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ADMIN & FINANCE OFFICE

ACCOUNTING AND FINANCIAL MANAGEMENT MANUAL

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INTRODUCTION

Purpose

A1 The purpose of this manual is to enumerate the institution's accounting and financial management system and to provide instructions on the various accounting procedures. Specifically, the accounting manual will aid the institution in the following ways:

- Describe the accounting procedures operated by the management;
- Ensure uniformity of accounting practices with standard accounting procedures; and
- Provide ready means of reference for:
 - Staff and management in cases of doubt; and
 - Training accounting staff in the operation of the system.

Objectives

A2 The objectives of the accounting and financial management systems are to;

- record the assets, liabilities, income and expenditure on a day to day basis;
- provide information to management to assist them in running the organizational activities on a day to day basis; and
- provide suitable financial framework for planning and controlling the organization's activities by means of **annual budgets**.

Responsibilities of the Accounting Function

A3 The manager responsibilities of the accounting function are as follows:-

- To maintain the financial statements and other records of all accounting transactions of the organization;
- To provide statistical and accounting information which is required by management to plan and control all the activities of the organization;
- To comply with constitutional requirements;
- To operate satisfactory accounting controls over the assets and liabilities and all outside transactions with the organizations;
- To amend and develop, the accounting policies and procedures in the light of changes in circumstances (both internal and external);

Description of the Accounting Personnel

A4 Overall responsibility of the institution's accounting function lies with the Manager who oversees the master budget and exercises expenditure control. Other accounting staffs are:

- Administration & Finance Officer;
- Accountant /cashier
- Administration assistants;

Budgetary control

- A5 Budgetary control constitutes the most significant component of the finance management system. The main features of the system are described below;
- Segregation of the organization into areas of responsibility which corresponds with the responsibilities established by the organization structure; these areas of responsibility are termed departments which are also identified as “revenue/cost centres”, sub revenue/cost centres are also established for different programmes within each department.
 - The establishment and use of **accounts codes** to classify income and expenditure, assets and liabilities will reflect budget centre/cost centre structure for which budgets, costs and outputs are calculated, evaluated and reported.
 - The preparation of work plan and budgets; and the incorporation of these budgets and work plans into forecasts, to provide a comprehensive integrated plans of the institution’s activities for the year ahead; and
 - The reporting of performance against agreed budgets and work plans. This will involve variance analysis.

SECTION 1: BUDGETS AND WORK PLANS

- 1.01 The Institution’s Manager with the help of a budget committee will prepare and submit the annual draft budgets for the coming year to the Board of Governors (BOG) three months prior to the end of the current year. The annual plans should include detailed assumptions and targets.
- 1.02 The Manager while preparing the annual budgets should ensure that:
- (a) Salaries include benefits, allowances, inflation;
 - (B) Cost of goods and services reflect current and projected market prices, this might involve inviting quotations from current and prospective suppliers of the goods and services.
 - (C) A reasonable contingency is provided to cater for unforeseen circumstances.
- 1.03 If satisfied, the BOG will approve the budget. At this stage, amendments if any will be made to the budget to incorporate the views of the Board. This should be complete before the end of the current year.
- 1.04 Upon approval by Board the annual budget for the following year will be presented and circulated relevant parties while awaiting implementation.
- 1.05 Expenditures will be incurred only for those activities included in the approved annual budget. Approved annual budgets may be **revised from time to time to reflect changes in activities or other needs and contingencies.**
- 1.06 Authority to incur expenditure in excess of a set limit per transaction lies with the Board. All expenditure documents approved at departmental level will be authorized by the Manager. The Manager may however delegate the authorization of expenditure below a predetermined limit.

- 1.07 Expenditures shall be only authorized if it falls within the overall annual's budget and no expenditure shall be authorized if it exceeds the budgeted amount for specific activity or item.
- 1.08 Where unbudgeted items have to be financed because of its critical nature, **minuted approval shall be sought** from the Manager and a supplementary budget shall be prepared for the purpose of approval by the Board of Governors.

SECTION 11: COST CENTRES AND ACCOUNTING CODES

2.01 Accounting Codes

The accounting codes must be used for every line item (budget line) that is balance sheet and income statement. The same accounts codes are to be shown on payment vouchers, petty cash vouchers amongst other documents.

SECTION 111: BASIC ACCOUNTING ROUTINES FOR PURCHASES

AIM:

3.01 To describe the systems and procedures to be followed and the documentation to be used in accounting for purchases of goods and supplies.

3.02 Responsibility

The departmental heads are responsible for ensuring that purchases are initiated, purchase orders placed and progress control exercised over the receipt of goods and supplies in accordance with the procedures defined. The Administration & Finance (Adm. /Finance) officer is responsible for the proper implementation of relevant accounting procedures.

Summary of the system

3.03 The basic accounting routines for purchases are as follows:-

- (a) The departmental heads raise purchase requisition, obtain the appropriate authorization and pass the requisition to the Administration & Finance officer.
- (b) The Adm./Finance will review the need for the purchase, the budget balance for the item to be purchased. He will then seek quotation from suppliers for review and analysis and pass over such analysis to the Manager for final decision.
- (c) **The Manager selects the suppliers and in case the expenditure is of capital nature or exceeds his limit then final authority should be sought from the Board of Governors for final authorization.**
- (d) The management authorizes for purchase and an LPO is raised by the Accountant for the purchase.
- (e) Goods are received and checked by the Accountant against Delivery Notes and copies of the LPOs.
- (f) The Adm./Finance officer matches suppliers invoices with the duplicate (red copy) of LPO and Goods Delivery Notes, investigates discrepancies and ensures that the invoices are properly authorized for payment.
- (g) The invoices are then authorized for payment.

