**Financial Regulations of the [CSO’s Name]**

**Article 1**

**DEFINITIONS**

a. **“Accounting policies”** - the specific principles, bases, conventions, rules and practices adopted by the [CSO’s Name] in preparing and presenting financial statements;

b. **“Accounting records”** - the manual or computerized records of assets and liabilities, monetary transactions, and supporting documents (such as contracts, checks, invoices, and vouchers), which the [CSO’s Name] is required to maintain in its records;

c. **“Accrual”** - the basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate. The elements recognized under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses;

d. “**Allocation and Allotment”** - Amount of funds allocated for expenditure in a particular period of time, generally a fiscal year;

e. **“Appropriations”** - the aggregate of the expenditure authorizations approved by the Council for the regular Budget of the [CSO’s Name] for a financial period against which expenditures may be incurred for purposes approved by the Governing Body and as otherwise provided in these Regulations;

f. **“Assembly”** - the supreme organ of the [CSO’s Name] as set out in the Establishment Agreement;

g. **“Budget”** - the annual Budgets adopted by the Governing Body indicating estimated resources and expenditures for a financial period;

h**. “Capital Expenditures Fund”** – a fund that may be established to manage investments that involve capital expenditure in accordance with Regulation 6.4.

i. **“Contribution”** - a donation made in accordance with the Establishment Agreement and the Financial Regulations set out in this document;

j. **“Contributing member”** – Pursuant to the Establishment Agreement, a member of the [CSO’s Name] that has provided a multi-year financial contribution of core funding of no less than LKR 15 million over three years or LKR 10 million over the first two years;

k. **“Council”** - the Governing Body of the [CSO’s Name] as set out in the Establishment Agreement;

l. **“General Fund”** - is the pooled account established for the purpose of managing [CSO’s Name]’s administrative costs and core activities;

m. **“Internal Oversight”** - an independent, objective assurance and advisory activity designed to add value and improve the [CSO’s Name]’s operations, helping the organization accomplish its objectives in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;

n. **“Internal Control”** - a process carried out by the [CSO’s Name] Secretariat, designed to provide reasonable assurance of risk management and the achievement of objectives and goals, aimed at increasing the effectiveness and [CSO’s Name] Financial Regulations efficiency of operations, the reliability of financial reporting, and compliance with applicable norms and regulations;

o. **“Liabilities”** - all present commitments of the [CSO’s Name] arising from past events, the settlement of which is expected to result in an outflow from the [CSO’s Name] of resources embodying economic benefits or service potential;

p. **“Member”** - any Member of the [CSO’s Name] in accordance with the Establishment Agreement;

q. **“Payables”** - represent the current liability, the monetary value of which an entity owes to contractors for goods or services purchased on credit;

r. **“Program”** – a set of activities under which various sub-programs and projects are undertaken.

s. **“Program Owner”** - [CSO’s Name] staff member responsible for leading a program within the [CSO’s Name], such as Program Manager, Manager Fund Raising , Project Manager, Manager for Management and Administration;

t. **“Reserve Fund"** – a fund that may be established with the approval of the Governing Body in accordance with Regulation 6.5 to finance obligations in relation to the long-term financial stability or going concern nature of the [CSO’s Name].

u. **“Short-term investments”** - investments for a period not exceeding twelve months;

v. **“Supplementary Program Activities”** - Any activity that is not part of the activities under the approved regular budget of the [CSO’s Name];

x. **“Working Capital Fund”** - a fund established to ensure continuity of operations in accordance with Regulation 6.2

**Article 2**

**INTRODUCTION**

**Regulation 2.1**

**Objective**

These Financial Regulations comprise of methods and measures adopted by the [CSO’s Name] to safeguard its assets, secure the accuracy and reliability of its accounting data, promote operational efficiency and promote standardization across the [CSO’s Name]. These Financial Regulations shall govern the financial administration of all the [CSO’s Name] Offices and activities.

