

CEFORD
Financial and Asset
Administrative Manual

As amended July 2010

1 INTRODUCTION

The CEFORD Financial and Assets Administrative manual complies with both the procedures of the organisation and that enforced by the Ugandan law and prevalent customary practices in Uganda.

A Authority

This CEFORD Financial and Assets Administrative Manual (The Financial Manual) is issued with the approval and authority of the Board of Directors of CEFORD. The responsibility for CEFORD's financial and Assets administration is delegated by the CEFORD Board of Directors to the Executive Director, who in turn delegates to the Manager Finance Administration [MFA] and the Programme Coordinator [PC]. The latter again delegates to the Accounts Assistants [Acc Ass].

The Manual is to be adhered to by all CEFORD staff to achieve uniformity of the accounting function and internal related controls. The procedures have been written to ensure that CEFORD has proper control to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to managerial policies. Compliance with the systems and procedures contained in this manual is mandatory for all CEFORD employees, with effect from the compliance date printed at the top of this Manual.

B Purpose

This manual serves the following purposes:

- i. Defines accounting policies and objectives of CEFORD
- ii. Ensures Set standards, Systems, procedures and controls are fully documented. These define who does what, where, when, how and in what sequence. The verifiable standards of performance and efficiency can, therefore, be clearly known. Lines and levels of authority are clearly defined and shown.
- iii. Provides consistent reporting of business transactions. The manual provides a reference for staff in their day-to-day work. It also acts as an information source for management, and internal and external auditors. It will ensure that transactions are correctly recorded in the amount of detail required and result in correct presentation of CEFORD's financial position. The manual provides guidance on how CEFORD's assets and income are accounted for and controlled. CEFORD's expenditure and liabilities are, therefore, incurred only when necessary and within pre-determined estimates. The manual also assists CEFORD in its compliance with various donor accounting and reporting requirements.
- iv. Communicates changes. Any changes in systems, procedures, controls and responsibilities are set out in writing through an amendment to the manual. This speeds up implementation and eliminates the need for excessive memoranda and verbal instructions.
- v. Serves as a training guide. The manual should be used in training new staff. It is also relevant for training staff who are replacing colleagues that are absent due to leave, sickness or for other reasons.

C Scope

For all donor funds received, an agreement specifying the accounting and reporting requirements is signed with the donor. While the manual has been designed to incorporate the main donor accounting requirements, where the requirements of the agreement vary from the provisions of this manual, the former shall supersede the manual.

This manual deals with CEFORD policy, systems, procedures and controls in the entire finance function. It covers the following areas:

- accounting policies, procedures and controls;
- type and manner of record maintenance; and
- reporting requirements.

This manual, where applicable, specifies the input forms and the reports to be produced. Where necessary examples of such forms/reports and their detailed completion instructions are contained in the appendices to this volume.

D Issue, revision and maintenance

Issue

The Manager Finance and Administration is delegated the responsibility of controlling the distribution of the manual. The Manager Finance and Administration will, at a minimum, distribute the manual to members of the Board, Management, Program Coordinators, Finance Officers and Accounts Assistants.

Revision

Recommendations for changes to the manual can be proposed by any member of staff, by approaching his/her supervisor. All proposed changes must be submitted to the Manager Finance and Administration for consideration.

The Manager Finance and Administration will determine whether or not the proposed amendment should be submitted to the Board of Directors for approval.

For approved amendments, the Manager Finance and Administration, then implements the changes and prepares the revised pages for distribution to all copy holders. The Manual should be fully revised after every two years to incorporate all amendments.

Maintenance

A manual holder is responsible for keeping the manual in good order, and for updating it promptly when amendments are issued. A manual may not be split up and separate pages distributed to other staff.

FINANCIAL ADMINISTRATION

2. PROCUREMENT AND PAYMENT PROCEDURES

The following Chapters provide the instructions, which govern CEFORD's financial administration.

- The procurement and payment procedures are set out.
- The requirements for documentation, filing and recording are discussed,
- The guidelines for the monthly financial reports.
- The use of cost codes (and cost categories and cost centres in case of Accounting Package) is explained.

CEFORD procurement and payment procedures must adhere to the following principles:

Management may procure goods and services with costs up to ten (10) million. However, for every one single item above three (3) million the Chairperson of the Finance Committee shall be consulted. .

For any goods and services beyond ten (10) million the Finance Committee shall meet and decide on the firm to supply.

■ **Budget Control**

Procurement and payment should be sanctioned by means of an approved budget, if not, be separately approved by the budget holder, i.e. for CEFORD headquarters by the Board and for PCs by CEFORD headquarters.

■ **Authorisation and Delegation**

Procurement and payment are to be authorised by a designated officer, hereafter called **authorising officer**, before being effected. Authorisation should be delegated as much as possible to authorising officers provided that they possess the required capabilities, and proper control procedures are in place. Authorisations for each authorising officer are set out in a table of competence to be prepared by each Programme Area.

■ **Survey and Analysis**

Procurement and payment procedures should include a proper survey and analysis of price, quality, delivery conditions, reliability of supplier, and other practicalities [maintenance, availability of spare parts, among others]. This procedure is to be documented and filed including a written justification of the eventual choice of a supplier.

■ **Procedures**

A proper control system for verifying the legitimacy of procurement and payment is to be in place through a detailed procurement and payment cycle which is based on the principles of separation of functions and on approved delegation arrangements.

CEFORD distinguishes between procurement and payment procedures:

- For petty cash transactions.
- For bank transactions.
- For other transactions: [a] procurement and payment effected by others on behalf of a CEFORD Programme Area; and [b] internal transactions.

The instructions applicable to each of these three types of procurement and payment procedures are worked out beneath.

2.1 Cash Transactions

The general principle within CEFORD is that expenses and incomes are handled as much as possible through the bank. Therefore, only petty expenditures and receipts as well as exceptional emergency payments will go through the petty cash. As a general rule no expenditures or receipts over UGS 50,000 should be handled through the petty cash.

In case a bank transaction is not practicable, for example for payment to suppliers who do not have bank accounts, the specific allocated sum could be withdrawn from the bank by means of a separate Payment Voucher [PV] and cheque. These transactions will be entered in the bankbook.

For each petty cash, the Programme Coordinator [PC] in writing will appoint a cash holder, and a proper lockable cash box made available. The PM will issue a cash instruction to the cash holder specifying the cash procedures [see 2.6]. All cash transactions are entered in a manual cashbook [see 3.2] and by the end of every month cash protocol [see 4.1] is drawn up.

For replenishment of petty cash, the cash holder informs the *Accounts assistant* who will check the cash box and cash book and, if found correct, signs the latter for verification and certification. The *Accounts assistant* will then prepare a PV, to which a copy of the signed page of the cashbook is attached, and forward the PV to the PM for approval. After signing the cheque, a designated officer [the drawee] will draw the money from the bank and subsequently the cash holder will receive the money, prepare and sign a receipt, and update the cashbook.

By the end of the month the cash holder will summarise the expenses and incomes by cost category and cost centre on Petty Cash Vouchers [PCVs], which will be verified and certified by the *Accounts assistant*. The *Accounts assistant* will also check the cash box and cashbook and draw up cash protocol [see 4.1].