Forms used

3.04 The main forms used are listed below:-

- (a) **Purchase Requisition**
- (b) **Local Purchase Order (LPO)**
- (c) Suppliers Delivery Note
- (d) Purchase Invoice Register
- (e) Payment Voucher
- (f) **Goods Delivery Note Register**

Description of Procedures

3.05	The purchases accounting procedures are described below under the following headings	Paragraphs
(a)	Purchase requisition procedures	3.05- 3.07
(b)	Purchase ordering procedures	3.08 - 3.12
(c)	Authorized signatories	3.13
(d)	Goods receiving procedures	3.15 - 3.19
(e)	Receipt of suppliers invoices	3.20 - 3.23
(f)	Verification of supplies invoices	3.24
(h)	Payment of suppliers accounts	3.26 -3.29

Purchase Requisition Procedures

3.05 Requisition for purchases must be approved by the Manager. The person authorizing the purchase requisition is responsible for ensuring that the amount is within the approved budget. The Adm./Finance officer will provide guidance on the budget balance.

3.06 The purchase requisition will be prepared in duplicate and the originator will enter.

- (a) Date
- (b) Departmental activity
- (c) Description and quantity of the goods or services required
- (d) Any relevant remark (e.g. required date, receiving areas or department to receive delivery, reference to supplier or price if already established).

3.07 After preparation, the purchase requisition is submitted for approval to the Adm./Finance officer or the Manager.

Purchase ordering procedures

3.08 The Adm./Finance officer reviews and approves the requisition as evidence for the need of purchase. The original is forwarded to the person charged with responsibilities of purchases and the duplicate is retained by the departmental head originating the requisition.

- 3.09 Upon receipt of the duly completed purchase requisition, the Adm./Finance officer will then solicit for quotations from the list of suppliers, which will be attached to the purchase requisition forms before they are forwarded to the Manager for final authorization.
- 3.10 The institution's management will from time to time **fix the limit of amount which the Adm./Finance officer may be allowed to spend without seeking the formal quotations from the suppliers.**
- 3.11 The Manager will append his signature on all the LPO's as evidence of authorization on the same.
- 3.12 No local purchase order will be placed except on the basis of a purchase requisition correctly completed and appended. Local purchase orders will be placed on an official 3 part pre-numbered purchase order (**see appendix 3.2**).

The distribution of the local purchase order copies are as follows:-

- (a) Top white copy –to supplier
- (b) Second red copy – to accounts departments for use in verification of invoices
- (c) Third yellow copy to the user department
- (d) Book copy – to be retained by departmental head to monitor buying progress.

3.13 Authorized signatories

Authorized signatories to local purchase orders and the limits for their authority are as follows:-

- (a) The Manager for the entire amount
- (b) The BOG where the amount involved is material.

Goods receiving procedures

When goods are received, the accompanying Delivery Note will be checked against the copy of the purchase order (LPO) by the Accountant receiving the goods and the date of receipt marked on the order and the supplier's delivery note.

- 3.14 The details of the suppliers delivery note will be entered in a goods delivery note register maintained by the Finance Department, which includes the following information:-
- (a) Suppliers name
 - (b) Description and quantity of goods received. Unless there is a discrepancy in specification, the description will be shown on the purchase order and the quantity will be expressed in the same type of unit as on the order.
 - (c) Quantity ordered and purchase number
 - (d) Delivery note
 - (e) Signature of the receiver
- 3.15 If the goods are not in order the Accountant proceeds as follows:-
- (a) **Incorrect items delivered or over delivery**

A two part rejection note is completed and the supplier's representative returns with the goods after signing the store man's retained copies of the rejection note.

(b) **Under delivery**

The goods are delivered and accepted as per the delivery note.

- 3.16 On receipt of the goods delivery note, the accountant, retrieves his copy of the relevant LPO and matches it against the delivery note checking particularly for discrepancies in quantity ordered and quantity received. Both the Delivery Note and the LPO are held temporarily in a file kept by the accountant alphabetically by supplier.

Receipt of suppliers invoices

- 3.17 All invoices received either by mail or hand delivery will be directed to the Adm/Fin as a matter of routine.
- 3.18 The Adm./Finance officer shall pass over the invoice to the Accountant who will enter the following details of invoice in a pre-printed sequential purchase invoice register.
- (a) Date of receipt
 - (b) Name of supplier
 - (c) Date of invoice
 - (d) Invoice number
 - (e) Invoice value
 - (f) Remarks and signature
- 3.19 The purpose of the register is to provide a check on the subsequent processing of the documents and to provide a simple source of information if a supplier should enquire whether an invoice had been received.
- 3.20 The Adm./Finance officer will apply a rubber stamp to the invoice or credit note and enter on the stamp:
- (a) A code to indicate whether it is an invoice (i) or a credit note (c)
 - (b) Suppliers account number
 - (c) Purchase order number (LPO)
 - (d) Invoice registration number
 - (e) The invoiced value of the goods and services

Verification of suppliers invoices

- 3.21 On receipt of the supplier's invoices, the Adm./Finance officer will perform the following actions;
- o Match the suppliers invoices with the red duplicate copy of the LPO, goods delivery note and the original copy of the purchase requisition form
 - o Investigate any discrepancies identified within the four documents.

- If no discrepancies exist, the invoices together with the three supporting documents are presented Adm./Finance officer for the payments.

Payment of suppliers accounts

- 3.23 Once the invoices have been authorized by the Adm./Finance officer for payment, the Accountant will raise a payment voucher for the invoice(s) to be paid **(see appendix 3.5)**. Appended to the payment voucher will be the original invoice together with the other supporting documentations.
- 3.24 A cheque will be raised for the same payment voucher and forwarded to the Adm./Finance for verification. Thereafter it will be forwarded to the Manager for approval of the voucher and signing of the cheque.
- 3.25 Accompanying the payment voucher and cheque will be a daily cash book balance report **(see schedule 3.6)** which will indicate the cash book balance after taking into account all payments made and receipts received within that particular day.
- 3.26 The cheques together with the supporting documentations including cash book balance report will be taken to all the signatories.

