

ACCOUNTING & INTERNAL CONTROLS POLICY
OF
INDEGO AFRICA PROJECT

1. General Intent

All financial transactions of Indego Africa Project (the “*Corporation*”) shall be conducted with the highest standards of integrity and transparency. This includes ensuring that all spending is strictly according to the stated objectives and the laws of each country in which the Corporation operates, segregation of duties and appropriate monetary authorities are established in order to assure appropriate management of funds and that full reporting and disclosure of all financial activities is made on a regular basis. Detailed and documented policies and controls that have been approved by the Board of Directors of the Corporation (the “*Board*”) are an integral part of achieving this intent.

2. Budgeting

- a. Annual Budget: Prior to the start of every year a budget (the “*Budget*”) will be established and endorsed by the Board that reflects the stated objectives of the Corporation. The Budget will include appropriate detail on expected sources and uses of funds. The Budget not only serves to help evaluate the performance of the Corporation, but will establish limits or controls over the level and type of spending.
- b. Budget Variances: Any expected material variations from the Budget must be approved by the Board.

3. Performance Reporting

- a. Quarterly Report: Every quarter a report on the sources and uses of funds shall be issued to the Board, along with explanations for variances.
- b. Monthly Report: In addition a monthly report shall be issued that includes sufficient information for the operating officers to review details of expenditures, perform bank account reconciliations, and monitor individual project status.

4. Contracting and Purchasing

- a. Contracting: As many activities as possible shall be conducted under a contract or purchase order issued by the Corporation to any suppliers or contractors.
- b. Contract Signatories: Contracts with a value below \$5,000 may be signed by the President or Treasurer. Contracts or purchase orders above \$5,000 must be signed by two directors of the Corporation (“*Directors*”), which signatures may be in counterparts.
- c. Conflict Transactions: If the Corporation intends to enter into a transaction or arrangement with an “interested person” who has a “financial interest” (as such terms are defined in the Corporation’s conflict of interest policy (the “Conflicts Policy”)) in such

transaction or arrangement, such transaction or arrangement must be approved in accordance with the Conflicts Policy.

- d. Contracts and Budgeting: Contracts and purchase orders must be in line with the Budget. If issuing the contract or purchase order shall cause an overrun in the Budget, an amendment to the Budget must be approved by the Board before that contract or purchase order can be signed.

5. Project Authorizations

- a. Aid and Retail Projects: No new aid or retail project shall be undertaken without the prior approval of the Board of Directors. Such request must include an estimate of costs, scope, compliance with laws, and expected benefit to the community.
- b. Changes in Scope: Any changes in scope in an approved project must also be approved by the Board along with appropriate support and justification.

6. Accounting

- a. Accounting System and Records: An appropriate electronic accounting system shall be established and maintained. This system shall allow appropriate information and details in order to issue regular performance reports, comply with required tax filings, and enable any audits or reviews of the books and records. In addition, appropriate documentation supporting all expenditures and cash receipts shall be maintained.
- b. Cash Accounting: Accounting shall be done on a cash basis rather than an accrual basis.
- c. Reporting: Reports shall be issued as noted in the Performance Reporting section.
- d. Annual Accounting Review: At least once per year, two or more Directors must conduct a review of the accounts to ensure they are well maintained and accurate, supported by appropriate documentation, and that financial procedures and policies have been followed.

