



Agama Charity

PROCUREMENT & FUND SAFEGUARDING POLICY

Ethical purchasing. Protected resources.
Transparent stewardship.

AGAMA CHARITY

Community-based organisation • Tanzania

Public policy framework for staff, volunteers, partners, donors and community stakeholders

Document Information

Document title	Procurement & Fund Safeguarding Policy
Organisation	AGAMA Charity
Established	2011
Scope	Purchasing, contracting, grant and donation funds, project expenditure, assets and related records
Approval status	For formal review and approval by the AGAMA Charity Board of Directors
Effective date	To be entered after formal approval
Review cycle	At least every three years, or sooner if required

1. Purpose and Commitment

AGAMA Charity is committed to protecting donations, grants and other organisational resources so they are used for their intended charitable purposes. This policy establishes a clear framework for fair procurement, responsible spending, prevention of misuse, sound record-keeping and transparent oversight.

Procurement and fund safeguarding are connected responsibilities: purchasing decisions must deliver appropriate value and quality, while financial controls must ensure that money and assets are authorised, traceable and protected from fraud, waste, conflicts of interest and diversion.

Our commitment

“Every resource entrusted to AGAMA Charity must be handled with integrity, documented appropriately and directed toward its approved purpose.”

2. Scope

This policy applies to Board members, employees, project staff, volunteers and any person authorised to purchase goods or services, approve expenditure, manage funds, hold assets or act on behalf of AGAMA Charity. Relevant requirements should be included in agreements with implementing partners and suppliers where appropriate.

The policy covers goods, services, works, consultancy, travel and programme supplies; donations and grants; cash and bank transactions; advances and reimbursements; inventory and equipment; and procurement or expenditure funded by restricted donations or grants.

3. Core Principles

Integrity and impartiality. Decisions must be made in the charity’s best interests, not for private benefit.

Fair competition. Seek competition proportionate to the value and risk of the purchase, unless a documented exception is justified.

Value for money. Consider quality, suitability, durability, delivery, total cost and sustainability—not price alone.

Transparency. Keep clear records of decisions, approvals, quotations, contracts, receipts and payments.

Separation of duties. Where feasible, different people should request, approve, receive and pay for goods or services.

Proportionality. Controls should match the value, complexity, urgency and risk of each transaction.

Donor compliance. Follow grant agreements and donor restrictions where they are stricter than this policy.

Community benefit. Purchasing should be safe, ethical and appropriate to local context and programme needs.

4. Procurement Planning and Approval

Before purchasing, the responsible project or function lead should confirm that the need is legitimate, budgeted, connected to an approved activity and not already met by available stock or resources. The request should describe the required item or service, quantity, specifications, delivery timeframe, budget line and funding source.

No person should divide a purchase into smaller transactions to avoid a required approval or competition threshold. Commitments must not be made before the required approval has been obtained, except under a documented emergency process.

5. Competition and Quotations

AGAMA Charity should establish written monetary thresholds and approval limits suited to its budget, local market conditions and donor requirements. Until the Board adopts specific thresholds, the following is a recommended interim approach to be approved before use:

Purchase level	Recommended process	Record to retain
Low value / routine	Check reasonableness of price and use an approved supplier where appropriate.	Request, approval, invoice or receipt.
Moderate value	Seek at least three written quotations where a suitable competitive market exists.	Quotes, comparison, selection rationale and approval.
High value / complex	Use a documented competitive process, defined evaluation criteria and appropriate senior or Board approval.	Solicitation, bids, evaluation record, approvals and contract.
Sole source / emergency	Permit only where justified, authorised and documented; competition should be restored when practicable.	Written exception rationale, approval and price-reasonableness evidence.

The monetary limits and who may approve each level should be documented in a Board-approved schedule. Donor rules and applicable Tanzanian legal requirements take precedence where they impose stricter requirements.

6. Supplier Selection and Conflicts of Interest

- Use objective criteria such as compliance with specifications, quality, price, delivery, reliability, safety, after-sales support and relevant sustainability considerations.
- People involved in a purchase must disclose any personal, family, financial or business relationship that could influence—or appear to influence—the decision.
- A person with an actual or perceived conflict must not evaluate or approve the affected procurement unless an authorised independent decision-maker documents a defensible exception.
- Do not request or accept bribes, kickbacks, personal commissions, inappropriate gifts or favours from suppliers.
- Supplier selection must not discriminate unfairly; local suppliers may be considered where they meet requirements and provide appropriate value.
- Document the reason for the selected supplier, including when the lowest-priced offer is not selected.

7. Purchase Orders, Contracts and Receipt

Written purchase orders or contracts should be used where appropriate to the value and risk. They should define the goods or services, price, delivery or completion requirements, payment terms, responsibilities and any quality, safeguarding, confidentiality or data-protection conditions that apply.

A person independent of the purchase request should, where feasible, confirm that goods were received or services delivered as agreed. Differences, damaged goods, incomplete work or poor performance should be recorded and resolved before final payment where appropriate.