**Regulation 2.2**

**Responsibility and Accountability**

a) The ED is fully responsible and directly accountable to the Governing Body for all aspects of the [CSO’s Name]’s activities in terms of Financial Regulations.

b) The ED may delegate to personnel any powers or responsibilities under these Financial Regulations, in whole or in part, through written delegation and, unless expressly prohibited by these Financial Regulations, such delegation may include the power to further delegate. Delegated power and responsibilities shall follow these Financial Regulations. A record of such delegations shall be maintained by the Head of Legal Services.

c) The [CSO’s Name]’s staff is obligated to comply with these Financial Regulations and with administrative instructions issued in connection with these Financial Regulations. Any staff member who contravenes these Financial Regulations or corresponding administrative instructions may be held personally accountable and financially liable for his or her actions.

**Regulation 2.3**

**Circulation and Control**

These Financial Regulations shall be distributed and introduced to all the [CSO’s Name] staff. All [CSO’s Name] staff shall be trained on these Financial Regulations. If changes are made, then the revised version shall be circulated after authorized approval and shall bear a revised number. The old version shall be withdrawn from circulation and stamped obsolete.

**Regulation 2.4**

**Approvals and Updating these Financial Regulations**

a) Amendment and exceptions to these Financial Regulations shall only be made by the approval of the Governing Body. The Executive Director shall prepare amendments to these Financial Regulations for approval by the Council.

b) All queries on the interpretation of these Financial Regulations or any matters not covered shall be addressed to the Executive Director.

**Regulation 2.5**

**General Provisions**

a) The Executive Director shall develop Financial Policies and Procedures for the [CSO’s Name] as may be appropriate for the implementation of these Financial Regulations and shall report thereon to the Governing Body.

b) The Executive Director shall report to the Governing Body the full text of new or amended Financial Policies and Procedures. The Governing Body may direct that a procedure or an amendment be withdrawn or modified if it finds that the procedure or amendment is inconsistent with the intent and purpose of these Financial Regulations or otherwise contravenes the objectives of the [CSO’s Name].

c) In the event of any conflict between any provisions of these Financial Regulations and the Establishment Agreement, the Establishment Agreement shall prevail. In the event of any conflict between these Financial Regulations and the Financial Policies and Procedures, these Financial Regulations shall prevail.

**Regulation 2.6**

**Financial Period**

The financial period in respect of the budget for the purpose of both the proposed utilization of resources and the incurring of and accounting for expenditures shall consist of two calendar years starting from 1 January of one year until 31 December of the subsequent year.

**Regulation 2.7**

**Effective Date**

These Financial Regulations shall become effective upon approval of the Governing Body.

**Article 3**

**WORK PROGRAM AND BUDGET**

**Regulation 3.1**

**Authority and Responsibility**

a) The ED is responsible and accountable for planning the use of resources administered by the [CSO’s Name] and issuing allocations and allotments effectively and efficiently in furtherance of the policies and activities of the [CSO’s Name] as adopted by the Assembly or Governing Body.

b) The appropriations adopted by the Governing Body shall constitute an authorization to the ED to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved.

c) The ED may delegate authority, as appropriate, for the planning of the resources administered by the [CSO’s Name] and issuance of allocations and allotments.

**Regulation 3.2**

**Presentation, Content and Methodology**

a) The Budget estimates shall cover anticipated income and intended expenditures for the financial period to which they relate and shall be presented in Sri Lankan Rupees.

b) [CSO’s Name]’s activities shall be planned and managed by financial period. The budget estimates shall cover a financial period of two calendar years.

c) The Budget estimates shall be presented on a division-department basis and divided where necessary into programs and projects.

d) The Budget estimates shall be accompanied by the Work Program for the financial period showing the number of projects and programs and other operational activities expected to be financed during that financial period, an overview of past activities and an indication of priorities. It shall be accompanied by such information, annexes and explanatory statements as may be requested by the Governing Body or as the ED may deem appropriate, including details on the changes from the Budget of the previous financial period.

e) The draft Work Program and Budget shall comprise:

(i) an executive summary;

(ii) an introduction;

(iii) the Work Program of [CSO’s Name] for the financial period;