In the event of [temporary] cash transfer from one officer to the cash transaction report has to be drawn up.

Regarding the basic principles listed above in 2 the following is applied to cash transactions:

■ Budget control

Regular items are mostly budgeted as a block amount. Therefore budget control is to be exercised by the *Accounts assistant* on a monthly basis to ensure that the monthly and quarterly budgets are not exceeded.

■ Authorisation and Delegation

The PC will delegate the authorisation of cash expenditures and receipts by means of a table of competence [see 2.4]. The PC will also issue cash instructions to each cash holder and clearly designate authorisations for cash expenses and incomes. As much as possible payments are to be done through the bank.

■ Survey and Analysis

Prices for petty cash items are mostly well known and don't require a documented survey and analysis. However, it is advantageous in terms of costs and efficiency to buy certain goods in bulk. The officer supervising the cash holder, normally the Accounts assistant will keep track of price and quality of items purchased through petty cash.

■ Procedures

- i. The officer in charge of stationary, kitchen supplies, transport, etc., will normally request the authorising officer to acquire certain goods or services and also propose a supplier and price estimate.
- ii. Normally for amounts up to UGS 20,000 or regular items which are budgeted for on a monthly basis, the cash holder may act as the authorising officer. The authorising officer for the type of expenditure will verify [a] the need for the purchase, [b] the budget, and [c] the price/quality. If found satisfactory the authorising officer will authorise the payment. The authorisation is normally done through a hand written note to the cash holder or through an appropriate form. For receipts [incomes], the authorising officer will verify the amount and details of goods/services delivered and if found satisfactory authorises the receipt by the cash holder [step 3 to 5 don't apply to receipts].
- iii. The cash holder will disburse the authorised amount to the officer designated to effect the procurement and payment.
- iv. The designated officer will immediately effect the procurement and payment.
- v. The requesting or other appropriate officer will receive and verify the goods/services and certifies the delivery. If possible, a signed delivery note is to be made by the supplier and signed by the receiver. However, for petty expenditures only the cash sale receipt is to be initialled and hence this step is assumed to be integrated into the next step and thus no separate documentation apart from the cash sale receipt is required. Accountability documents and a possible balance will be submitted to the cash holder. In case the payment will not be effected on the same day, the advance is registered and documented as a working advance for which the officer in question should account, after which the recovery is also registered in the cashbook and properly documented.
- vi. The cash holder initials the cash sale receipt for verified and certified and enters the transaction in the cashbook [see 3.2]. In case of an income, the authorising officer should also approve this whereupon the cash holder receives the money, prepares a receipt signed by the payer and payee, and enters the transaction in the cashbook.

NOTE: *As much as possible different officers will [1] request and effect the procurement, [2] verify and authorise the request, [3] certify the delivery and disburse.*

Typical example of a cash transaction procedure

- ❖ Administrative Assistant (AA) requests for regular weekly kitchen provisions
- ❖ Acc Ass verifies the request and authorises.
- ❖ Acc Ass (cash holder) disburses advance to Secretary
- ❖ Administrative Assistant (AA) effects procurement and payment
- ❖ Administrative Assistant (AA) submits cash sale receipt to the cash holder
- ❖ Cash holder verifies the goods and cash sale receipt and certifies the delivery by initialling the cash sale receipt, and next updates the cash book
- ❖ The Acc Ass will verify the cash book and cash box on a regular basis

2.2 Bank Transactions

Most payments and receipts will be handled through the bank. A bank account can be opened after approval by the Board for the CEFORD Headquarters, and for the PC from CEFORD Headquarters. The bank account should be in the name of the CEFORD Programme Area concerned. Signatories are the Executive Director, MFA and or another Manager for CEFORD Headquarters; and PC, Acc Ass and Board representative for the Programme Area (PA) (Not applicable in Adjumani Programme Area). The three signatories can only be changed after written approval by the Board for the Head quarter and for PA by Head quarter.

Cheques are always crossed, in order to ensure that the cheque is deposited, except for petty cash replenishment and exceptional cases, which are to be recorded properly [see 2.1]. The Acc Ass will record all bank transaction in a manual bankbook [see 3.2], which is to be updated for every transaction.

At the end of every month, the bank will issue a bank statement. On the basis of this the Acc Ass prepares a bank reconciliation [see 4.2], which is certified by the Executive Director/ PC.

Replenishment of the bank account is effected by means of monthly money applications [see 4.9] prepared by every Programme Area. Donations are remitted to the H/Q Accounts. Acknowledgement of the receipt of a remittance shall be by means of the Form displayed in Append 8.5.

Regarding the basic principles listed in Chapter 2 above, the following apply to bank transactions:

■ Budget control

The Acc Ass will exercise budget control by verifying and certifying every request beforehand whether [a] it is included in the approved quarterly budget; and [b] whether the relevant budget [monthly, quarterly, training, etc.] is not exceeded. In case [a] or [b] is negative, the Acc Ass will inform the Executive Director/PM in writing?

■ Authorisation and Delegation

The Executive Director [ED]/PC will delegate approval of procurement as much as

possible to appropriate staff members [authorising officers] in accordance with the table of competence [see 2.5]. However, the Executive Director/PC authorises all payments by bank by means of approving the Payment Voucher.

■ **Survey and Analysis**

Prices for regular items are mostly well known and don't require an extensive survey and analysis. However, it is advantageous to buy certain goods in bulk from outside the region or even the country. For bulk purchases of stationary and spare-parts, price surveys and analysis [see 2.4] are carried out twice a year. For equipment and other single purchases costing more than UGS 2,000,000 at least three quotations must be collected and filed [see 2.4]. A written analysis on the basis of price, quality, delivery time, reliability of supplier, availability of spares, etc., should be prepared and filed together with other required documents [see 3.1]. For other items such as bicycles a reasonable survey should be carried out to establish the most appropriate supplier.

■ **Procedures**

- i. The officer in charge requests the relevant authorising officer to purchase certain goods, order for repairs, pay salaries and allowances, etc., or to receive an income [for incomes step 2 to 10 don't apply : only a CEFORD receipt is to be prepared signed by the payer and payee and verified and certified by the authorised officer].
- ii. The requesting officer [not the Acc Ass or other authorising officer] will obtain a pro-forma invoice or, if required, at least three quotations. For salary payments, allowances, repairs, etc., the appropriate form will be prepared, and step 3 and 4 do not apply.
- iii. The Acc Ass or authorising officer will verify and certify the pro-forma invoice or quotation as to [a] price, quality, delivery conditions, reputation of supplier, etc., as well as [b] whether an approved budget is available.
- iv. If [iii] is found correct, and, if deemed necessary, after consulting the Executive Director/PC, the Acc Ass or an authorised officer prepares an Order Form.
- v. The Order Form or other appropriate document [payroll, request for allowances, repairs] is submitted for approval to the Executive Director/PC or an authorising officer for the type of procurement in question.
- vi. Upon delivery, the requesting or other appropriate officer [not the authorising officer] verifies whether the delivery is in accordance with the order and certifies the delivery note.
- vii. The Acc Ass verifies and certifies the invoice and prepares the Payment Voucher [PV] [if other authorised officer prepares the PV, the finance administrator should verify and certify it].
- viii. The Executive Director/PC approves the PV.
- ix. The Executive Director/PC and MFA will certify the payment by signing the cheque.
- x. The supplier will sign the PV for received.
- xi. The Acc Ass records the transaction in the bankbook after each transaction, and enters the PVs in EXCEL Cashbooks on a regular basis [at least weekly]/Quick books.