8. Fund Safeguarding and Financial Controls

- Maintain organisational funds in accounts approved by the Board and held in the organisation's authorised name wherever practicable.
- Set clear written authority limits for initiating, approving and releasing payments; use dual authorisation for bank payments where the banking arrangements allow.
- Never share banking passwords, PINs, one-time codes or personal access credentials. Access should be individual, restricted and reviewed when roles change.
- Pay only against adequate supporting documents, such as an approved request, purchase order or contract, evidence of receipt, invoice and payment approval.
- Use cash only when necessary, with approved limits, numbered vouchers, receipts, secure storage and prompt reconciliation.
- Record all income and expenditure promptly in the accounting records and allocate restricted funds to the correct donor, project or purpose.
- Reconcile bank accounts and cash balances regularly; a person independent of payment processing should review reconciliations where feasible.
- Record, secure and periodically verify equipment, supplies and other assets purchased with charitable funds.
- Prohibit personal use, unauthorised lending, diversion, duplicate claims, fictitious suppliers, falsified receipts and expenditure outside the approved charitable purpose.

9. Donations, Grants and Restricted Funds

Donations and grants must be used in line with the donor's stated purpose, any written agreement and the charity's approved activities. Restricted funds should be identifiable in the accounting records so that receipts, expenditure and remaining balances can be reported accurately.

Before accepting a significant grant or restricted donation, authorised leadership should review the conditions, deliverables, reporting requirements, eligible costs, payment schedule and any risks or obligations. AGAMA Charity should not promise a use of funds that it cannot reasonably deliver or monitor.

If a project changes, becomes impossible to deliver or has an unspent balance, the charity should consult the donor and obtain written agreement where required before reallocating, retaining or returning funds. Public fundraising statements must be accurate and should not imply that restricted donations are freely available for unrelated purposes.

10. Advances, Reimbursements and Staff Expenses

Advances should be approved before issue, recorded against the responsible person and cleared with receipts and a brief expenditure report within a defined period. Further advances may be withheld until earlier advances are reconciled, except where an authorised exception is documented.

Reimbursement claims should state the business purpose, date, amount and project or budget code and include original or acceptable electronic receipts. Claimants must not approve their own claims. Any exception due to missing receipts must be explained and approved independently.

11. Fraud Prevention, Reporting and Response

Suspected theft, fraud, bribery, procurement manipulation, misuse of funds, false documentation or other financial misconduct should be reported promptly to an authorised senior person or the Board-designated reporting contact. If the concern involves that person, it should be escalated to an independent Board representative.

Reports should be handled discreetly, fairly and without retaliation against anyone who raises a concern in good faith. Records should be preserved, access restricted and an appropriate impartial review conducted. The charity should take proportionate corrective action and make any legally or contractually required notifications. No

individual should investigate an allegation where they are implicated or have a conflict of interest.

12. Records, Transparency and Audit

Procurement and finance records should be complete, accurate, dated, securely stored and accessible only to authorised persons. Records may include requests, quotations, evaluations, conflict declarations, approvals, contracts, delivery confirmations, invoices, receipts, bank evidence, reconciliations, asset registers and donor reports.

Records should be retained for the period required by applicable law, donor agreements and the organisation's approved records-retention schedule. Financial reporting and independent review or audit should be undertaken where required or appropriate to the charity's size, obligations and risk.

Transparency does not mean publishing confidential supplier bids, bank details, personal data or sensitive investigations. Public disclosures should be meaningful while protecting privacy, safety and legitimate confidentiality.

13. Roles and Responsibilities

Role	Responsibility
Board of Directors	Approves this policy and financial authority limits; oversees significant risks, exceptions and organisational accountability.
Charity leadership	Implements controls, assigns responsibilities, ensures compliance with donor terms and escalates significant concerns.
Finance function	Maintains accounting records, tracks restricted funds, processes authorised payments and supports reconciliations and reporting.
Project / procurement lead	Defines needs, confirms budget availability, manages supplier selection and maintains procurement records.
Receiving officer / project staff	Checks delivery or completion and reports discrepancies; does not approve their own unsupported claims.
All representatives	Act honestly, disclose conflicts, protect records and assets, and report suspected misconduct.

14. Non-Compliance and Corrective Action

Failure to comply may result in additional controls, cancellation of a procurement, recovery of funds where lawful, disciplinary or contractual action, referral to relevant authorities or other proportionate measures. Decisions must be fair, documented and consistent with applicable law and organisational procedures.

15. Approval and Review

This policy should be reviewed by AGAMA Charity leadership and the Board before adoption. The Board should approve a separate schedule of monetary procurement thresholds, delegated financial authority, cash limits and payment approval arrangements. These limits should be communicated to all relevant personnel and reviewed periodically.

Approved by	AGAMA Charity Board of Directors
Effective date	To be completed after formal approval
Next review	At least three years after approval, or earlier if required
Policy owner	AGAMA Charity leadership / designated finance lead

AGAMA Charity

Responsible stewardship. Protected resources. Trust earned through accountability.

Important note: This is a governance policy template prepared for AGAMA Charity. Before publication or implementation, the Board should verify that it reflects the organisation's actual procedures, approve the monetary thresholds and delegated authority schedule, and confirm alignment with applicable Tanzanian law and each donor agreement.