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Loden Foundation
Thimphu Bhutan | P.O. Box. 131
Tele: +975-77195599 / +975-77195588
Email: info@loden.org
Social Media: @lodenfoundation
www.loden.org

Terms of Reference (ToR) for Finance Officer

Job Title: Finance Officer

Reports to: Executive Director

Works closely with: Accounts Officer (peer), Finance Manager Consultant (adviser and oversight, first year), LEP Officer, programme staff, Finance Committee

Location: Loden Foundation Office, Thimphu

Job Description

Position Summary: The Finance Officer provides financial oversight, verification, analysis and financial planning for Loden Foundation. The role makes sure payments are verified against budget, fund utilization terms and procurement rules before approval, looks after the Chart of Accounts (CoA), SOPs with internal controls, and looks ahead through forecasting, project sustainability analysis, admin cost structuring and loan portfolio analysis. This is not an accounting role. The Finance Officer does not routinely enter transactions, and is measured on the quality of decisions and controls, not volume of processing.

How payments flow: The Finance Officer verifies. The Accounts Officer records and prepares. The Executive Director approves and signs. The Finance Officer has no authority to approve payments.

First year: The Finance Manager consultant provides oversight of the whole finance and accounting function, and reviews the Finance Officer's work. After the first year, the Finance Officer takes over the finance function fully.

Reporting line: The Finance Officer and Accounts Officer are peers and both report to the Executive Director. The Finance Officer holds functional authority over the CoA, SOPs for internal controls, and reviews the Accounts Officer's entries as set out below.

Duties and Responsibilities

A. Verification and Budget Control

- Act as primary verifier of notesheets and payment requests: confirm budget availability, verify grant conditions are followed, correct budget line, fund and class, that the procurement process was followed, and that supporting documents are complete.
- Sign the verification on every payment file before it goes to the Executive Director for approval.
- Produce a monthly budget versus actual report by project, programme and donor, flagging overspends, underspends and any drift from the original budget.

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- Advise the Management each month on whether Loden has enough to meet its commitments or needs to cut or defer expenses.
- Advise programme staff on project budgets and budget reports.

B. CoA, Internal Controls and SOPs

- Act as custodian of the CoA.
- Develop, document and update SOPs and internal controls across payments, procurement, allocations, loans and reconciliations. Monitor compliance and report breaches to the Management.
- Review a monthly sample of the Accounts Officer's entries and all manual journals, reclassifications and unusual items. Report the error rate to the Management and the Fractional Finance Manager.
- Review and sign off bank reconciliations and the LMS-to-ledger reconciliation.
- **Conduct Periodic Internal Audits:** Plan and execute routine internal audits of financial processes, procurement procedures, and grant/loan disbursements to ensure strict compliance with organizational policies and donor regulations.
- **Audit Reporting & Corrective Action:** Identify financial vulnerabilities, process gaps, or compliance risks, and provide actionable recommendations for corrective measures to the Executive Director and the Finance Committee.
- **External Audit Liaison:** Act as the primary focal point for external auditors, coordinating the preparation of required schedules, financial documents, and drafting management responses to audit findings.

C. Forecasting and Planning

- Build and maintain a rolling 12-month cash flow forecast, updated monthly.
- Analyse operating cost sustainability: how many projects, and of what size, Loden needs to cover its operating costs, and how the funding pipeline compares with committed costs.
- Structure admin fees and cost allocation in project proposals, including which staff salaries are charged as admin cost and in what proportion, so that proposals recover real costs and meet donor rules.
- Prepare the annual budget and re-forecasts.

D. Loan Portfolio Analysis

- Calculate non-performing loans (NPL) and other portfolio quality measures (repayment rate, delinquency, ageing), and recommend provisioning along with the LEP officer.

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- Analyse portfolio trends and their effect on cash flow and the sustainability of the revolving fund.
- Review the proposed restructures and write-offs before they go to the LEP Committee.