SECTION 3A: PROCUREMENT AND ASSET DISPOSAL POLICY

3A.1 Purpose:

To ensure transparent, fair, and cost-effective acquisition and disposal of goods, works, and services for the University.

3A.2 Policy Statement:

All procurement and disposal activities shall be conducted in a manner that upholds principles of transparency, accountability, competitiveness, and value for money.

3A.3 Procurement Principles:

- All purchases exceeding USD 500 must have a minimum of three competitive quotations.
- Approval thresholds:
 - Department Head – up to USD 1,000
 - Vice Chancellor – up to USD 10,000
 - Board Finance Committee – above USD 10,000
- Procurement documentation (quotations, bids, LPOs, evaluation reports) shall be maintained for at least seven years.
- Members of procurement committees shall declare any conflict of interest prior to deliberations.
- All disposals of assets shall be made through open public auction or a Board-approved sale.
- Procurement decisions shall be reviewed periodically to ensure compliance with national procurement guidelines.

3A.4 Review:

This policy shall be reviewed every three years or upon change in thresholds, donor regulations, or statutory procurement laws.

SECTION 3B: INVENTORY MANAGEMENT POLICY

3B.1 Purpose

To provide guidelines for effective management, control, and accounting of the University's inventories (supplies, materials, and consumables) to ensure accuracy, transparency, and accountability.

3B.2 Scope

This policy applies to all departments and units that hold or use inventory items, including stores, laboratories, and administrative offices.

3B.3 Policy Statements

- All inventories shall be recorded in an Inventory Register maintained by the Administration & Finance Office.
- Each department shall appoint an Inventory Custodian responsible for recording receipts, issues, and balances.
- Inventories shall be valued at cost or net realizable value, whichever is lower, using the First-In, First-Out method.
- Periodic physical stock counts shall be conducted at least twice a year, and results reconciled with accounting records.
- Obsolete, damaged, or slow-moving items shall be identified and reported to the Finance Manager for approval and disposal.
- All stock issues shall be supported by authorized requisition forms and issue vouchers.
- A reconciliation report between physical and ledger balances shall be submitted quarterly to the Finance Department.

SECTION 1V: PAYROLL SYSTEMS

Purpose:

- 4.01 To describe the systems and procedures to be followed and the documentation to be used in preparing the payroll for salaried employees.

Responsibility

- 4.02 The Manager and in some instances the Board shall approve all engagement, promotions, increment, deductions, departures, interdictions etc.
- 4.03 All engagement, promotions, annual increments and deductions etc will be recommended by the Administration & Finance Officer.
- 4.04 The departmental heads will be responsible for the appraisal of their subordinates as to performance.

Summary of the system

- 4.05 The salient features of this system are as follows:-
- (a) Master salary records are maintained for all employees to record the current rates of pay, allowance, statutory and voluntary deductions etc.
 - (b) The accounts department prepares both the payroll and pay slips simultaneously.
 - (c) Employees may be paid either by cheque or transfer to their respective bank accounts. [Payments by cash should be avoided unless this is very necessary.](#)

Forms used

- 4.06 The main forms used are as follows: -
- (a) Master salary record card
 - (b) Master salary record card amendment
 - (c) Salary in advance form
 - (d) Pay slip
 - (e) Gross pay reconciliation

Description of procedures

- 4.07 The payroll procedures are described below under the following headings:

Master salary records
Advances
Deductions
Preparation of payroll
Approval of payroll

Master salary records

- 4.08 For each employee, the Adm./Finance officer maintains a master salary record card. This serves as a permanent record of the standing data to be included in the monthly payroll.
- 4.09 Amendments to standing data are notified to the Adm./Finance officer by the Manager using a Master Salary Record Card amendment form issued in duplicate, and duly approved by the Manager. Amendment forms are raised for new employees, departures, promotions, increments, deductions, etc.
- 4.10 After the master salary record card has been updated, the duplicate of the form is returned to the Manager and the original is retained by the Adm./Finance officer. The Manager endorses his/her signature on both copies of the amendment card as evidence of amendment effected.

Advances

- 4.11 Application for advances is initially made on "salary in advance" form which is completed by the employee and approved by Adm./Finance officer and authorized by Manager. Employees may apply for advances not exceeding 30% of his/her monthly gross pay.
- 4.12 The approved "salary in advance" form is forwarded to the Accountant who raises a payment voucher to be authorized by the Adm./Finance officer.
- 4.13 The employee signs the salary in advance form as acknowledgement of receipt of advance.
- 4.14 The Accountant stamps the "salary in advance form" "PAID" and inserts the date of payment.
- 4.15 The processed '**salary in advance**' form is kept and referred to when processing the monthly payroll.

Voluntary deductions

- 4.16 Amendments to the master salary record card in respect to voluntary deductions are effected by the Accountant upon receipt of relevant applications duly approved.

Preparation of Payroll

- 4.17 The payroll is prepared by the Accountant, preferably computerized. Information for the payroll is obtained from the master salary record card, approved overtime forms, and salary advance forms.

- 4.18 Once the payroll has been prepared, it is then summarized on to pay sheets which show how payment is to be effected by location (i.e. bank payments, cash or cheques) and payroll summaries by departments.
- 4.19 Following completion of the payroll and pay sheets, these are passed to the Adm./Finance officer for checking against the amendment forms, salary in advance forms and overtime forms.
- 4.20 Finally a reconciliation of gross pay to that of the previous month is prepared by the Accounts staff using gross pay reconciliation form. The reconciliation is prepared by reference to:
- (a) Last month's reconciliation
 - (b) Master salary record card amendment forms
 - (c) Current month's overtime claim form
 - (d) Current months' payroll

Approval of payroll

- 4.21 The Adm./Finance officer approves the payroll after carrying out the following checks:
- (a) Master salary record card amendment forms have been processed to the payroll by checking with his/her retained copies
 - (b) Reviewing payroll summary and gross pay reconciliation.