NOTE: *As much as possible different officers will [1] request for goods and services, obtain quotations, and certify deliveries, [2] verify and authorise procurement and keep records, [3] approve and disburse payment.*

Typical example of a bank transaction procedure

- ❖ A request is submitted to the Acc Ass by concerned staff or supplier
- ❖ There may be need to obtain a pro-forma
- ❖ The Acc Ass will verify whether the pro-forma is acceptable [compares with quarterly price survey] and prepares an Order Form
- ❖ The Executive Director/ PC approve the Order Form.
- ❖ The Acc Ass verifies and certifies the invoice and prepares the PV
- ❖ The Executive Director/ PC approves the PV
- ❖ The Executive Director/ PC and Acc Ass or Board signatory signs [disburses] the cheque
- ❖ The staff or supplier receives the cheque and signs the PV for received
- ❖ The Acc Ass records the transaction in the bank book

2.3 Other Transactions

Procurement and payment procedures for other transactions refer to two situations:

- ➔ **Procurement of goods and services by CEFORD Headquarters** on behalf of PC. Normally this is only done for goods and services, which have to be paid outside West Nile.
- ➔ **Internal transactions**, mostly being allocation of spare-parts or stationary to particular cost centres. The procedures for the internal transaction are included in Section V of this Manual [Stores Management], however documentation and requirements for accounting documents are dealt with in this Chapter.

All procurements and payments that are to be effected outside the district should always be included in the monthly money application (see 4.8) except for unexpected repairs or other emergencies.

The procurement of these goods and services should always be channelled through the CEFORD Headquarters. The CEFORD Headquarters will effect the payment or will make arrangements to pay from its bank accounts in Kampala. Procurements in Kampala by the units should be combined as much as possible, preferably in the first month of every quarter. CEFORD Headquarters will co-ordinate the actual procurement in Kampala.

All procurement/payment on behalf of Programme Areas are recorded in the EXCEL General Journal books. The General Journal Voucher [GJV] is to be approved by the Executive Director/PC or authorising officer.

For correction in bookings in the General Journals the same instructions as for internal transactions applies.

Regarding the basic principles listed in Chapter 2 above, the following applies to procurement and payment transactions:

■ **Budget control**

The requesting Unit will exercise budget control by verifying every request for procurement beforehand whether [a] it is included in the approved quarterly budget and monthly money application; and [b] whether the relevant budget [monthly, quarterly/annual, training, etc.] will not be exceeded. In case [a] or [b] is negative, the requesting Unit will seek approval from the CEFORD Headquarters and provide explanations for the need to overspend the budget. For internal transactions budgets must be verified.

■ **Authorisation and Delegation**

All requests for procurement by CEFORD Headquarters and for internal transactions have to be authorised by the Executive Director/PC of the requesting Unit or an authorising officer according to the table of competence.

■ **Survey and Analysis**

The same instructions for survey and analysis as mentioned under 2.2 apply. In case of procurement by CEFORD Headquarters for Programme Areas, the requesting Unit can ask the CEFORD Headquarters to carry out this survey and analysis.

■ **Procedures**

- i. Requests for procurement are normally submitted with the monthly money application [see 4.8]. Sufficient details should be provided and the request be approved by the Executive Director/PC or authorising officer from the requesting Unit. The requesting Unit should clearly indicate whether they want to approve the quotation / pro-forma beforehand or not. Requests for procurement outside the Region must be submitted to the CEFORD Headquarters that will compile requests from all Units and arrange for a CEFORD officer to effect the required procurement. Requests for internal transactions are dealt with in Section V of this Manual.
- ii. *The procuring Unit to which the request for procurement is done will follow the normal procedures set out in 2.2. Inter-Unit transactions will be booked by the procuring Unit on account, mentioning the requesting Unit [see 5.2]*
- iii. *The procuring Unit will, on monthly basis, send to the requesting Unit[s] copies of all relevant documentation such as Cashbook(s), proforma, order form, invoice, PV, etc. Upon receipt of the documentation, the FAO of the requesting Unit will verify and certify the documentation, and prepare a General Journal Voucher [GJV]. Also for internal transactions a GJV is prepared.*
- iv. *The Executive Director/ Programme Coordinator or authorising officer approves the GJV, whereupon the Acc Ass of the requesting Unit will book the transaction in the General Journal on account, using the cost centre of the procuring Unit or on the proper account and cost centre for internal transactions*

2.4 Quotations and Price Surveys

The survey and analysis requirements for procurement and payment through Cash, Bank and General Journals are detailed above. In some instances the need for obtaining quotations and for conducting a price survey is indicated. This paragraph contains the instructions in respect to quotations and the price surveys, which should be conducted at least twice a year.

At least three separate quotations are to be obtained from prospective suppliers for any item or items costing more than UGS 1,000,000 and which are not included in the quarterly price survey. Quotations should contain information on unit price, total price for number of units being quoted for, and discount if any. It should also indicate the time period for which the

quotation is valid. Other details should include brand and specifications so that quotations are practically comparable. Normally the requesting officer will undertake the task of obtaining quotations. The Acc Ass or other authorising officer will verify the quotations and recommend the most suitable supplier taking into account price, quality, reliability, ability to deliver on time, service, etc.

A bi-annual price survey in principle in January and July, will be conducted by each Unit so that three quotations do not have to be collected for every purchase which is very time consuming and not acceptable to the suppliers. The Programme Areas will execute the price survey for regular requirements for micro-projects, whereas the CEFORD Headquarters will do the same for stationary, spare parts, and other regular items normally purchased in bulk from outside the region. The results of the price surveys must be sent to the CEFORD Headquarters, and distributed to other Programme Areas if appropriate].

A format for the price survey is attached in Appendix 8.2.

2.5 Table of Competence

Each Unit should clearly designate authorisations for each officer involved in procurement and payment [authorising officer]. To this end, a table of competence is to be designed specifying:

- Name of Officer
- Function
- Signature
- Initials
- Authorisations for procurement and payment for Cash, Bank and General Journals

For the authorisations consider the following:

- The type of procurement and payment including the ceiling the officer is eligible to initiate or request for.
- The documents that the officer is allowed to obtain [quotation] and prepare with and without prior authorisation [Order Form, Payroll, Request for Travel Allowance and Overtime, PVs, etc.].
- The documents that the officer is allowed to verify and certify [quotation, pro-forma, delivery note, cash sale receipt, payroll, invoice, etc.].
- The documents that the officer is allowed to approve [Order Form, PCV, PV, GJV, etc.].
- The type of procurement and payment including the ceiling the officer is allowed to authorise.
- The type of cash and bank payments or receipts including ceilings the officer is allowed to disburse and receive with and without prior authorisation.