E. Reporting and Audit

- Own and present financial reports to the Board and the Finance Committee, drawing directly on QBO. The Accounts Officer helps with queries.
- Prepare donor financial reports in each donor's format, reconciled to the ledger, and submit them on time coordinating with the project coordinators.
- Lead the annual audit: coordinate with auditors, ensure complete and timely responses, and track follow-up of findings.

F. Capital Asset Oversight & Compliance

- Asset Register & Schedule Review: Review and verify quarterly and annual fixed asset schedules, depreciation logs, and amortization entries prepared by the Accounts Officer prior to financial closing.
- Policy & Valuation Compliance: Ensure organizational compliance with financial policies and standard accounting practice (e.g., IFRS / GAAP) regarding capitalization thresholds, useful life estimates, and annual impairment reviews.
- Reconciliation Oversight: Oversee the annual physical asset verification process and review the final reconciliation report comparing physical inventory against general ledger balances.

G. Donors and External Relations

- Take part in donor meetings on financial matters, including budget design and cost structures for proposals.
- Deal with the bank and other external bodies on finance matters as authorised by the Management.

H. Committees and Authority

- Finance Committee: prepares and presents financial papers and acts as secretary on financial matters.
- LEP Committee: financial adviser on fund position and accounting effect of decisions.
- Procurement Committee: adviser on budget availability and procurement compliance.
- Bank signatory with the Executive Director. Verification authority over notesheets and payment files. No authority to approve payments.

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- Only in special cases when the Finance Officer is away, the Accounts Officer is the alternate verifier. The Executive Director may authorise an emergency alternate, with the Finance Officer reviewing afterwards.

I. Continuity

- Learn QBO entry well enough to cover the Accounts Officer during leave or travel in special cases only upon approval by the management. The Accounts Officer reviews those entries on return.

Not Part of This Role

- Routine data entry, payment preparation or bank reconciliation preparation, except as cover in special cases.
- Approving payments.

Qualifications

- Bachelor's degree in Accounting, Finance, Economics or a related field. A diploma with at least 4 years of relevant experience may be considered.
- Professional qualification (for example ACCA, CPA, CMA) is a plus.
- At least 2 years of experience in finance work, preferably in a civil society organisation, development project, or lending or microfinance institution.
- Experience with budgeting, forecasting and donor financial reporting.
- Proficiency in QuickBooks Online, advanced Excel and familiarity with loan management systems is advantageous.
- Understanding of fund and grant accounting and of Bhutan's statutory and tax requirements.

Skills and Competencies

- Strong analytical and forecasting skills.
- Can explain financial information clearly to colleagues who are not finance specialists.
- Comfortable advising and consulting across teams, and holding firm on controls respectfully.
- Sound judgement, discretion and integrity with financial information.
- Ability to learn quickly and work with guidance in the first year, then independently.
- Ability to design simple, workable systems and documents for a lean organisation.

Performance Goals

The targets below are proposed and will be confirmed by the Management at appointment:

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- Every payment is verified before approval, within 2 working days of receipt of a complete file.
- Monthly budget versus actual report issued by the 10th working day of the following month.
- Cash flow forecast updated monthly and accurate enough to support decisions on spending.
- Monthly sample review completed, with the error rate reported and falling over the year.
- CoA revised and SOPs approved within the timeline in the first-year deliverables.
- Donor financial reports submitted on or before deadlines, with no unreconciled differences.
- Quarterly NPL and portfolio report delivered to the LEP Committee.
- Audit findings closed within the agreed time.

Working Conditions

- Standard office hours with flexibility based on workload.
- Willingness to work overtime as needed, with compensation per organisational policy.
- Ability to attend meetings and events outside regular working hours.
- Probation period, notice period and other employment terms as per Loden HR policy. The joining date is as soon as possible.

Physical Requirements

- Ability to work on a computer for extended periods.
- Occasional travel may be required.
- Final remuneration is set by the Manager in line with Loden's salary scale and the candidate's qualifications and experience.