

- The budget is reviewed **quarterly** to ensure alignment with actual financial performance.
- Adjustments require **approval from the Executive Committee**.

4. Income Management

4.1 Sources of Income

ETA generates revenue from multiple sources, including:

- **Membership Fees:** Annual dues from individual and institutional members.
- **Donations and Grants:** Contributions from individuals, organizations, or funding agencies.
- **Event Revenues:** Income from conferences, training sessions, and workshops.
- **Service Fees:** Payments for services such as certifications and consultations.

4.2 Membership Fee Collection

- The Treasurer maintains an updated list of **active, pending, and delinquent members**.
- Members must **pay their fees within the specified deadline** to retain active membership status.
- A **grace period of 60 days** is allowed before a member is considered inactive.

4.3 Donations and Sponsorships

- All donations must be **properly documented and acknowledged**.
- Donors shall not exert **undue influence** over ETA's activities.
- The **Executive Committee must approve sponsorship agreements**.

5. Financial Reporting and Auditing

5.1 Financial Reports

- The Treasurer prepares **quarterly and annual financial reports**.
- Financial reports must include **income, expenditures, outstanding obligations, and reserves**.
- Reports are submitted to the **Executive Committee and General Assembly**.

5.2 Internal Financial Controls

- All expenditures require **prior approval from the Treasurer and General Manager**.
- Bank transactions above a specified threshold must have **dual authorization**.
- A **separation of duties** must be maintained to prevent financial mismanagement.

5.3 Auditing Procedures

- An independent **auditing team of four members** is elected by the General Assembly.
- The **Finance Committee** ensures annual audits are conducted.
- Auditors present their **findings and recommendations** to the General Assembly.
- Audited financial statements are made available to members upon request.

6. Handling Financial Disputes

6.1 Types of Financial Disputes

Financial disputes may arise in the following areas:

- **Unjustified expenditures or misuse of funds.**
- **Non-compliance with financial policies.**
- **Membership fee disputes.**
- **Allegations of fraud or embezzlement.**

6.2 Dispute Resolution Process

1. **Filing a Complaint:** Members may submit a financial dispute complaint in writing to the **Finance Committee.**
2. **Preliminary Review:** The Finance Committee conducts an initial review within **10 working days.**
3. **Investigation:**
 - The Committee gathers evidence and interviews relevant parties.
 - If fraud or serious misconduct is suspected, the case is referred to **the Executive Committee.**
4. **Decision and Resolution:**
 - If the dispute is valid, corrective actions are taken.
 - If necessary, external auditors or legal experts may be involved.
5. **Appeals Process:**

- If the complainant is unsatisfied with the resolution, they may appeal to the **General Assembly**.
- The decision of the General Assembly is **final and binding**.

7. Financial Ethics and Mismanagement Prevention

7.1 Ethical Guidelines

- ETA funds must be used **exclusively for Association activities**.
- Members and staff must **avoid conflicts of interest** in financial transactions.
- No member or staff shall use **ETA resources for personal gain**.

7.2 Fraud Prevention Measures

- The **Executive Committee** and **Finance Committee** must conduct regular financial reviews.
- Financial transactions above a **specified amount** require **dual authorization**.
- **Anonymous reporting mechanisms** must be available for whistleblowers.

7.3 Consequences of Financial Misconduct

- **Minor infractions** result in written warnings.
- **Serious offenses** such as embezzlement lead to **immediate suspension and legal action**.
- Misconduct cases may be referred to **law enforcement authorities**.

8. Policy Review and Amendments

- This Financial Policy **shall be reviewed every two years** by the Finance Committee.
- Amendments require approval by a **two-thirds majority of the General Assembly**.
- Any changes must align with **national and international financial management standards**.

9. Conclusion

This **Financial Policy** ensures responsible and ethical financial management within ETA. It promotes **accountability, transparency, and financial stability**, safeguarding ETA's long-term sustainability.

Approved by:

Ethiopian Translators Association (ETA)