Typical example of table of competence

Name:	Fatuma Alice
Function:	Acc Ass, Adjumani
Signature...	
Authorisations:	
❖	Authorisation of all cash transactions (income and expenses) up to a ceiling of UGS 100,000
❖	Verification and certification of all documents pertaining to bank- and other (not cash) transactions
❖	Authorisation of overtime and travel allowances (signs appropriate form for approved)
❖	Authorisation of procurement for stationery and spare-parts (signing Order Form) up to a ceiling of UGS 100,000
❖	Authorisation of receiving incomes
❖	Preparation of PVs
❖	Disbursement through bank (co-signatory)

2.6 Cash Instruction

For each petty cash, a cash holder will be appointed by the Executive Director/PC in writing and a proper lockable cash box made available. When appointing a cash holder, the Director/RPC will issue cash instruction to the cash holder specifying:

- The type of cash expenditures/receipts and the ceilings which can be effected through the cash by the cash holder without additional authorisation.
Normally only kitchen requirements, small stationary items, receipts from photocopier, and small expenditures such as car washing can be handled by the cash holder without authorisation. An approved list with fixed prices for goods and services delivered by CEFORD [photocopies, reports, etc.] must be made available to the cash holder. For most other expenditures exceeding Ugs.20, 000= and receipts [incomes] authorisation from the Acc Ass or authorising officer is required.
- The authorising officers for other types of cash expenditures and receipts as well as applicable ceilings.
Most transactions are authorised by the Acc Ass or the officer in charge of transport. For out posted Officers, authorisations are also granted through the approval of Monthly Plans in order to cater for an adequate separation of functions.
- Guidelines for documentation and registration.
Every expenditure is to be documented with a cash sale receipt. When those are not available and in the case of incomes, CEFORD receipts is to be used. The cash holder should sign [initial] all receipts for verified and certified. Receipts are to be numbered sequentially in order of execution, and entered in a cashbook. The

cashbook is to be updated for every transaction. By the end of the month, the cash holder will summarise expenditures and receipts by cost codes [account] on the CEFORD Petty Cash Voucher which will be signed by the cash holder for prepared, the Accountant for verified, and PM for certified.

○ Procedures for checking.

The cash holder should check at the end of every day the actual cash contents with the cash balance in the cashbook. At the end of every month the accountant will check the cash box and cashbook and draw up a cash protocol, which should also be signed by the Executive Director/RPC for verified. The cash protocol is to be submitted as part of the monthly financial reports [see 4.1]. The Acc Ass is also expected to execute unannounced controls for which also a cash protocol must be drawn up. Cash shortages are recovered from the cash holder; surpluses are for the benefit of the Organisation. Never is a cash holder allowed to use money for private purposes.

3 DOCUMENTATION, FILING AND RECORDING

Procurement and payment procedures are to be properly documented by source documents before recording in the books of account and next entering into the Exact Journals. The following paragraphs provide the instructions for each of these steps.

3.1 Source Documents

The different steps in the procurement and payment procedures are documented by source documents. Documentation requirements depend on the type of transaction: [1] Cash, [2] Bank, or [3] other [General Journal].

[1] For cash transactions requirements for source documents are as follows:

- **Petty Cash Voucher:** PCVs must be signed for prepared [accounted for] by the cash holder, verified by the Acc Ass and certified by the Executive Director/PC. Receipts of incomes and expenses are attached to and listed on the PCV specifying number, date description and amount. At the bottom of the PCV the transactions are summarised by cost codes. A PCV must carry a PCV number, which is entered in the Cashbook or GVJ. PVs are normally prepared in Triplicate, original is filed in the accounts file, and the pink duplicate is sent to the CEFORD Headquarters as part of the monthly financial reports. The blue copy stays in the book for reference purposes. The PCV format is displayed in Appendix 8.1. PV Format as in 8.2.
- **Payment Voucher:** Verified, certified and approved PV signed for received and indicating supplier, order number, description, price/costs, cost category, cost centre/unit and cheque number. PVs are prepared in triplicate. The original is for the accounts file, the pink copy for submission to the CEFORD Headquarters, and the blue copy remains in the book for reference purposes. In case the supplier requests a copy of the PV, the pink copy should be given and a photocopy be sent to the CEFORD Headquarters. The format for the PV is displayed in Appendix 8.2.
- **Cash sale and income receipts:** Receipts must be attached to the PCV, and must provide a clear description of what has been procured, carry a date, be named to CEFORD, and are signed by the supplier. Receipts are to be verified and certified by the authorising officer, mostly the cash holder depending on the table of competence. Receipts are to be numbered like the PCV, starting from 1. The CEFORD receipts are

prepared in triplicate. The original is for the payee, the pink copy for the payer, and the blue copy remains in the book for reference purposes. A photocopy is sent to the CEFORD Headquarters. The CEFORD receipt format is displayed in Appendix 8.3.

[2] For bank transactions requirements for source documents are as follows:

- **Request:** A verified and approved request [from officer in charge of kitchen requirements, transport, other Unit, etc.] should provide a detailed description of the items required, the purposes and the quantity required.
- **Quotation:** Verified and certified quotations or pro-forma invoice as appropriate, which provides details of price per unit and total, quantity, description and validity.
- **Order:** Approved Order Form, Request for Allowances/Overtime/Repair, Payroll or other appropriate form, which provide details of price/amount, quantity, description, cost codes should be prepared by Acc Ass or Cash holder, Verified by MFA and approved by Executive Director/RPC. Formats for the Order Form and Payroll are displayed in Appendix 8.5 and 8.6 respectively. Order Forms are to be prepared in triplicate: the original is for the supplier, the first copy for the accounts file, and the second copy remains in the book for reference purposes. Each Unit might use their own forms for overtime, repairs, etc.
- **Delivery note:** Verified and certified delivery note or evidence of rendered services as appropriate, which provides details of date, description, quantity, price/amount, supplier and receiver.
- **Invoice:** Verified and certified invoice, signed by the supplier, receiver, and on the name of the CEFORD Programme Areas and providing details on date, description, quantity and price.

Note: *All documents must be stamped paid/received and the date of payment be indicated on the stamp.*

[3] For other transactions requirements for source documents are as follows:

- **Request:** A verified and approved request from community, other Unit, etc. For instructions and format see Section V of this Manual.
- **Delivery note:** There should be Approved Store Issue Voucher, Material Delivery Note, explanation of correction, or other documents which evidence the receipt of services or goods [see Section V].
- **Copies of documentation:** In case of procurement by another unit, copies of quotations/pro-forma, order form, and delivery note and invoice as appropriate verified and certified by the accountant.
- **General Journal Voucher:** Bookings should be made in the General Journal Voucher and Approved by the authorising officer.

All these documents should carry the corresponding Excel entry number entered in the General Journals.

NOTE: *Source documents are to be filed by period and by journal in sequence of the PV or entry number. They are to be kept for ten [10] years.*

3.2 Books of Primary Entry

In order to ensure proper internal control, every Unit is to keep manual cash and bankbooks that are to be updated for every transaction based on the source documents. The cash holder will keep the cashbook; the Accountant the bankbook. The Accountant should check the cashbooks regularly whilst the Executive Director/PC is expected to regularly check the bankbook.