Payment of payroll

- 4.22 The authorized payroll summary is then passed to the Accountant for raising cheques in favour of banks and employees for net pay and other parties for statutory and voluntary deductions. For those employees to be paid in cash, a cash cheque is raised in the name of a personnel who brings the cash to the Accountant for distribution.
- 4.23 The cheques together with the pay slips, payroll summary and gross pay reconciliation are then forwarded to cheque signatories in turn for signature.
- 4.24 After signature the cheques are returned to the Accountant and the payroll is disbursed as follows:
- (a) Employees paid through bank: cheques disbursed to bank with pay sheets and account numbers.
 - (b) Employees paid by cheque: cheques distributed to employees who sign pay sheets as evidence of receipt.
 - (c) Statutory and voluntary deductions: cheques are distributed by the Accounts assistant after the statutory records are updated.

SECTION V: CASUAL EMPLOYEE PAYROLL

Purpose

- 5.01 To describe the system and procedures to be followed and the documentation to be used in recruiting and preparing payrolls for part-time employees.

Responsibility

- 5.02 The Manager is responsible for authorizing the hiring of part-time employees. The

Department head is responsible for monitoring the attendance and performance of part-time employees. The Accounts Assistant is responsible for the preparation of the monthly payroll in respect of the part-time employee.

Summary of the System

5.03 The main features of the system are as follows:-

- (a) The departmental head requests approval from the Adm./Finance officer for the engagement of part-time employees.
- (b) The Adm./Finance officer formalizes and issues letter of engagement to employees.
- (c) The Adm./Finance officer forwards the duplicate copy of the letter of engagement to the Accountant.
- (d) A monthly payroll is prepared and after checking and approval, the part-time employees are paid.

Forms used

5.04 The main forms used are listed here below:

- 1. Part-time employees requisition form. This may take any form of requisition.

Description of procedures

5.05 The procedures in respect of part-time employees are described below under the following heading.

	Paragraph
(a) Hiring of part-time employee	5.06 – 5.08
(b) Supervision of part-time employee	5.09
(c) Payment of part-time employees	5.10

Hiring of part-time employees

5.06 At the commencement of the financial year, the departmental head will present an annual budget of the number of part-time employees required. This will be derived from the annual budget for the year which will have been approved in the previous year. The request is submitted for approval to the Manager using the part-time employee requisition form.

5.07 The Manager approves the requisition in view of the tasks necessary and the budget. After approval, the original of the requisition is distributed to the departmental head to facilitate hiring. The duplicate copy is passed on to Accountant for record.

5.08 Letter of engagement/letter of contract for each of the engaged part-time employees in two copies is issued. The original is forwarded to the employee and the duplicate to the Accounts office for record-keeping.

The supervision of part-time employee

5.09 The supervision of part-time employees and the monitoring of their attendance is the responsibility of the respective head of department.

Payment of part-time employees

- 5.10 The authorized payroll is then passed to the Accountant for raising the cheques in favour of banks and employees for net pay and other parties for statutory and voluntary deductions.

SECTION V1: CASH /CHEQUE RECEIPTS AND PAYMENTS

Purpose

- 6.01 To describe the systems and procedures to be followed and the documentation to be used in accounting for cash receipts and payments using the following records:-
- (a) A main cash book for recording transactions through the bank accounts
 - (b) Petty cash imprest account.

Responsibility

- 6.02 The Adm./Finance officer is responsible for maintaining the main cash book, while the Accountant is responsible for maintaining the petty cash book.

Summary of the system

- 6.03 The main features of the system are as follows:
- (a) All cheque receipts are recorded on daily cash receipt list for control purposes and banked the following day.
 - (b) All cash receipts are listed individually and in a chronological order in cash receipts continuity control sheets (CCS) – and batch totals computed.
 - (c) The batch totals from CCS are then entered into the main cash book.
 - (d) All cheques payments based on approved payment vouchers are entered into the main cash book individually in detail.
 - (e) Payments in cash from petty cash account are made on the basis of approved petty cash vouchers and recorded in petty cash book. Reimbursement is made on an imprest basis.

Forms used

- 6.04 The manager forms used are as follows:-
- 1. Main cash book
 - 2. Official receipt
 - 3. Payment voucher
 - 4. Cash receipts continuity control sheets (CCS)/Daily cash /cheque banking sheet
 - 5. Petty cash voucher

Description of procedures

- 6.05 The cash receipts and payment procedures are described below:-

Cash Receipts and Banking Procedures

- 6.06 Any cash collected from sale of services or goods should be banked intact and any expenses should be accounted for from cash drawn from the bank for that purpose.
- 6.07 All cheques received should be from reputable organization; otherwise they should not be accepted.
- 6.08 All remittances received by mail are forwarded to the Manager to be opened.
- 6.09 On receipt of cheque remittances, the Accountant will take the following actions:-
- (a) Prepare a bank pay in slip in duplicate
 - (b) The details of the cheque, name of drawer, cheque number, cheque amount, and bank and account number for the drawer are recorded in the daily cheque banking sheet.

- (c) The duly completed bank pay in slips accompanied with the daily cheque banking sheet will be forwarded to the Adm./Finance officer to check the casting and signify his/her approval for banking to be done the following business day.
- (e) The cheques together with the deposit slips are taken for banking and the bank teller will stamp both the original and duplicate pay in slips as evidence of receipts.
- (f) The bank will retain the original copy of the pay in slip while the duplicate copy will be passed over to the Accountant.
- (g) The Accountant will attach the duplicate copy of the deposit pay in slip to the appropriate CCS forms and thereafter file in the CCS file.
- (h) All items received during the day will be banked intact on the following business day, unless there is a good reason to justify the delay in banking.