(iv) budget estimates for the financial period by: (1) expense category; (2) division; (3)

thematic area and (4) human resources plan; and

(v) Relevant tables, figures and explanatory statements on Budget estimates, revenue targets and posts. For purposes of comparison, figures for the approved Budget of the relevant preceding

period(s) shall be included beside the estimates for the current financial period

**Regulation 3.3**

**Additional Projects and Scoping**

The ED may approve plans for additions to [CSO’s Name]’s portfolio of projects and scoping for possible new projects that can be accomplished within the approved Budget for the financial period and are aligned with [CSO’s Name]’s strategy The ED shall have the flexibility to deploy and redeploy resources within the approved Budget for the financial period within the provisions The ED shall pursue the projects and scoping and report to the Management and Program Sub-Committee and the Governing Body on their progress

**Regulation 3.4**

**Preparation and Submission**

a) For each financial period, the ED shall prepare a draft Work Program and Budget estimates. The draft Work Program and Budget estimates shall be made available to the Governing Body at least 30 calendar days prior to the opening date of the Governing Body meeting at which the Work Program and Budget estimates are to be considered. The Governing Body shall either approve the Work Program and Budget estimates or return it to the ED for review and re-submission to the Governing Body, respectively, in which case the 30-day requirement referred to above shall not apply.

b) The Management and Program Sub-Committee shall report to the Governing Body on the draft Work Program and Budget estimates proposed by the ED. This report shall be transmitted to the Governing Body at the same time as the proposed draft Work Program and Budget estimates. The report, or an addendum to it, shall contain the recommendations of the Management and Program Sub-Committee concerning the statements of the ED and the draft Work Program and Budget estimates.

**Regulation 3.5**

**Adoption**

The Work Program and Budget for the financial period shall be adopted by the Governing Body, after due consideration of the draft Work Program and Budget estimates.

**Regulation 3.6**

**Publication**

The ED shall arrange for the publication of the Work Program and Budget as approved by the Governing Body.

**Regulation 3.7**

**Supplementary Program Activities**

a. The Governing Body may adopt a supplementary Work Program and Budget for the financial period. The ED shall submit a supplementary Work Program and Budget whenever requested by the Governing Body or where the ED determines, after careful examination of available resources (and concerning the transfer of funds), that there is a need for supplementary resources to support activities that could not have been envisaged at the time the initial Work Program and Budget was proposed or in respect to decisions taken by the Governing Body. Such supplementary Work Program and Budgets shall be prepared and acted upon in a form and manner consistent with the Work Program and Budget for the financial period, including prior submissions to the Management and Program Sub-Committee

b. Supplementary Work Program and Budget proposals shall reflect changes and resources requirements associated with:

(i) Activities which the ED considers to be of the highest urgency and which could not have been foreseen at the time the initial Work Program and Budget proposals were prepared;

(ii) Activities mentioned in earlier Work Program and Budget proposals as items for which later submissions would be made; and/or

(iii) Inflation, mandatory salary scale adjustments, and currency fluctuations.

**Regulation 3.8**

**Budget Performance and Evaluation**

The ED shall establish a system for measuring performance against the approved Work Program and Budget

**Article 4**

**RESOURCES**

**Regulation 4.1 Resources**

The resources of [CSO’s Name] shall comprise:

1. Core contributions made by Contributing Members
2. Other contributions received by [CSO’s Name], and
3. Miscellaneous income derived from operations or otherwise accruing to [CSO’s Name]

**Regulation 4.2**

**Type of Contributions**

Contributions to [CSO’s Name] made by Members or by non-Members shall consist of:

1. Earmarked or Restricted funds are funds provided to finance specific programs, projects or activities as agreed by the donor(s) and [CSO’s Name]. Earmarked or Restricted funds can only be used for the purposes for which they are intended as per the agreement(s) between the donor(s) and [CSO’s Name]. Earmarked or Restricted funds shall be kept separate and apart from core funds of [CSO’s Name] in accordance with Regulation; and
2. Core funds comprise all core contributions made by contributing members and all other funds contributed to [CSO’s Name] that are not Earmarked or Restricted funds. Core funds are available for general use by [CSO’s Name] and shall be credited to the General Fund in accordance with Regulation 6.1

**Regulation 4.3**

**Core contributions made by Contributing Members**

Core contributions from contributing members shall be made in accordance with the Establishment Agreement and the funding agreement(s) between the respective Contributing Member and [CSO’s Name].