The Cash and Bankbooks have the following columns:

[1] Date	[5] Receipt (Debit Column)
[2] Cheque number (only for bank book)	[6] Expenditure (Credit Column)
[3] Sequence number (PV number)	[7] Balance
[4] Description	[8] Ledgers (should be booked in the Accounting code sequential order, stating code numbers)

NOTE: *Cashbooks will be checked and signed before any replenishment and at the end of the month by the cash holder and supervisor. The bankbook should at least be checked and signed by the end of each month by the Accountant and the Executive Director/Programme manager.*

Numbering

Every transaction is numbered according to the Serial Number of the Payment Voucher. Those numbers must always be the same, and indicated on the source documents. For cash transaction the PCV number is to be taken and for the General Journals the GJV number.

Description

Firstly, transaction descriptions should clearly indicate the type and purpose of the transactions. Secondly, the transaction descriptions should be consistent, i.e. follow a standardised structure in order to allow for proper interpretation by outsider.

The following standardised structures for descriptions are to be followed:

○ **Salary Payments (ONLY WHEN ACCOUNTING PACKAGE IS IN PLACE)**

The description will indicate on every line, first the name of the salaried, then the type of payment/deduction, and lastly the month and year. First the payments are indicated and then the deductions in the following sequence and using standard abbreviations:

Cost. Cat.	Description
4310	VIOLA 1/2003 (Gross salary]
4310	VIOLA PAYE 1/2003
4310	VIOLA G/TAX 1/2003 [Graduated Tax]
4310	VIOLA NSSF 12003 [NSSF Contribution]
4310	VIOLA TBS 1/2003 [Terminal Benefit]
2300	VIOLA SALARY ADV 1/2003 [House Advance]
2300	VIOLA SALARY ADV REC [Advance recovery]
1900	VIOLA PVT USE UAD 475 D [Private use of vehicle UAD 475 D]

Overtime is paid and taxed only at the end of the month to support staff (Drivers and Guards). The standard rate of payment of overtime shall apply to the drivers, that is 8 hours of overtime is an equivalent of one day's gross salary. Only 8 full hours of over time can be paid. All overtime forms shall be approved by the supervising officer prior to the performance of the task. The approved forms shall then be

submitted to Finance for computation and inclusion on the Payroll. The Guards will be paid UGX 4,000 (Four thousand Shillings) for each day of the week end or public holidays.

○ **Travel Allowances**

The description will first indicate the name of the benefiting staff member, then the number of nights, and lastly the destination. Example:

OLWENY: 3 NTS MOYO [use **NT(S)** for night(s)]

Note that allowances under Cost Code 4460 are only paid to CEFORD staff members. Allowances paid to others should be booked to the Account Code for which purpose the person is being paid.

○ **Advances**

A distinction is made between Private (eg fuel deposit), Working, Personal (salary, House) and TBS advances, which must be reflected both in the description and in the cost category. The description should start with the name of the beneficiary, followed by the type of advance [working, personnel, etc] and, for working advances, the purpose. Examples:

Cost Cat.	Description
2300	CAESER PERS ADV [note abbreviations]
2300	CAESER PERS ADV REC [recovery]
2200	MONICA WORK ADV FUEL
2200	MONICA WORK ADV REC [recovery]

Note that apart from TBS advances given from TBS account, but recovered through salaries, normally no personal advances should be allowed. Working advances are to be recovered within one month, or automatically deducted from the salary payment. For recovery the same cost code as for the payment is used. In the event of recovery, the actual date of the recovery is used.

○ **Vehicle Running Costs**

The description will start with the vehicle number followed by the type of costs. For fuel the number of litres is to be mentioned. Four types of expenditures, namely Fuel, Service, Repairs and Others, are distinguished as shown in the following examples:

UAE 938F 80 LTS FUEL [use **LTS** for litres and always indicate **FUEL**]

UAE 938 F SERVICE [includes maintenance, washing and tyre repairs and always indicates **SERVICE**]

UAE 938 F REPAIR BRAKES [always indicate **REPAIR**]

Note that spares for regular maintenance such as filters fall under **SERVICE**.

○ **Office Running Costs**

The description will start with the classification: Provisions, Wages [for temporary

staff] and others, followed by a specification as detailed as possible. Examples:

PROVISIONS VARIOUS [always indicate **PROVISIONS**]

WAGES SEC GUARD 1/2003 [always indicate **WAGES**]

As indicated in 5.2, separate cost centres exist for these types of expenditures.

4 MONTHLY REPORTS

Every Unit has to prepare monthly reports. The previous Chapter stipulates that source documents are recorded in the books of primary entry. On the basis of this every Unit prepares the following monthly reports:

- [1] Cash Books
- [2] Cash Protocol
- [3] Bank Reconciliation and Copy of Bank Statement
- [4] Summary of Monthly Expenditures/Incomes with columns for each cashbook
- [5] Summary of Quarterly Expenses
- [6] Duplicates of PCVs, PVs and GJV
- [7] Money Application

The reports are to be properly filed and sent in one file holder to the RO. Originals should be kept in the source Programme Area. The Programme Area monthly reports should reach the RO not later than the 7th of the preceding month.

NOTE: Whenever new Cost Codes are created during the reporting period, a list should be sent to the RO together with the monthly report.

4.1 Cash Protocol

At the end of every month the accountant or other designated officer will verify the cash boxes and cashbooks [see 3.2] and draw up a Cash Protocol for each box. In case of more than one cash box within one Unit, each Cashbook should have a Cash Protocol compiled and then a consolidated into one report. A Cash Protocol will display:

- [a] The opening balance at the beginning of the month,
- [b] The total of receipts during the month,
- [c] The total of expenditures during the month,
- [d] The end balance as per cash book,
- [e] The actual cash found in the cash box including a break down of the denominations [denominations don't have to be indicated on the Overall Cash Protocol].

In case of a difference between the book balance and the actual cash in the cash box, an explanation is to be given on the Cash Protocol. The Executive Director/RPC has to indicate what will be done with the difference. Differences surpassing UGS 100,000 will be investigated by the Programme Accountant who will submit a written report to the Executive Director copied to the respective RPC. The Cash Protocol is signed by the cash holder for prepared, by the Acc Ass for verified and by the Executive Director/RPC for certified. The format for the Cash Protocol is presented in Appendix 8.8.

4.2 Bank Reconciliation

The bank will be requested to issue a bank statement for the CEFORD A/Cs at the end of every month. On the basis of this statement, the manual bankbook, the Acc Ass will prepare the Bank Reconciliation. The Bank Reconciliation will display:

- [a] The bank balance per bank statement at the end of the month,
- [b] The list of unpresented cheques,
- [c] Details of credit and debits by the bank [charges and interest], and
- [d] The corrected closing balances as of the end of the month.

The Bank Reconciliation is signed by the Acc Ass for prepared, Executive Director/PCfor approved. The format for the Bank reconciliation is presented in Appendix 8.9.

4.3 Documentation

A duplicate or copy of the vouchers [PCV, PV and GJV] of all transaction effected during the period is to be included in the reports. Instructions for these documents are provided in 3.3.

4.4 Money Application

Every unit is to prepare a money application according to the format displayed in Appendix 8.12. The Programme Areas should submit their money application to RO not later than 20th of every month for the next month, and the accountability for the previous month comes in by the 7th of the following month.

