

E. Accounting Procedures (2/2)

4. Reconciliation

- Monthly bank & ledger reconciliations (bi-weekly for large projects)
- All reconciliation signed off by Head of Finance and documented

5. Financial Reporting & Use of System

- Prepared monthly and annually in compliance with SAK
- Automates entries, approvals, and reporting
- Strengthens compliance and oversight



E. Compliance & Risk Management

1. Regulatory Compliance

- Follows Financial Accounting Standards, tax laws, Anti-money laundering and anti-corruption regulations

2. Audits

- Internal: Twice a year
- External: Annually by certified auditor

3. Fraud Prevention

- Annual risk reviews and interest declarations
- Conflict of interest disclosures required
- Whistleblower protection in place

F. Systems & Technology

Financial Management System & Data Security

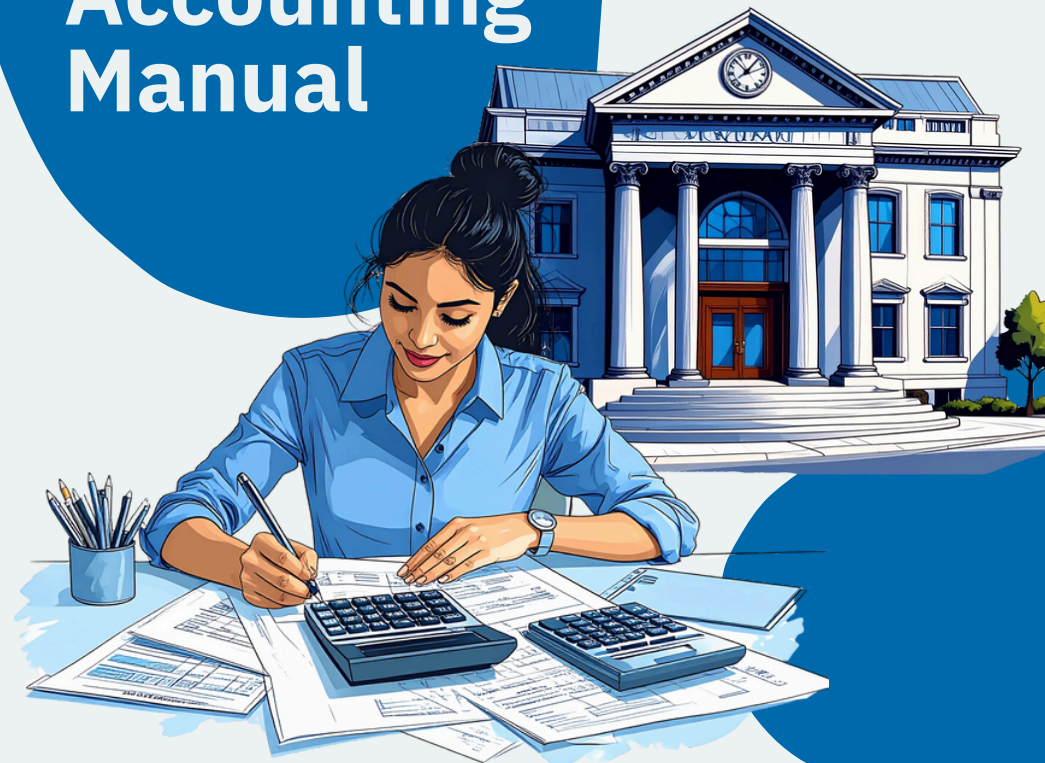
- Automates approvals and reporting
- Ensures governance alignment
- Encryption, limited access, regular system audits

G. Training & Development

Regular training for accounting staff on:

- Indonesian accounting standards
- Use of financial systems
- Financial management best practices

Accounting Manual



A. Overview

Pijar Foundation upholds transparency and accountability through strong financial governance. This manual aligns with Indonesian Financial Accounting Standards (SAK), donor rules, and best nonprofit practices, using digital-first systems to ensure efficiency, traceability, and integrity across all financial activities.

B. Scope

Applies to all accounting processes involving employees, project teams, vendors, partners, and the Board. Covers:

- Transactions
- Recordkeeping
- Audits
- Financial compliance



C. Governance & Internal Controls

1. Key Roles

- Head of Finance leads accounting, audits, and compliance
- Staff handle transactions, reconciliations, and budgeting
- Board reviews financial reports for compliance

2. Controls & Systems

- Duties are segregated to prevent errors
- Digital system tracks approvals and audit trails
- Payments require a three-way match
- Board member reviews finances bimonthly

D. Financial Reporting

1. Chart of Accounts (CoA)

- Structured per SAK for consistency and comparability.

2. Financial Reports

- Balance Sheet, Income Statement, Cash Flow Statement, Functional Expense Report

3. Reporting Schedule

- Monthly: Reviewed by Head of Finance
- Quarterly: Reviewed by Board
- Annually: Audited by independent auditor



E. Accounting Procedures (1/2)

1. Accounts Receivable (AR)

- Types: Time-based (schedule) & outcome-based (deliverables)
- Invoices issued 5+ days before due; automated reminders
- Escalation: Contact (30 days), formal notice (60), legal review (90+)
- Monthly reconciliation and audits

2. Accounts Payable (AP)

- Types: Petty cash, procurement, vendor payments, credit card
- Tiered approvals based on amount
- Requires PO, invoice, and BAST for payment
- Monthly procurement audits and vendor checks

3. Transaction Recording

- Entered in financial system with supporting documents
- Requires prior approval