**Regulation 4.4**

**Other contributions received by (CSO’s Name)**

ED may enter into arrangements to receive resources in addition to core contributions from Contributing Members, including grants from Members, Government that are not Members and from any public or private entity. Such arrangements shall be on terms and conditions that are consistent with [CSO’s Name]’s purposes, operations and policies and which will not impose undue administrative or financial burden on [CSO’s Name]. Any contributions received that are not, pursuant to the terms of the agreement between the donor and [CSO’s Name], Earmarked or Restricted funds shall be treated as core funds and credited to the General Fund.

**Regulation 4.5**

**Reporting**

The ED shall report annually to the Governing Body on contributions received.

**Regulation 4.6**

**Miscellaneous income**

a) Miscellaneous income comprises all income except:

(i) Contributions from Members, states that are not Members and from any public or private entity;

(ii) Advances or deposits to funds; and

(iii) Reimbursement of expenditures made during the same financial period. Miscellaneous income shall be credited to the General Fund in accordance with Regulation 6.1

b) Interest or other income derived from Earmarked or Restricted funds shall be credited to the fund to which it relates, unless provided for otherwise by the terms of the applicable agreement(s) for such Earmarked or Restricted funds.

**Regulation 4.7**

**Currency of payments**

Contributions shall be paid in Sri Lankan Rupees or in any other currency as the ED deems necessary.

**Regulation 4.8**

**Reimbursements of expenditures**

a) Within the same financial period, reimbursement of actual expenditures incurred shall be credited to the accounts against which they were originally charged.

b) Reimbursement of actual expenditures incurred in prior financial periods shall be credited as miscellaneous income.

c) Adjustments that arise subsequent to the closing of an account shall be debited or credited against miscellaneous income in the same account

**Article 5**

**APPROPRIATIONS**

**Regulation 5.1**

**Prudent Management**

a) The ED prudently manage the appropriations approved for a financial period so as to ensure that expenditures can be met from funds available, keeping in view the actual contributions received and the availability of cash balances.

b) The appropriations approved by the Governing Body in the Work Program and Budget for a financial period shall constitute authorization for the ED to incur obligations and make payments up to the amounts so approved during that financial period.

c) The ED may also incur obligations against future financial periods before appropriations are approved subject to such obligations meeting each of the following criteria:

(i) they are necessary for the continued effective functioning of [CSO’s Name]; and

(ii) they relate to administrative requirements of a continuing nature. The incurrence of such obligations shall be periodically reported to the Management and Program Sub-Committee.

**Regulation 5.2**

**Administration of appropriations**

The ED shall:

(i) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods to be paid for have been received and that payments have not previously been made.

(ii) Designate the officers who may receive monies, incur obligations and make payments on behalf of the [CSO’s Name].

(iii) Maintain an internal financial control that provides for an effective current examination and/or review of financial transactions.

**Regulation 5.3**

**Availability of appropriations**

Appropriations shall be available for entering into obligations during the financial period to which they relate. Appropriations shall remain available for twelve months following the end of the financial period to which they relate only to the extent that they are required to meet outstanding legal obligations of the financial period for which they were appropriated

**Regulation 5.4**

**Cancelling of unobligated balances**

a) Unobligated appropriations at the close of a financial period shall be cancelled. The amount of such unobligated appropriations, after deduction of any unpaid core funds, for the financial period shall be treated as cash surplus under Regulation 5.5.

b) With regard to appropriations required to meet outstanding legal obligations for the financial period that remained available following the close of the financial period for up to twelve months under Regulation 5.3, at the end of the twelve months, any obligations remaining a valid claim at that time shall be charged against the appropriations of the current financial period

**Regulation 5.5**

**Cash surplus**

Any cash remaining in the General Fund which has not been used during a financial period shall be treated as cash surplus for the next financial period.