In filling the money applications it is important that the reconciled closing cash and bank balances of the last month be used. The money application should be as detailed as possible indicating; expected expenditure by CEFORD Headquarters on behalf of Programme Areas, with the detailed lists attached. This will require the units to plan two months ahead for goods and services to be procured outside the district and region. The money application must be in line with the quarterly liquidity planning presented in the Annual Budget. In case of deviations from the liquidity planning of over 10% an explanation in writing is to be provided and approved by CEFORD Headquarters.

The CEFORD Headquarters, upon receipt of the Money Application from the Programme Areas, shall make adjustments where the budget is not followed or due to lack of funds and approve the applications. A copy of the approved applications shall then be sent back to the respective Programme Areas.

5 COST CODES

5.1 Cost Categories

Each transaction is booked by cost category or (ledger) account. The cost categories have been adjusted over the years. Every year reference should be made to the budget for the correct cost categories.

6 ALLOWANCES

CEFORD is paying the following allowances

CEFORD Employees:

Type of allowance	Amount payable		Explanation
	Outside West Nile	Within West Nile	
Night-out allowance	Ushs.100,000 (POs to ED) Ushs.70,000 (Acc Ass and below)	Ushs. 70,.000 Ushs. 50,.000	
Training out-of pocket allowance	Ushs. 20,000	Ushs. 20,000	On top of lodging and food provided by CEFORD

Only for official duties (after approval of the supervising staff member) allowances should be paid. Staff being out of station on weekends and public holidays should be avoided. Only when travel arrangements cannot be organised differently should allowances be paid. No other costs should be reimbursed, the allowances are supposed to cover all costs.

Non CEFORD Employees

Allowances for non CEFORD employees shall be determined by the nature of work the person is to do. This must be in consultation with the CEFORD Headquarters.

8 APPENDICES

- 8.1 Payment Voucher
- 8.2 Petty Cash Voucher
- 8.3 Receipt Voucher
- 8.4 Money Application Form
- 8.5 Acknowledgement of Receipt of Remittance
- 8.6 Payslip
- 8.7 Payroll
- 8.8 Cash Protocol
- 8.9 Bank Reconciliation
- 8.10 Purchase Requisition Form
- 8.11 Local Purchase Order Form
- 8.12 Travel and Stay Form
- 8.13 Cash Requisition/Payment Form
- 8.14 Delivery Notes
- 8.15 Goods Requisition Note
- 8.16 Quarterly Price Survey
- 8.17 Cashbook
- 8.18 Table of Competence

APPENDIX 8.2

C E F O R D
Community **Empowerment** for Rural **Development**

District Unit Offices:

Arua District: Plot No. 40 Mt. Wati
P.O. Box 303 Tel: 0476 20002 Arua

Nebbi District: Nyacara Road Satellite 2 P.O.Box 164 Nebbi

Moyo District: Onama Road P.O.Box 140 Tel: 0471 32588 72

Adjumani District: P.O.Box 215 Adjumani

Regional Office: Plot No. 40 Mt Avenue

P.O. Box 303 Arua

Tel: 0476 200022/077 442068

Voucher No.....

PETTY CASH VOUCHER

Received from//paid to.....

Date	Code	Description of Payment	Amount

TOTAL

Amount in word:

.....

Prepared by.....

Approved by.....

Received by.....

.Date.....

APPENDIX 8.3

C E F O R D
Community **Empowerment** for Rural **Development**

District Unit Offices:

Arua District: Plot No. 40 Mt. Wati
P.O. Box 303 Tel: 0476 20002 Arua

Nebbi District: Nyacara Road Satellite 2 P.O.Box 164 Nebbi

Moyo District: Onama Road P.O.Box 140 Tel: 0471 32588 72

Adjumani District: P.O.Box 215 Adjumani

Regional Office: Plot No. 40 Mt Avenue

P.O. Box 303 Arua

Tel: 0476 200022/077 442068

Voucher No.....

RECEIPT VOUCHER

Received from.....

code	Description of Payment	Amount
TOTAL		

Amount in word:

.....

Received by.....

Paid by

Signature

Signature

Date

Cheque Number.....

APPENDIX 8.4

C E F O R D
Community Empowerment for Rural Development

MONEY APPLICATION FORM

Programme Area

MONTH :

DATE:

CODE	DESCRIPTION	Qty	AMOUNT REQUESTED	RETAINED AT RO	TBS LOAN & OTHER ADVANCES	ADJUSTED BY RO	Amount Transferred to DU
	Balance 30/04/2001 Bank						
	Balance 30/04/2001 Cash						
	Total Bank/Cash Balances						
	Personnel Costs						
	Salaries						
	SUB TOTAL						
	Add 10% NSSF Employer's Contrib.						
	Add 10% TBS Employer's Contrib.						
	OTHER COST:						
	over time						
	Settlement allowance Driver						
	Total personnel						
	Organization membership fees		0				
	Total programme Support		0				
	Less Cash/Bank Balances						
	Transfer to CEFORD Moyo		0				

Prepared by: _____ Title _____ Date _____

Checked by: _____ Title _____ Date _____

Authorised by: _____ Title _____ Date _____

Approved by: _____ Title _____ Date _____

APPENDIX 8.5

C E F O R D

Community Empowerment for Rural Development

ACKNOWLEDGEMENT OF MONEY TRANSFERS (to be filled in duplicate)

TO :

Name of Unit Transferring funds :

Letter of reference (ITEM) :

Date :

Dear sir/madam,

Herewith, we acknowledge receipt of [Cash/Cheque/Draft(s)/other] Number.....

.....

Worth Ushs.

(Amount in words).....

.....

Received by:

Name

Signature

Title

Date

Stamp of the recipient office:

APPENDIX 8.6

C E F O R D
Community Empowerment for Rural Development

PAYSLIP

MONTH:.....

Name:..... Title..... Grade/Scale.....

DISTRICT Unit..... Work Station..... Cost centre.....

ITEM	COST CODE	AMOUNT
GROSS SALARY		0
Add:		
Over-time		
Other claims Acting allowance		
Sub-Total		0
Less:		
Tax Exemption on 5% N.S.S.F		0
Graduated Tax		-
Less:		
PAYE TAX		0
Advance Recovered		0
TBS 10% Contribution		0
Sub-Total		0
Add:		
Personal advance		
Other claims: Loan		
TBS 10% Employer's		
Sub-Total		
TOTAL AMOUNT PAYABLE		0
LEAVE, LOAN AND CEFORD SAVING FUND POSITION		
ITEM	BALANCE B/F	TAKEN/(REPAID)DE POSITED
Leave Entitlement FOR 2001		
Personal Loan		
CEFORD saving fund 20% of salary (Ushs.)		

PREPARED BY: TITLE:..... DATE.....

AUTHORISED BY..... TITLE..... .DATE.....

APPROVED BY: TITLE:..... DATE:

ECEIVED BY: TITLE:..... DATE:

APPENDIX 8.8

C E F O R D
Community **Empowerment** for Rural **Development**

CASH PROTOCOL FORM

ORGANISATION NAME :

CASH PROTOCOL FOR MONTH :

DATE :

DESCRIPTION	QTY	USHS	USHS
BALANCE AS PER BOOK			0
PHYSICAL CASH COUNT			
DENOMINATIONS			
NOTES			
	20,000	0	
	10,000	0	
	5,000	0	
	1,000	0	
COINS			
	500	0	
	200	0	
	100	0	
	50	0	
	TOTAL CASH		0
DIFFERENCE BETWEEN BOOK AND PHYSICAL COUNT			0

EXPLANATION OF DIFFERENCE.....

