

2017

# FINANCE POLICY



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## **FUND RECEIPT**

### **Sources of Funds**

HACEY HEALTH INITIATIVE receives funds from the following sources:

- i. Donor supported project fund.
- ii. Returns on investments
- iii. Income from short term professional services and consultancy assignments undertaken by HACEY HEALTH INITIATIVE.
- iv. Grants Donations received from philanthropic organizations and individuals.

### **Signatories to Cheque Books**

The signatories of the organization's account will be any member of the top management team as assigned by the board. Chequing account requires two signatories before funds are released.

## **TYPES OF ACCOUNTS**

The following three types of accounts are maintained by the organization:

### **Central Corporate Account**

All income accrued to HACEY HEALTH INITIATIVE will be deposited in the Central Account which shall be operated by the two signatories of top management. Both signatures will be required for fund disbursement. Corporate accounts and domiciliary will be maintained in the following currencies:

- Nigerian Naira
- British Pound
- Euro
- American Dollars

### **Savings Account**

The organization shall keep a savings account through which monies can be paid include office overhead costs. The signatories of the account shall be the Executive Director, the Administration manager and the finance officer. The signature of the executive director and any of the other two is required for fund disbursement.

### **Petty Cash Fund**

A petty cash fund of N250,000 is kept to cover payments not exceeding N100,000. The Accountant/Office Administrator will handle this account and is to be liquidated every month. The Executive Director and administration manager will ensure proper handling of petty cash fund through checks from time to time.

## **FUND DISBURSEMENT**

All payments be made either by bank transfer, cheque or cash.

### **Payment by Cheque**

Payment for Purchases and Services

Payment against purchases exceeding N500,000 shall be made by cheque or bank transfer unless otherwise requested by the vendor.

Interbank transfers

Payment transfers will be made by cheque unless being paid from the petty cash book account.

### **Payment for Services Rendered**

Payments for Staff Salaries

Staff salaries are paid on within two days to the end of the month and seven days following the completion of the month. Payment transfers are to be instructed for individual transfers to be made to employees concerned.

### **Tax Deduction**

HACEY HEALTH INITIATIVE will not deduct tax at source where applicable as per Government rules. Tax will be paid on behalf of all employees earning less than N250,000 monthly.

### **Payment for Contractual Services**

Payment for contractual services is done through cheque disbursements. The schedule of payment depends on the Terms of Reference (TOR) agreed upon by the personnel concerned and HACEY HEALTH INITIATIVE. Payments are covered by a Request for Payment Form prepared by the accountant and approved by the Executive Director.

### **Procedures for Fund Disbursements**

- All requests for payments are to be made using the appropriate forms.
- Requests for payments are to be properly substantiated with bills/receipts and/or essential documents.
- Requests for payments are prepared by accountant and submitted to the Admin and Finance Manager for checking and approval.
- Final approval for fund disbursement is obtained from the Project coordinator or Executive Director, whichever the case may be.

## **BOOK KEEPING AND RECORDING**

### **Book Keeping**

The recording system of HACEY Health Initiative's financial transactions allows to monitor bank balances, status of funds receipts and expenditures, and a comparative statement of budget vs. actual expenditure on a regular basis.

HACEY Health Initiative will maintain records of fixed assets, petty cash disbursements, supplies, purchases, inventory, the use and maintenance of office equipment.

### **Accounting**

The following sets of financial reports will be prepared by HACEY Health Initiative:

1. Monthly financial reports will be prepared for all expenses incurred and income received. This report will be prepared by the finance officer and reviewed by the administration manager and executive director.
2. Quarterly financial reports will be prepared for each individual project manager of the organization's specific projects as well as of its core activities. This quarterly report will be reviewed by the Board of Trustees. Financial reports to donors will be submitted as prescribed in the agreement between donors and HACEY Health Initiative.
3. Annual Balance Sheet and Statement of Income and Expenditures will prepared for each fiscal year.

### **Auditing**

Books of Accounts of HACEY HEALTH INITIATIVE shall be audited annually by an independent auditor appointed by the Board of Trustees.

HACEY Health Initiative may hire internal auditor in order to streamline its accounting systems and procedures.

## **FINANCIAL PROCESS FOR PROJECT FUND**

### **Activities**

- All project expenses will be recorded using the expense forms
- Each expense form will be sent to the project manager before the expense is incurred
- The project manager will review all expense forms to determine whether the expense is reasonable, budgeted and associated with a valid project activity or risk
- Only the project manager may approve project expenses and supplier payments
- The details of each expense form will be recorded in an expense register

- The expense register will summarize the amount, type, approval status and payment status of expenses incurred during the project lifecycle
- The project plan will be updated weekly with the information from the expense register, to keep the project manager current on the overall project expense.

### **Staff Roles**

All project staff will be responsible for:

- Identifying expenses on the project and completing expenses form when required
- Forwarding expense form to the project administrator
- Raising risk, issues, or changes related to expense when required

The project administrator will be responsible for:

- Receiving staff expense form, checking their completeness and forwarding them weekly to the project manager for approval
- Making payment of expenses, once the relevant expense form is approved
- Update the expense register
- Updating the project plan with the summarized expense register information
- Providing the project manager with the weekly budget status report

The project manager will be responsible for

- Reviewing and approving all expense forms prior to payment
- Monitoring the progress of project expenditure against budget and take action as required
- Resolving all identified expense related issues

## **DOCUMENTS**

### **Expense form**

The expense form will record the amount, type, and reason for any project expense

### **Expense register**

The expense register will log the details relating to each expense and calculate the total cost of the project