Allocation of receipts

- 6.10 After receipts having been transcribed from the receipts books into the CCS, the Accountant will do the coding, entering particulars of the allocation into the columns of the CCS.
- 6.11 The CCS will thereafter be forwarded to the Adm./Finance officer who will verify by signature that the allocation of receipts has been done correctly and that the batch totals for each allocation is accurate.

Routine treatment of receipts from miscellaneous income

- 6.12 To be verified by the Adm./Finance officer before postings relevant accounts is made.

Routine payments of creditor ledger accounts

- 6.13 At the due dates for payment of creditors ledger accounts, the Accountant will list in duplicate the names and account numbers and amounts to be paid as described in purchases accounting (see **paragraph 3.26 -3.29**). After authorization by the Adm./Finance officer, the lists together with relevant statements and supporting documentation (invoice, LPO, and delivery notes etc) will be passed to the Accounts office for payment.
- 6.14 After payment the duplicate copy of the list and the cheque numbers will be used in posting the payments to the creditor's ledger. The individual remittance from the list will be entered in the payments cash book, the original list being filed by the Accountant to payment voucher file. Details of any fixed asset purchases are also simultaneously entered into the fixed assets register.
- 6.15 The Accountant will, after the payroll summary has been checked, approved and authorized, draw cheques for net pay as per payroll summary and also draws cheques for various deductions from gross pay unless alternative instructions on timing of these payments are issued by the Accountant.

Cheques raising procedures, Bank signatories and issues of cheques

- 6.16 The Accountant raises cheques on the basis of:-
 - (b) Approved payroll summaries
 - (c) Approved payment vouchers

- 6.17 As cheques are raised, details of payments are entered into the payments cash book and documentation supporting the payment is cancelled using the "PAID" stamp.
- 6.18 The cheques together with supporting documentation are then passed in turn to the cheque Signatories who will review the documentation and sign the cheques. The cheque signatory initials against the cancellation stamps on the supporting documentation.
- 6.19 The cheque signatories are to be the Manager, and at least any other two officials.
- 6.20 The Accountant is responsible forwarding cheques to the payee's directly after signatures and filing back supporting documentation.
- 6.21 All signed cheques will be recorded serially in a cheques register in which the following details will be entered.
 - (a) Date of cheque
 - (b) Name of payee
 - (c) Bank and branch (where more than one bank account is in operation)
 - (d) Cheque number
 - (e) Amount
 - (f) Name of collecting person
 - (g) Date of collection
 - (h) Identity of collecting person
 - (i) Signature of collecting person

Bank reconciliation statement

- 6.22 As the bank statements are received regularly, the Accountant reconciles entries appearing on the bank statement to the receipt entries in the cash book. By the end of the exercise, the Accountant will prepare report of the un-cleared items as follows:
 - (1) Unrepresented cheques (cheques issues by the institution but not presented to the bank for payments).
 - (2) Uncredited cheques (cheques posted in the cash book as received but not received by bank).
- 6.23 By the 10th day of the following month, the Accountant will consolidate the daily lists of un-cleared items to prepare a bank reconciliation statement reconciling the cash book and bank statements balance.
- 6.24 The Adm./Finance officer will review and approve the bank reconciliation statement and investigate any item outstanding for unreasonable period of time.

Payment from Petty Cash

- 6.25 The petty cash is kept under the custody of the Accountant and is operated on an imprest basis with float level that is varied at the moment.
- 6.26 The petty cash float operated by the Accountant is meant to cater for the general miscellaneous office expenses.
- 6.27 The authorization limit of cash payments made from standing imprest shall be as directed by the Manager.
- 6.28 All supporting documentation in respect of petty cash is passed to the Accountant who initials the petty cash voucher as evidence of having satisfied himself/herself as to the validity of the supporting documentation before passing it over to the Adm./Finance. for approval as the case may be.

- 6.29 When reimbursement of the float is required the Accountant raises a payment voucher for the amount of expenditure to be reimbursed, the Adm./Finance officer initials the voucher, sign the petty cash book and passes the payment voucher, petty cash book and petty cash vouchers for filing. A cash cheque to reimburse the float is raised and processed as described earlier, the petty cash book being circulated to the cheques signatories as supporting documentation for the payment.
- 6.30 When verifying petty cash balances, the Adm./Finance officer checks that: -
- (a) Each payment is supported by an authorized petty cash voucher
 - (b) Supporting documentation is valid
 - (c) The petty cash book is correctly written up
 - (d) Amount of petty cash is hand agrees with the balance shown in the petty cash book
- 6.31 The Adm./Finance officer signs the petty cash and payment voucher as evidence of this check.

Monthly Accounting Routine

- 6.32 Every month, the Adm./Finance officer totals the receipts and payments transactions on the main cash book analysed to the general ledger accounts. This is simplified by computerizing accounting functions.

SECTION VII: BASIC ACCOUNTING ROUTINES FOR FIXED ASSETS

Purpose

- 7.01 To describe the systems and procedures to be followed and the documentation to be used in accounting for fixed assets.

Responsibility

- 7.02 The Manager is responsible for maintaining custodial controls over fixed assets. The Adm./Finance officer is responsible for maintaining records of fixed assets.

Summary of the system

- 7.03 The main features of the system are as follows:-
- (a) Detailed registers are maintained for all fixed assets.
 - (b) Fixed assets are physically verified semi-annually.

Description of procedures

- 7.04 Fixed assets accounting procedure are described below under the following headings:
- | | Paragraph |
|----------------------------------|-----------|
| (a) Fixed assets register 7.06 - | 7.09 |
| (b) Annual procedures 7.10- | 7.12 |
- 7.05 The procedures for ordering fixed assets and verification and payments of supplier's invoices and basically the same as those outlined earlier under purchase accounting and references should be made to the section of the manual for details of the procedures involved.