.....

PREPARED BY.....TITLE.....DATE.....

CHECKED BY.....TITLE.....DATE.....

APPROVED BY.....TITLE.....DATE.....

C E F O R D
Community **Empowerment** for Rural **Development**

BANK RECONCILIATION STATEMENT

Programme Area:.....Account No:				
MONTH:.....				
Balances as per bank statement as of: 28th February 2001				85,958,100
Add items recorded on bank book, but not on bank statement	1			
	2			
	3			-
Less unrepresented cheques	1	20046448	604,000	
	2	20046454	250,000	
	3			
	4			854,000
Adjusted bank balance as of: February, 2001				85,104,100
Balance as per Bank book as of:				85,104,100
Add interest and other commissions	1			
	2			
	3			
	4			-
Less charges booked on bank statement but not on bank book	1			
	2			
	3			
	4			-
Adjusted Book balance as of: February, 2001				85,104,100
Prepared by:.....Title..... Date:.....				
Checked by:.....Title..... Date:.....				
Approved by:.....Title..... Date:.....				

APPENDIX 8.10

C E F O R D
Community **Empowerment** for Rural **Development**

PURCHASE REQUISITION FORM

TO: M/S

.....

Please supply the following items to CEFORD (Store, Unit etc).....

S/N	ITEM	Item specification	Item code	QTY	UNIT COST	TOAL
TOTAL						

REQUISITIONED BY.....TITLE.....DATE.....

VERIFIED BYTITLE.....DATE.....

APPROVED BYTITLE.....DATE.....

Note: *In the column ITEM, apart from the name of the goods, clear specification must be indicated as well, eg package weight, package materials, brand names, etc*

APPENDIX 8.11

C E F O R D
Community **Empowerment** for Rural **Development**

LOCAL PURCHASE ORDER (LPO)

TO: M/S

.....

Please supply the following items to CEFORD

Deliver the goods at.....

S/N	ITEM	QTY	UNIT COST	TOAL
TOTAL				

REQUISITIONED BY.....TITLE.....DATE.....

VERIFIED BYTITLE.....DATE.....

APPROVED BYTITLE.....DATE.....

Note: *In the column ITEM, apart from the name of the goods, clear specification must be indicated as well, eg package weight, package materials, brand names, etc*

APPENDIX 8.12

C E F O R D
Community **Empowerment** for Rural **Development**

TRAVEL & STAY FORM

Name.....Designation.....Signature.....

Destination.....

Date of travel.....Date of return.....No. of days.....

Purpose of travel

.....

Mode of transport.....

Air ticket (Ushs.)

Airport tax (Ushs.)

Taxi/Bus fare (Ushs.)

Perdiem (Ushs.)

Work Advance (Ushs.)

Fuel/Lubs (Ushs.) Total Amount (Ushs.)

Total amount (USHS.)

.....

Authorized by.....Designation.....Date.....

Approved by.....Designation.....Date.....

Received by.....Designation.....Date.....

APPEDIX 8.13

C E F O R D
Community **Empowerment** for Rural **Development**

Cash Requisition/Payment Form

Amount Requisitioned (Ushs.).....

(Amount in words).....

.....

CHEQUE No:

Purpose for cash/payment

No.	Description	Cost Code	Amount	Signature
	Totals		

Requested by.....**Title**.....**Date**.....

Checked by.....**Title**.....**Date**.....

Authorized by.....**Title**.....**Date**.....

Approved by.....**Title**.....**Date**.....

APPENDIX 8.14

C E F O R D
Community **Empowerment** for Rural **Development**

District Unit Offices:

Arua District: Plot No. 40 Mt. Wati
P.O. Box 303 Tel: 0476 20002 Arua
Nebbi District: Nyacara Road Satellite 2 P.O.Box 164 Nebbi
Moyo District: Onama Road P.O.Box 140 Tel: 0471 32588 72
Adjumani District: P.O.Box Adjumani

Regional Office: Plot No. 40 Mt Avenue
P.O. Box 303 Arua
Tel: 0476 200022/077 442068

DELIVERY NOTE	
No	
LPO	
DATE	

District Unit:

M/S.....
.....

Please receive the following goods

Quantity	Particulars

The above goods have been received in good order and condition

Delivered By.....**Title**.....**Signature**.....**Date**.....

Received By.....**Title**.....**Signature**.....**Date**.....

APPENDI 8.15

C E F O R D
Community **Empowerment** for Rural **Development**

GOODS REQUISITION NOTE

Please issue the under listed items

TO: M/S
.....

Cost centre.....
Date.....

Description/Justification	QTY	UNIT COST	TOAL
TOTAL			

COMMENTS BY CEFORD Officer:

Requisitioned By.....Title.....Date.....

Verified ByTitle.....Date.....

Approved ByTitle.....Date.....

APPENDIX 8.16

C E F O R D

Community Empowerment for Rural Development

QUARTERLY PRICE SURVEY

QUARTER.....YEAR.....

S/N	ITEM/DESCRIPTION	QTY	UNIT PRICE PER MONTH		
			JUNE		
01	PHOTOCOPYING PAPERS	1 CARTON	50,000		
02	CARTRIDGE 33M	1 PC	75,000		
03	CARTRDGE 45A	1PC	75,000		
04	TONNER 78	1PC	178,000		

COMPILED BY.....TITLE.....DATE.....

CERTIFIED BY.....TITLE.....DATE.....

APPENDIX 8.17

Example of a CEFORD Cashbook

CEFORD OFFICE

CASH BOOK FOR A/C

MONTH

Date	Chq No.	Vr. No.	Description	Dr.	Cr.	Balance	LEDGERS		
							3420 OFFICE COST	3430 O&M EQPT	3440 O&M VEHICLES
			TOTAL						

Prepared By Title.....Date.....

Approved By Title.....Date.....

This is always done using Excel Programme

APPENDIX 8.18

Typical example of table of competence

Name: Fatuma Alice

Function: ACCA, Adjumani

Signature:

Authorisations:

- ❖ Authorisation of all cash transactions (income and expenses) up to a ceiling of UGS 100,000
- ❖ Verification and certification of all documents pertaining to bank- and other (not cash) transactions
- ❖ Authorisation of overtime and travel allowances (signs appropriate form for approved)
- ❖ Authorisation of procurement for stationery and spare-parts (signing Order Form) up to a ceiling of UGS 100,000
- ❖ Authorisation of receiving incomes
- ❖ Preparation of PVs
- ❖ Disbursement through bank (co-signatory)

ADMINISTRATION OF ASSETS MANUAL

1. INTRODUCTION

CEFORD's assets are found mainly in the Programme Management Areas (PMAs). The overall authority over CEFORD's Assets is invested in the hands of the Board of Directors (Board) and delegated to the Executive Director (Director). At the PMA Offices, the day to day management of the assets is by the Programme Coordinators as representatives of the Executive Director.

CEFORD Assets are grouped in the following categories.