**Regulation 5.6**

**Transfers between and within Budgets**

a) The ED may reallocate expenditures between different Program budgets, provided that the reallocation would not exceed the total amount of the approved Budget for the financial period. The ED shall report such transfers to each of the Management and Program Sub-Committee and to the Governing Body as part of the normal reporting on the Budget.

b) The ED may reallocate expenditures within Program budgets.

c) The ED shall have authority to effect any expenditure for any sum that was included in the approved Budget to cover unforeseen contingencies.

**Article 6**

**FUNDS**

**Regulation 6.1**

**General Fund**

a) A General Fund shall be established for the purpose of accounting for [CSO’s Name]’s administrative costs and its core activities and for reimbursements to the Working Capital Fund.

b) All core funds – whether current or arrears – from Contributing Members and all contributions of Members or non-Members not specified to be Earmarked or Restricted funds under Regulation 4.2(i), miscellaneous income and transfers made from the Working Capital Fund shall be credited to the General Fund.

c) All expenditures for core activities shall be made from the General Fund.

d) All reimbursements to the Working Capital Fund shall be made from the General Fund.

**Regulation 6.2**

**Working Capital Fund**

a) A Working Capital Fund shall be established to ensure continuity of operations by:

(i) advancing moneys to the General Fund to finance budgetary expenditures pending receipt of contributions; and

(ii) Advancing moneys to the General Fund to finance unforeseen expenditures not provided for in the current budget. The amount of the Working Capital Fund shall be proposed by the ED and determined by the Governing Body from time to time.

b) Advances from the Working Capital Fund to finance budgetary expenditures shall be made only with the written approval of the ED.

c) Withdrawals from the Working Capital Fund to finance unforeseen expenditures shall be made only with the written approval of the ED and shall be reported to the Management and Program Sub-committee at its next session.

d) Advances made from the Working Capital Fund shall be reimbursed to the Working Capital Fund as soon as possible and, in any case, not later than the next financial period, by program adjustments if necessary.

e) Income derived from investment of the Working Capital Fund shall be credited to miscellaneous income and shall accrue to the General Fund.

**Regulation 6.3**

**Earmarked funds, dedicated trust funds, accounts and overheads**

a) The core funds of [CSO’s Name] shall at all times and in all respects be held, used, committed or invested entirely separate from Earmarked (Restricted funds). Each earmarked contribution, its resources and accounts shall be kept entirely separate from other earmarked contributions.

b) The core funds of [CSO’s Name] shall under no circumstances be charged with or used to discharge losses or liabilities arising out of operations or other activities of any Earmarked (Restricted funds). Resources pertaining to any earmarked fund shall under no circumstances be charged with or used to discharge losses or liabilities arising out of operations or other activities pertaining to any other earmarked fund.

c) In the operations or other activities of any Earmarked (Restricted funds), the liability of [CSO’s Name] shall be limited to the resources pertaining to that earmarked fund.

d) The Governing Body shall, from time to time, decide on the minimum overhead percentage for dedicated trust funds and Earmarked (Restricted funds).

e) Dedicated trust funds and accounts and Earmarked or Restricted funds may be established by the ED with respect to restricted contributions provided to finance dedicated activities. The ED shall establish such a funds or accounts provided the dedicated activities to be financed by the fund or account are aligned with [CSO’s Name]’s strategy. The purpose and limits of each such fund or account shall be clearly defined by the ED and shall be reported to the Governing Body. Unless otherwise authorized by the Governing Body, these funds and accounts shall be administered in accordance with these Financial Regulations.

**Regulation 6.4**

**Capital Expenditure Fund**

a) A capital expenditure fund may be established to manage investments that involve capital expenditure. Capital expenditure is defined as expenditures on tangible or intangible assets that generally require a level of resources which cannot be funded within the appropriation for a single financial period.

b) The source of funds will be appropriations approved by the Governing Body.

c) The use of the capital expenditures account shall be approved by the ED subject to the utilization being reported to the Management and Program Sub-Committee and to the Governing Body in their respective subsequent sessions.