Fixed Assets Register

- 7.06 A fixed asset register is maintained for all assets (**see appendix 7.1**). The fixed assets are sub-divided into the following asset categories:

- (a) Partitions and flooring
- (b) Furniture equipment and equipment
- (c) Computers
- (d) Land & property

7.07 For each asset, the fixed assets register shows:

- (a) Name of supplier
- (b) Particulars of the invoice
- (c) Depreciation rate
- (d) Description of the asset
- (e) Purchase/valuation cost
- (f) Depreciation method
- (g) Accumulated depreciation
- (h) Net book value
- (i) Location
- (j) Physical tagging reference
- (k) Details of major repairs and overhaul

7.08 The fixed asset register is updated every time addition, valuation or disposal is made (see cash receipt and payment). At the time of updating the register, an asset reference number is allocation and the departmental head under whose custody the asset falls is notified accordingly with this reference number.

7.09 Disposals and write offs of fixed assets require the approval of the Manager and in some instances Board of Governors prior to updating the register.

Annual procedures

7.10 The total cost of fixed assets as recorded in the fixed asset register is reconciled to the relevant cost figures in the general ledger by the Accountant who makes any required adjustments.

7.11 All fixed assets are verified annually by the Adm./Finance officer or Manager using details of the assets as recorded in the register and the asset reference number to aid in identification.

7.12 Departmental heads are responsible for explaining any variations between assets physically counted and those recorded in the registers.

Note

It is important to note that Fixed Assets Register will only record assets which are duly owned by the institution.

SECTION VIII: VEHICLE MILEAGE CLAIMS

8.01 Members of staff may be permitted to use their private vehicles in performing official duties

8.02 Before a member of staff uses his/her private car for official duties, he/she must complete a mileage requisition form in duplicates giving the following details of the journey to be made:

- Destination
- Appropriate number of kilometres
- Purpose

8.03 The completed requisition form will be forwarded to the Adm./Finance officer for recommendation to the Manager to authorize before the commencement of the journey.

- 8.04 On completion of the journey, the vehicle user will complete a traveling mileage claim form in duplicate. The following details will be filled in this form;
- o Name of staff
 - o Designation
 - o Vehicle registration number
 - o Engine capacity
 - o Particulars of the journey covered
- 8.05 The users shall be reimbursed mileage expenses on the basis of the prevailing mileage rates published by the relevant authority or the institution.
- 8.06 The completed traveling mileage forms will be sent to the Adm./Finance officer for verification ensuring that the computation of the claim is accurate and thereafter forwarded to the Manager for his/her approval.
- 8.07 Once authorized by the Manager, the traveling mileage claim form will be forwarded to the Accountant to raise a payment voucher for the expenditure incurred.
- 8.08 The mileage claim lodged by the Manager need to be approved by a Board of Governors.

SECTION VIII A: VEHICLE LOGS AND FLEET MANAGEMENT POLICY

8A.1 Purpose

To ensure the efficient, accountable, and secure use of all University-owned vehicles.

8A.2 Scope

This policy applies to all motor vehicles owned, leased, or operated by the University.

8A.3 Policy Statements

- Each vehicle shall have a Vehicle Logbook maintained by the designated driver or custodian.
- The logbook shall record:
 - Date and purpose of trip
 - Odometer readings (departure and return)
 - Distance covered
 - Fuel issued and receipts
 - Driver and authorizing officer signatures
- Fuel usage and mileage data shall be reviewed monthly by the Administration & Finance Office.
- Unauthorized personal use of University vehicles is strictly prohibited.
- Preventive maintenance schedules shall be maintained and reviewed quarterly.
- Fuel consumption irregularities shall be reported immediately to the Manager for investigation.
- Accident and damage reports must be completed within 24 hours of occurrence.

SECTION IX: ACCOUNTING ROUTINES FOR IMPRESTS

Purpose

- 9.01 To describe the systems and procedures to be followed and the documentation to be used in accounting for imprests.

Responsibility

9.02 The Adm./Finance officer is responsible for ensuring that expenditures financed by imprests are properly authorized by the Manager and that proper accounting and documentations relating to such expenditures are accurately maintained.

Summary of the system

9.03 The basic accounting routines for imprests are as follows: -

- (a) User raises imprest requisition form in duplicate giving details of the activity for which imprest is required, the budget for that activity analysed by items, duration of that activity.
- (b) The completed requisition is checked and signed by the Accountant before the original and duplicate are forwarded to Adm./Finance officer to comment on the budget allocations for that particular expenditure.
- (c) The completed forms are then forwarded to the Manager for authorization, on the basis of which payment voucher is raised and cheque issued in the name of application.
- (d) Within 14 days after the event, the imprest holder will complete imprest return form in duplicate which shall be attached with a detailed analysis of the expenditure and supporting receipts/documentations and balance of any monies unspent or request for reimbursement of any expenditure overrun.
- (e) The completed imprest return form and supporting documentation will be presented to the Adm./Finance officer to verify that all the money that has been spent was for purposes intended and are properly supported.
- (f) After the Adm./Finance officer's verification, the imprest return form together with the accompanying documentations will be forwarded to the Manager for authorization of the actual expenditures, which he will evidence by signing the imprest return form.

- (g) After the Manager's authorization has been obtained, the imprest return form together with the supporting documentations will be journalized by the Accountant for posting purposes to the general ledger and filed away in the imprests return file.
- (h) For any money returned unspent, an official receipt shall be raised for the exact amount returned before they are banked as per procedures earlier discussed in section 6 of this manual.

