

## Financial Control and Sanctions Policy for Contracting Out

This document serves to record the procedures to control the financial risk for work contracted out by Wetlands International (WI).

1. Any agreement with other parties which involves (total) payments by WI of Euro 10,000 or more, other than the purchase of goods, should be recorded in a written agreement following WI's standard contract to the maximum extent possible.
2. All contracts of Euro 10,000 or more shall include a clause that a final payment is only made after satisfactory delivery according to the agreed terms.
3. Instalments
  - a. Any contract of Euro 50,000 or more shall include provisions on payment in instalments, which cover a period of six months at maximum.
  - b. No instalment shall exceed 50% of the total contracted amount.
  - c. Payment of second and further instalments will only be executed after receipt and positive assessment by the project manager of reporting according to the contract.
4. All contracts of Euro 100,000 and more shall include a clause requiring external auditing of the financial accounts.
5. Sanctions
  - a. Instalments and other payments, if any, will be claimed back from parties that fail to deliver agreed outputs or reports. If such a claim has been made and as long as it has not been fulfilled by a party, no new contracts with this party will be made.
  - b. If and as long as a party fails to comply with the auditing requirement as described in paragraph 4, no new contracts with this party will be made.
  - c. Any indications of fraud will be investigated. In case of serious indications, no further instalments will be paid before such investigation has been finalized.
  - d. Wrongfully claimed or spent amounts of money will be reclaimed.
  - e. Cases of serious fraud will be reported to the appropriate authorities in accordance with applicable law.
  - f. Contracts with parties with which fraud has been observed will be terminated immediately or as soon as possible. Such parties shall be excluded from further contracting unless and until satisfactory and convincing remedial action has been taken.

## Colophon

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