**Regulation 6.5**

**Reserve Funds**

Reserve funds may be established with the approval of the Governing Body

**Article 7**

**CUSTODY OF FUNDS**

**Regulation 7.1**

**Cash**

a) The ED, under the authority delegated by the Governing Body as custodian of all of the [CSO’s Name]’s financial assets, is responsible and accountable for the effective and efficient management of cash and cash equivalents in [CSO’s Name] custody.

b) Management of cash includes all actions necessary for the receipt, deposit, advance, investment and disbursement of cash, including the designation of banks and opening and closing of bank accounts.

c) The ED may delegate authority, as appropriate, for such cash management.

**Regulation 7.2**

**Banks**

The ED shall designate the bank or banks in which the funds of the [CSO’s Name] shall be kept, designate those officials to whom signatory authority is delegated for the operation of those accounts and other financial transactions and authorize all bank account openings and closures.

**Regulation 7.3**

**Exchange of currencies**

a) The ED shall make full and effective use of all currencies available to the [CSO’s Name] to the extent possible and, in doing so, may affect the purchase or sale of one currency for another whenever it is deemed to be in the best interests of the [CSO’s Name].

b) The ED shall establish a policy mitigating currency fluctuation risks. The policy may include the use of hedging, derivatives and any other risk mitigation instruments when the use of such instruments is deemed to be in the best interests of the [CSO’s Name].

c) Personnel responsible for the operation of [CSO’s Name]’s bank accounts or for holding [CSO’s Name]’s cash or negotiable instruments are not authorized, without the approval of the ED, to exchange one currency for another, except to the minimum extent necessary for the transaction of official business.

**Regulation 7.4**

**Investments**

a) The ED may invest monies not needed for immediate requirements only in accordance with investment criteria approved by the Governing Body and shall periodically report to the Governing Body on any such investments.

b) In making investments, the ED shall place primary emphasis on security of principal funds while ensuring the liquidity necessary to meet [CSO’s Name]’s cash-flow requirements. The ED shall seek the advice of an Investment Committee composed of members appointed by the ED with substantial experience in the financial sector, including at least one member from outside [CSO’s Name].

c) At least once a year, the ED shall submit a statement of the investments currently held to the Management and Program Sub-Committee or to the Governing Body.

d) Unless otherwise specified in the regulations, rules, resolutions or agreements relating to a particular fund or account, income derived from investments shall be credited to miscellaneous income, as specified in Regulation 4.6. e). Investment losses shall be borne by the fund, trust fund, reserve or special account from which the investment derives. At least once a year, the ED shall submit a statement of the investment losses to the Management and Program Sub-Committee or to the Governing Body.

**Article 8**

**FINANCIAL STATEMENTS AND ACCOUNTS**

**Regulation 8.1**

**Accounting Policies**

a) The financial period, for the purposes of accounting for revenue earned and expenses incurred in respect of [CSO’s Name]’s activities, shall consist of a single calendar year.

b) [CSO’s Name] shall use SLAS relevant to NPOs (SL SoRP recognizes the requirements of the Sri Lanka Accounting Standards with regard to recognition and measurement). The ED shall establish accounting policies to ensure that the financial statements provide information that are reliable in that they

(i) represent faithfully the financial performance and financial position of the [CSO’s Name];

(ii) reflect the economic substance of events and transactions, and not merely the legal form;

(iii) are neutral, that is, free from bias;

(iv) are prudent; and

(v) are complete in all material respects.

c) All items of revenue and expense recognized annually shall be included in the determination of the net surplus or deficit for the period. When items of revenue and expense within surplus or deficit from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explaining the performance of the [CSO’s Name] for the financial period, the nature and amount of such items shall be disclosed separately.

d) Unless otherwise directed by the ED or by the particular terms governing the operation of a trust fund or special account, all financial transactions shall be recorded in the accounts on an accrual basis.

e) Full accrual shall be made by the [CSO’s Name] for the net present value of future benefits, which represent consideration given by the [CSO’s Name] in exchange for services rendered by employees and by individual contractors whose contracts with the [CSO’s Name] expressly stipulate entitlement. Where relevant, such future consideration shall comprise benefits:

(i) As a result of either a decision by the [CSO’s Name] to terminate services before the normal retirement date; A decision by the individual concerned to accept voluntary redundancy in exchange for those benefits;

(ii) Upon completion of services;

(iii) Which do not fall due wholly within the twelve months after the end of the financial period in which the services were rendered.

f) The ED may utilize actuarial values in order to make the best possible estimate of the net present value of such future consideration, at the end of the financial reporting period.

g) The ED shall ensure that the [CSO’s Name] account is provisionally closed on a regular basis.