Forms used

9.04 The main forms used are listed below: -

- (a) Imprest requisition form
- (b) Imprest return form
- (c) Cash receipt book

SECTION X: MONTHLY ACCOUNTING ROUTINES

Purpose

10.01 To describe the main routines to be followed in the preparation of monthly accounts with the object of ensuring that the resulting management information is timely and correct.

10.02 **Responsibility**

The Adm./Finance officer is responsible for ensuring that the accounting records for the month are completed and balanced in preparation of detailed analysis leading to management information reports.

Summary

10.03 The basic monthly accounting routines are: -

- (a) The use of the monthly transactions main cash book, journals for posting to the general ledger.
- (b) Extraction and adjustment of trial balance.
- (c) The development of management information reports as described in **section 11** (management information reports).

Forms used

10.04 The manager forms are as given here below:

- (a) Main cashbook
- (b) Trial balance

Main cash book

10.05 The main cash book is the primary source document for posting to the general ledgers each period.

Trial balance

10.06 When the Adm./Finance officer is satisfied that the main cashbook has been properly written and transactions posted to the general ledger. With computerized accounting, the trial balance will come out automatically.

10.07 The trial balances and general ledgers will be scrutinized by the Adm./Finance officer. They will be checked to ensure that:

- (a) Control accounts balance to the supporting details

(b) The figures shown are reasonable

10.08 Discrepancies and errors should be traced and corrected in the supporting records. Any adjustments to the trial balance will be recorded in the journal voucher prepared for posting in the following period.

Time Table

10.09 A time table will be used in the finance department to monitor the completion of specific tasks essential to the prompt preparation of period accounts and management information. This time table should recognize that minor delays occurring early in the period may create a bottleneck at a later point and disrupt the scheduled dates for the presentation of information.

10.10 Accordingly, the time table should specify both the weekly detailed tasks to be performed and monthly tasks which occur after the end of the period.

10.11 The time table will be used by the Manager, Adm./Finance officer and Accountant to monitor progress on a regular basis. They will also review the time table from time to time to determine which tasks are creating bottle necks.

10.12 Significant and recurrent bottlenecks will be examined and the steps required to overcome these problems and to regain a smooth flow of data through the system put in place.

SECTION XI: MANAGEMENT INFORMATION REPORTING

Purpose

11.01. The purpose of management reporting system is to consolidate information so that progress can be assessed for all Institution's activities and effectiveness and efficiency with which each activity is being carried out determined. This is achieved by the preparation of work plans, budgets which specify desired targets, results and costs at the start of each financial year and the preparation of monthly and quarterly reports indicating achievements in terms of both outputs and costs against targets.

Monthly reporting

11.02 The following reports shall be prepared on a monthly basis:

- (a) Variance analysis
- (b) Ratio analysis
- (c) New students' statistics
- (d) Withdrawal (student) statistics
- (e) Trial balance
- (g) Draft income & expenditure statements and balance sheet
- (h) Any other information as may be required by the BOG and Donors.

Quarterly reporting

11.03 The following reports shall be prepared on quarterly basis;

- (a) Cash flows: Actual versus budget report.
- (b) Balance sheet
- (c) Student's academic performance reports
- (d) Trial balance
- (e) Student enrolment statistics summary: Actual versus budget report

- (f) Memorandum explaining major variance between actual performances versus budgeted performance.
- (g) And any information as per the advice of the BOG/Donors.

SECTION XII: GRANT FINANCIAL MANAGEMENT

Purpose:

To provide guidance on the financial administration of grants received by the University to ensure compliance with donor requirements and institutional accountability.

Policy Statements:

- All grant funds shall be managed through separate project accounts approved by the Vice Chancellor and Finance Committee.
- Expenditures must strictly adhere to approved grant budgets and contractual terms.
- The Finance Department shall maintain complete grant files including proposals, budgets, disbursement letters, financial reports, and correspondence.
- Financial reports to donors must be accurate, verifiable, and timely.
- Any interest earned on grant funds shall be treated in accordance with donor agreements.

Review:

The Administration & Finance Office shall review this policy annually and update procedures as donor regulations evolve.

SECTION 12A: COST TRANSFER POLICY

12A.1 Purpose

To establish uniform procedures for authorizing and recording cost transfers between projects, grants, or departments in compliance with donor and institutional requirements.

12A.2 Scope

Applies to all University departments managing grant-funded projects or restricted funds.

12A.3 Policy Statements

- Cost transfers are allowed only to correct errors or reallocate costs that benefit another project.
- All transfers must be documented, justified, and approved by the Finance Manager and the Principal Investigator (PI).
- Transfers must occur within 60 days of the original transaction date.
- Each transfer request must include:
 - Description of the original charge and reason for the transfer
 - Supporting documentation (voucher, invoice, journal entry)
 - Authorization signatures from the PI and Finance Office
- Transfers intended to circumvent funding restrictions or avoid cost overruns are prohibited.
- Donor approval must be obtained where required by grant terms and conditions.
- All cost transfers shall be reviewed during internal and external audits.

SECTION XIII: INDIRECT COST RECOVERY POLICY

Purpose:

To establish a uniform approach for recovering indirect (overhead) costs associated with externally funded projects.

Policy Statements:

- All grants and contracts shall include an indirect cost rate, unless explicitly prohibited by the donor.

- The standard institutional rate is 10% of total direct costs, unless otherwise approved by the Board.
- Recovered indirect costs shall be allocated as follows:
 - 50% to institutional overhead
 - 25% to project-supporting departments
 - 25% to administrative reserves.
- The Finance Office shall track, record, and report all indirect cost recoveries.

SECTION 13A: CONTRIBUTIONS IN KIND POLICY

13A.1 Purpose

To establish a consistent approach for recognizing and reporting non-cash (in-kind) contributions to the University.

13A.2 Scope

Covers all non-cash resources donated to the University, including goods, services, equipment, and volunteer time.

