



Financial Management Policy

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Based on Work Template B, 2022

Management Document

Tayyab Trust USA



Overview

NAAS Welfare Foundation Inc. is a registered 501(c)(3) nonprofit organization in USA (Tax ID: 47-5008669), DBA Tayyab Trust USA, with multiple social projects focusing on projects related to affordable healthcare, water/WASH, food security, poverty alleviation, general welfare, etc. Our mission is to empower individuals to rise out of poverty through relief and development. Equipped with 15 years of experience led by a global network of charity sector professionals, Tayyab Trust USA has uniquely crafted expertise in impact driven project management creating significant sustainable change through the use of innovative technologies, digital management tools, and community based solutions. We have partnered with various renowned national and international humanitarian organizations to assist in project development and implementation within Asia, Africa, and Americas. The organization also manages a 30-bedded hospital, Tayyab Hospital in India, with extended primary healthcare facilities nationwide. Together, we believe that our vision to beat poverty can be achieved, and we continue to strive to reach that goal through the advancement of emergency relief and human development work globally.

We take fraud and corruption practices very seriously and have internal organizational policies to prevent such dangers from occurrence. All our policies are established on the basis of zero-tolerance with strict timely action taken against those who fail to follow the policies established. Additionally, we are committed to ensure compliance with local government regulations and keep high standards for transparency and accountability. This document will explain the purpose, scope, and statement in regard to the financial management policy.

Policy Purpose

This policy is created to describe the importance of good financial management practices, define the organizations steps and actions to address it, and designate the appropriate procedures and activities among the board and staff in response to if needed. The information mentioned in this policy frames the overall aim of the policy and any related information from this policy may also be found in other policies and procedures enforced within the organization.

Policy Scope

This policy applies to all organization members, representatives, contractors as well as extended project staff and official volunteers. The term of this policy is for three years starting January 2025 with the next review date set for January 2028. The organization may choose to revise and renew this policy prior to the next review date upon unanimous decision from the board. All policies are maintained and recorded by the organization's board and any changes in the policies must be with the authorization and approval of the board in writing.



Policy Statement

The financial management policy provides guidelines for effective stewardship of the financial resources of the organization. It sets out rules and procedures to ensure the organization uses its money responsibly, efficiently, and in a way that supports its mission and goals. Fundraising revenue may come from multiple sources, such as cash, checks, online transfers, grants, or in-kind contributions like goods and services. This policy ensures that all funds used in fundraising, administrative, project expenditure, surplus, reserves, investments, reimbursements, etc. are managed responsibly, transparently, and in alignment with the mission and goals of the nonprofit. The policy provides a framework for budgeting, financial planning, and risk management to ensure resources are allocated effectively and sustainably across all organizational activities.

The organization prepares and approves annual budgets through the board, using historical data to project revenue and expenses, and ensuring that income is sufficient to cover planned costs while supporting its mission and goals. Any expenditure outside the approved budget requires prior board approval. If there is project surplus, where actual project expenses are less than the funded amount, the remaining funds may, with board approval, be reallocated to other projects or general operations, provided that such use aligns with the organization's mission. Annual surplus is allocated according to organizational priorities, where reserves can be created to maintain financial stability. Reserves are reviewed annually to confirm their adequacy in covering operational risks.

Board members may be reimbursed for actual, reasonable, and documented expenses incurred in connection with official nonprofit business, including travel costs such as airfare, train or bus tickets and mileage for personal vehicle use at the standard rate. Taxi, rideshare, or public transportation fares, lodging when travel requires an overnight stay, and meals while traveling for meetings are also reimbursable. Fees for workshops, training, or conferences directly related to board duties, as well as printing, supplies, postage, and other necessary communication costs, may be reimbursed too. Expenses that are personal in nature or unrelated to board business are not reimbursable. This includes personal or family travel, personal entertainment, gifts, fines or penalties, expenses already covered by another source, and membership fees or subscriptions not related to board duties. Board members are expected to exercise good judgment and stewardship of the organization's funds.

Funds raised through fundraising activities are allocated transparently across project budgets, administrative needs, and fundraising expenses. The organization allocates 85% to project costs, 8% to administrative costs, and 7% to fundraising costs, ensuring that the majority of resources directly support projects and initiatives that advance its mission. Project costs include direct costs (DRC), such as item materials, construction work, etc., as well as indirect costs (IRC) related to project support, and monitoring, evaluation, and learning costs (MEAL) to ensure effectiveness and accountability. Administrative costs cover essential operational functions including finance, human resources, compliance, and governance, while fundraising costs include expenses necessary to secure future donations and sustain long-term support. Allocation percentages are reviewed



periodically by the board to maintain transparency, efficiency, and alignment with best practices and donor expectations. This approach ensures that all funds raised are managed responsibly and maximizes impact while maintaining donor trust.

Regarding any nonprofit investments such as endowments, quasi-endowments, project-related investments (PRIs), capital projects funds, etc., all funds are invested in accordance with ethical and prudent investment principles, ideally preserving the principal to ensure long-term sustainability. The purpose of such investments is to provide long-term financial stability to support both project and administrative needs in alignment with the organization's mission. Annual spending from endowments follows a board-approved rule, such as a percentage of the average market value. All funds with donor-imposed restrictions are tracked separately and used only as specified. The organization provides transparent financial reports to donors upon request, and gift acceptance policies ensure compliance with applicable laws and organizational values. Oversight of all financial and investment activities rests with the board.

Tayyab Trust USA is registered with the Internal Revenue Service (IRS). Public reports for the organization may also be found on their website.