**Regulation 8.2**

**Preparation of financial statements**

The financial statements for the financial year shall be submitted annually by the ED to the Management and Program Sub-Committee not later than 30 April following the end of the financial year. The accounts for the financial period shall show:

1. Statement of financial position;
2. Statement of financial performance - the income and expenditure of all funds;
3. Statement of changes in net assets/equity;
4. Cash flow statement;
5. The status of appropriations, including:
6. Original appropriations and supplementary appropriations, if any;
7. Appropriations after modification by any transfers;
8. Credits, if any, other than appropriations approved by the Governing Body;
9. Expenditures charged against those appropriations and/or other credits;
10. Unused balances of appropriations and of other credits;
11. Statement of comparison of budgeted and actual performance for the financial period;
12. Accounting policies and notes to the financial statements; and
13. Such other information as may be appropriate to indicate the current financial position of the [CSO’s Name].

**Regulation 8.3**

**Program Accounts**

The program accounts shall consist of the [CSO’s Name]’s accounts showing revenue, expenses, cash at banks, investments, receivables, and other assets, reserves, payables, other liabilities and any other items as may be appropriate for any funds administered by the [CSO’s Name].

**Regulation 8.4**

**Going concern**

When preparing financial statements an assessment of the [CSO’s Name]’s ability to continue as a going concern shall be made by the relevant key management personnel of the [CSO’s Name].

**Regulation 8.5**

**Submission of financial statements and accounts**

(a) The ED shall submit to the Governing Body financial statements and accounts for the past financial period at least 30 days prior to the Governing Body session or through written procedure.

(b) The ED shall certify that to the best of his/her knowledge, information, and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the financial statements

**Regulation 8.6**

**Financial statements for special purposes**

Financial statements shall also be prepared at such other intervals as may be prescribed by the ED or requested by the Governing Body. Financial statements for special periods or parts of the Budget shall be prepared and submitted consistent with the stipulations of these Financial Regulations.

**Regulation 8.7**

**Maintenance and protection of accounting records**

(a) The ED shall prescribe and maintain financial records and shall institute systems and procedures which shall permit accurate and timely financial reporting on all activities to the Governing Body.

(b) The ED shall maintain and safeguard against damage, destruction, unauthorized access and removal, and such accounting records as are necessary for financial reporting and for management purposes.

**Regulation 8.8**

**Separate accounts**

Appropriate separate accounts shall be maintained for all trust funds and earmarked funds. Unless otherwise authorized by the Governing Body, these funds shall be administered in accordance with the applicable Regulations set forth herein.

**Regulation 8.9**

**Currency of accounting records**

(a) The accounts of the [CSO’s Name] shall be presented in Sri Lankan Rupees. Accounting records may, however, be kept in such currency or currencies as the ED may deem necessary.

(b) At main office, accounts shall be maintained in Sri Lankan Rupees. At offices away from Sri Lanka, accounts may be maintained in the currency of the country in which they are situated.

**Regulation 8.10**

**Insurance**

The [CSO’s Name] shall procure insurance contracts to mitigate the risks of catastrophic or other losses to the [CSO’s Name].

**Regulation 8.11**

**Writing-off of cash, receivables and property**

The ED may, after full investigation, authorize the writing off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Governing Body

**Regulation 8.12**

**External audit - the accounts and financial management of all funds governed by these**

The accounts and financial management of all funds governed by these

Financial Regulations shall be subject to an annual audit, and the arrangements for such audit shall take into account in the nature of [CSO’s Name] and ensure an open and competitive process for the selection of the External Auditor, subject to approval by the Governing Body