13A.3 Policy Statements

- Contributions in kind shall be valued at fair market value as of the date received.
- The Finance Office shall maintain a Contributions in Kind Register with donor details, valuation basis, and utilization records.
- Documentation must include supporting evidence such as donation letters, valuation certificates, or signed receipts.
- Donor agreements shall specify whether contributions are monetary or in kind.
- In-kind contributions shall be recognized in the accounting records and disclosed in financial statements under "Other Income."
- The valuation method shall be consistent with applicable IPSAS or IFRS standards.

SECTION XIV: TREASURY AND FOREIGN EXCHANGE MANAGEMENT

Purpose:

To ensure sound financial management and control over the University's cash, bank, and foreign exchange operations.

Policy Statements:

- The University shall operate bank accounts only with Board approval.
- Foreign currency transactions shall be recorded at the official exchange rate on the transaction date.
- Foreign exchange gains or losses must be disclosed in financial reports.
- Transfers between accounts shall require dual authorization (Manager and Finance Officer).
- Monthly bank reconciliations must be completed and approved within 10 days after month-end.

SECTION 14A: ENCUMBRANCE ACCOUNTING POLICY

14A.1 Purpose

To improve financial reporting and budget control by recognizing commitments (encumbrances) for goods or services ordered but not yet received or paid for.

14A.2 Scope

Applies to all University departments with budgetary responsibilities and financial commitments.

14A.3 Policy Statements

- An encumbrance represents a commitment of funds through approved purchase orders, contracts, or other obligations.
- The Finance Office shall record encumbrances in the accounting system upon issuance of an approved purchase order.
- Encumbrances reduce the available budget balance but are not recognized as actual expenditures until goods or services are received.
- Monthly financial reports shall show both committed and uncommitted funds.
- Departments must review and reconcile encumbrance balances at month-end.
- Encumbrances shall be cleared once payments are processed or obligations are cancelled.
- Unused or lapsed encumbrances must be released by the close of the fiscal year.

SECTION XV: TRAVEL AND EXPENSES POLICY

Purpose:

To regulate travel and related expenditures incurred by staff while performing official duties.

Policy Statements:

- All official travel must be authorized in advance by the Department Head and approved by the Manager.
- Travel advances must be accounted for within 14 days of return.
- Allowable expenses include transportation, lodging, meals, and incidentals per approved rates.
- Staff are encouraged to use the most economical means of travel consistent with efficiency.
- Reimbursement requests must include original receipts and supporting documentation.

SECTION XVI: SUB-GRANT MANAGEMENT POLICY

Purpose:

To ensure sound financial management of funds issued to sub-recipients or implementing partners.

Policy Statements:

- Pre-award assessment of sub-grantees' financial capacity shall be conducted before disbursement.
- Sub-grantees must sign a written agreement outlining deliverables, reporting, and audit rights.
- Funds shall be disbursed based on approved budgets and periodic financial reports.
- The Finance Office shall monitor sub-grant utilization and conduct spot checks.
- All sub-grantees shall submit financial and technical reports as per grant agreements.

SECTION XVII: VEHICLE LOGS AND FLEET MANAGEMENT POLICY

Purpose:

To ensure efficient use, maintenance, and accountability for all University-owned vehicles.

Policy Statements:

- Each University vehicle shall have a Vehicle Logbook maintained by the assigned driver or custodian.
- The logbook shall record: date and purpose of trip, odometer readings, distance covered, fuel issued, and driver/authorizer signatures.
- Monthly fuel and maintenance reports shall be submitted to the Administration & Finance Office for review.
- Unauthorized personal use of university vehicles is prohibited.
- The Finance Department shall periodically reconcile vehicle fuel costs and mileage data with approved travel requests.

SECTION XVIII: COST TRANSFERS POLICY

Purpose:

To establish a consistent process for transferring costs between projects, departments, or grants in compliance with donor and institutional requirements.

Policy Statements:

- Cost transfers must be justified, documented, and approved by the Finance Manager and relevant project principal investigator.
- Transfers must be completed within 60 days of the original transaction.
- Each cost transfer request must include the reason, supporting documentation, and authorization signatures.
- Transfers to correct accounting errors must be supported by adequate evidence.
- Ineligible or unjustified transfers are prohibited.

SECTION XIX: CONTRIBUTIONS IN KIND POLICY

Purpose:

To define and standardize the valuation and recording of non-cash contributions received by the University.

Policy Statements:

- Contributions in kind shall be valued at fair market value at the time of donation.
- The Finance Office shall maintain a Contributions in Kind Register with supporting documentation.
- Recognition and reporting of these contributions must comply with applicable accounting standards.
- Donor acknowledgment letters shall specify whether contributions are monetary or in kind.
- Non-cash contributions shall be disclosed separately in financial statements and project reports.

SECTION XX: ENCUMBRANCE ACCOUNTING POLICY

Purpose:

To ensure accurate reporting of committed but not yet spent funds to improve financial planning and control.

Policy Statements:

- The Finance Office shall record and track encumbrances as part of monthly financial reporting.
- Encumbrances represent obligations that reduce available budget balances but are not yet paid.
- Each department must submit details of outstanding commitments at month-end.
- Reports on encumbrances shall be included in quarterly financial statements.
- Encumbrances shall be cleared when goods or services are received and payment processed.

SECTION XXI: IT SECURITY AND DATA PROTECTION POLICY

Purpose:

To safeguard financial data, systems, and information assets from unauthorized access or loss.

Policy Statements:

- All financial systems must be password-protected and accessible only to authorized personnel.
- Regular data backups shall be maintained both onsite and offsite.
- The Finance Office shall ensure antivirus protection and system audit trails are active.
- Confidential information shall not be transmitted via unsecured channels.
- Breach of this policy may result in disciplinary action.

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