7. Banking and Cash Management

- a. Account Signatories: The organization will establish at least one current account in the United States of America. At least two Directors must be signatories on the account. Both the President and the Treasurer must either sign or formally approve any transaction over \$5,000. Transactions under that level may be approved by either the President or the Treasurer (the "*Officer Signatories*"). In this case the "approval" is signified by signing a check or approving an electronic transfer. If both Officer Signatories are not in the same location or the electronic banking system does not permit two signatories, the Officer Signatory that does not sign must indicate his or her approval of the payment by fax or by electronic transmission in any form that is permitted and consistent with Section 3.5 of the Corporation's bylaws (the "*Bylaws*").
- b. Domestic Accounts Initially: During the start-up period, the Corporation does not intend to establish bank accounts outside the United States.
- c. Imprest Funds: To the extent that expenditures need to be made outside the United States, such expenditures shall be made by wire transfer to the bank account of one of our authorized agents. That agent shall maintain an Imprest fund (the "*Imprest Fund*") in

order to make expenditures on behalf of the organization. The value of the Imprest Fund shall not exceed \$5,000. Any expenditure made by the agent shall be documented by invoices. Once the value of the Imprest Fund drops below \$3,000, the agent may submit a request for the Imprest Fund to be replenished back to the \$5,000 level, with the spending to date and amount of the supplement request to be fully supported by invoices or signed receipts as appropriate. Two Directors must approve the supplement request before the funds can be transferred.

- d. Monthly Account Reconciliation: All bank accounts must be reconciled monthly, and that reconciliation approved by an officer other than the individual who prepared the reconciliation. The reconciliation will compare the statement from the bank with the accounting records, and identify and explain any differences.

8. Investment Management Policy

- a. Investment Management: From time to time the funds received by the Corporation will exceed the immediate requirements. In those cases funds may be invested in appropriate short-term, low-risk investments such as interest-bearing savings accounts, certificates of deposits, or U.S. treasury bills. In no circumstances will any funds be invested in stocks, hedge funds, commodities, real estate, margin accounts or any other speculative or high-risk investments.
- b. Approval of Investments: The Treasurer may recommend individual investments, but the President or another Director must approve of such investments.

9. Employment and Remuneration

The organization shall not hire employees during the start-up period. Any remuneration to Directors, officers, volunteers, or independent consultants must be approved by the Board in accordance with the Bylaws.

10. Reimbursement of Expenses

From time-to-time, Directors, officers and volunteers (the “*Recipients*”) may incur personal expenses on behalf of the Corporation, such as travel expenses, internet or telecommunications costs, small value purchases, or filing fees. In those cases the Recipients may request reimbursement by submitting a request detailing the expense, business justification and amount, along with appropriate documentation. Reimbursements may be approved by either the Treasurer or the President in accordance with the Bylaws.

11. Compliance

The organization is committed to fully complying with all laws and regulations in all countries in which it operates or has dealings. This includes but is not limited to: (i) tax laws and filing requirements, (ii) banking and currency regulations, (iii) laws regulating non-profits, and (iv) the Foreign Corrupt Practices Act.

12. Delegation of Authority Table

In order to clarify and summarize the above approval requirements, the following table is provided for ease of reference:

Activity	President	Treasurer	Minimum of Two Directors	Full Board
Annual Budget		Proposes		Approves
Budget Changes		Proposes		Approves
Contracts/PO <\$5,000	Approves	Approves		
Contracts/PO >\$5,000			Approves	
New Projects	Proposes			Approves
Change in Scope in Existing Project	Proposes			
Carry out Accounting	Approves	Proposes		
Review of accounts			Approves	
Establish a bank account		Approves		
Authorize transactions <\$5,000	Approves	Approves		
Authorize transactions >\$5,000			Approve	
Approve Imprest Fund supplements	Approves	Proposes		
Bank Account Reconciliation		Proposes	Approves	
Invest surplus cash	Approves	Proposes		
Transaction or arrangement with interested parties				Approves (see Conflicts Policy)
Remuneration of Directors				Approves
Reimbursement of business expenses	Approves	Approves		
Changes in Policy				Approves

13. Changes in Policy

The full Board of Directors must approve this policy and any changes to it.



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IN WITNESS WHEREOF, the undersigned, being the Secretary of Indego Africa Project does hereby certify that the foregoing is the accounting and internal controls policy of said corporation, as adopted at a meeting of the Board of Directors on November 9, 2006.

Name: Mary E. Mitro
Title: Secretary