- Buildings
- Means of Transport
- Computers
- Power Equipment
- Other Equipment
- Furniture and Fittings

2. PROCUREMENT

The Authority to purchase assets, particularly those of high value, lies with the Board of Directors. The PMA Offices will request, through the budget, what assets are to

be purchase for their Units. The Headquarters will then compile and recommend to the Board, through the Consolidated Budget, the assets for purchase. The Executive Director will then purchase the assets after the approval of budget by the Board.

However in emergency situation the Executive Director, in consultation with the Board Chairperson, will authorise the purchase of an asset, e.g. when a computer crashes, or when the solar charger blows.

Management may procure goods and services with costs up to ten (10) million. However, for every one single item above three (3) million the Chairperson of the Finance Committee shall be consulted. .

For any goods and services beyond ten (10) million the Finance Committee shall meet and decide on the firm to supply.

3. Management of Assets

A. Buildings (Rented/Own Building):

Currently CEFORD has buildings of its own and rented offices which have secure compounds.

- *These offices should be kept tidy to allow good working environment.*
- *The offices shall be used for Official purposes for which they are intended.*
- *Can sub-let parts that are not utilised.*

B. Motor Vehicle Usage

CEFORD vehicles are under the control of the Executive Director. However the Director has delegated the management of the vehicles to the Regional Programme Coordinators at the PMA and the Manager Finance & Admin at the Headquarters level.

The Regional Programme Coordinators over see and authorize the day-to-day management to the Account Assistants.

The following are therefore the rules governing Motor vehicle usage:

i. DRIVING/RIDING

1. The Executive Director is the only person to authorize staff member to drive/ride CEFORD vehicle/motorcycles
2. For other staff members the Executive Director has to give authority. The authority must be in writing (or designed request form).
3. The person authorized to drive/ride must have a valid driving permit, copy of which must be sent to the Headquarters.
4. CEFORD vehicles/motorcycles must be strictly used for official duties, unless it is authorized, if possible in writing, by the Executive Director or the Regional Programme Coordinators (at the PMA Units).
5. Person driving/riding CEFORD vehicles/motorcycles should avoid carrying non-staff members, unless authorized.
6. Person driving/riding CEFORD vehicles/motorcycles should avoid overloading the vehicle/motorcycle.

7. Under normal circumstances, CEFORD vehicles/motorcycle must be parked at the CEFORD Offices not later than 7.00pm.
8. While out of station, CEFORD vehicles/motorcycles must be parked in a secure place, e.g. Police Station, guarded place, fenced compound, etc
9. Staff should avoid driving/riding CEFORD vehicles/motorcycles to social places when it is not official.
10. The vehicle/motorcycle being used must be in sound mechanical condition.
11. The driver/rider must keep proper logbook of the movement of the vehicle/motorcycle. The Driver/Acct. Asst/FAOs on monthly basis must properly analyze this.

ii. REPAIR/SERVICE

CEFORD vehicles/motorcycles are to be repaired/serviced in garage agreed to by the CEFORD Management Team (CMT), except in emergencies.

C. Management of Computers

1. The computers should only be used for official work.
2. Staff should handle the computers with a lot of diligence.
3. Staff members are not allowed to use the Computers for pornographic materials.
4. Non-staff members and other staff members not mentioned above can only use a computer with the consent of the Executive Director or Programme Coordinators at the PMA.

D. Management Power Equipment

Generator/Solar equipment

CEFORD has generator/solar equipment in each various offices. However the output capacity varies. The following are therefore the rules governing the use of the Generators/solar:

1. A generator/solar must be strictly used for CEFORD activities.
2. The generator/solar must be kept in good mechanical condition, i.e. routinely and properly serviced/repaired.
3. The generator/solar must be repaired/serviced by a competent technician.
4. Under normal circumstances, the generator must be used to charge the solar, unless the workload cannot be managed by the power supplied by the solar.
5. A generator should be kept in a lockable room. In case of a generator house this must have a secure door.
6. The solar inverter must be kept off unless there is need for solar power.
7. The solar power should be kept at an acceptable level to avoid draining off the batteries.
8. In case CEFORD hires a generator from outside, the conditions 1 – 7 above will apply.

E. Other Equipment/Furniture and fittings

1. They must be used for the purpose for which they are bought
2. Repair and service should be provided immediately by competent technicians when and where it is necessary.

3. PRIVATE USE/HIRE OF CEFORD VEHICLES

CEFORD vehicles can be hired out for private use with permission from the Executive Director (delegated to the Regional Programme Coordinators at the PMA). However the following conditions govern such private use or hire:

1. For private use by staff or Board member, they must apply.
2. For hire by non-staff members, a contract must be signed between CEFORD and the persons hiring the vehicle.
3. The driver records a proper log sheet of the vehicle movement. This will be used to determine the payment for the private use of the vehicle.
4. The cost of running a vehicle for 1 km is Ushs.1, 300=.
5. In Case a private user wanting to keep the vehicle for more than 3 hours, the following rates will apply:
 - A distance not more than 40 kms and taking less than 3 hours CEFORD will charge Ushs.100, 000=.
 - In case of a distance more than 40 kms taking more than 3 hours but less than 6 hours CEFORD will charge Ushs.100, 000= plus an extra Ushs.25,000 per hour, covering the extra hour(s).
 - For long Distance which will take more that 6 hours the cost per km (Ushs.2,000=) or the Ushs.100,000= will apply whichever will be higher. Both parties will negotiate the extra cost of keeping the vehicle for long plus its security.
 - In case the vehicle is kept overnight, the Perdiem of the driver will be paid by the person hiring the vehicle
6. There will be an exception in the case of a staff or Board member in times of sickness or movement of his/her family, where the Director may accept movement of a vehicle without pay.
7. A CEFORD driver must drive the vehicle or a driver hired by CEFORD for that purpose.

Assumption: The vehicles run 30,000 kms per year. Basing on this the following is the process through which we arrived at total vehicle cost per km of **1,500**

Tyres used per year	3,600,000
Fuel per year (30,000/7x 2,500)	10,714,000
General Service per year (500,000x6)	3,000,000
Major Repairs (2,500,000x2)	5,000,000
Insurance	1,300,000
Battery (250,000x3)	750,000
Minor maintenance/others	1,200,000
Total M/V O& maintenance per year	25,564,000

Divide: by km per year	30,000
Total cost per km	852
Add: Wear & tear 40% of cost per km	340
Profit Charge 50% of total cost per KM	426
Total approximate cost per KM	1,618 rounded 2,000

4. THE MOVEMENT OF FIXED ASSETS OUT OF OFFICE

1. CEFORD assets can only be taken for use out of office by staff with the consent of the Executive Director or the PC.
2. The guards must be informed and a record be kept in the asset movement book with the guard at the gate.
3. The asset must be returned in good order and be recorded by the guard at the gate.
4. In case of loss of or damage to the asset, the staff responsible will be held liable for the loss and will pay the amount ascertained by the CMT, unless the loss or damage could have not been avoided.

4. WRITING OFF ASSETS

CEFORD's Assets will be written off from the Assets list on continuous basis.

Assets can only be written off because of the following reasons and with the authority of the Board or Executive Director:

- When sold off.
- When obsolete.
- When lost.
- When damaged beyond repair.

This Finance and Assets Administrative Manual has been passed by the Board as a CEFORD document on the.....day of 2010