Elohim Foundation

Finance and

Account Procedures Manual

Finance Department

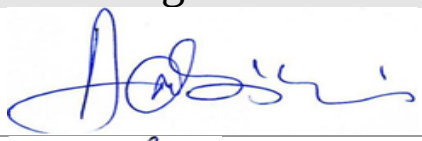
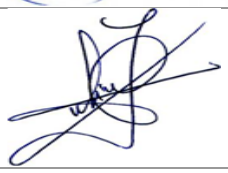
Reviewed July, 2021.

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1.0 Purchasing

Purchasing covers all activities involved in the selection of vendors, evaluation and monitoring of selected vendors and procurement of goods and services from vendors. Purchasing processes include:

1 Vendor Selection

2 Vendor Monitoring and Evaluation

3 Purchase Requisitioning

4 Purchase Ordering

5 Receiving of Goods

6 Receiving of Services

1.1 Vendor Selection/Registration

This process covers activities relating to the assessment, evaluation, selection, approval and registration of suitably qualified vendors for the supply of goods and services.

Procedures

Step	Responsibility	Task	Job Aid
1.1.1	HR	Identify and categorize items routinely procured by EF	
1.1.2	HR	Define the Vendor Selection Criteria for each category of items and develop the Vendor Selection Criteria document Note: Vendor selection criteria shall include but not be limited to: 1. Vendor's reputation and credibility 2. Quality of vendors product 3. Availability of credit/ discount facilities, 4. Vendor's ability to meet EFs demand on short notice 5. Location of vendor and accessibility to EF	MS Word

Step	Responsibility	Task	Job Aid
		6. Size of vendor's business	
	HR	Submit the Vendor Selection Criteria to the Program Manager for review	
1.1.3	Program Manager	Review the Vendor Selection Criteria for reasonableness and completeness and approve where there are no amendments required	
1.1.4	HR	Conduct market survey to identify reputable vendors for each category of items routinely procured by EF	
1.1.5	HR	Invite vendors to apply for registration as EF supplier Note: Invitation of vendors can be by either paid advertisement or direct invitation letter	
1.1.6	HR	Collate and analyse the vendor applications received, including supporting documents and forward to the Program Manager for review Note: Vendors are required to attach supporting documents to their application. *Incorporated company* 1 Certificate of Incorporation 2 Current Tax Clearance Certificate 3 Memorandum & Article of Association *Registered businesses* 1 Certificate of Registration of Business Name 2 Current Tax Clearance Certificate	
1.1.7	Program Manager	Review vendors applications based on set Vendor Selection Criteria	
1.1.8	Program Manager	Where vendors do not meet selection criteria Send rejection letters to vendor indicating reason for rejection	

Step	Responsibility	Task	Job Aid
		End	
1.1.9	Program Manager	<u>Where vendors meet vendor selection criteria</u> Compile and forward list of short listed proposed vendors and the supporting vendor applications to the Tender Committee for approval	
1.1.10	Procurement Committee	Review list of recommended vendors, including supporting documents and assess vendor's capability to meet EF's requirements **Note:** Procurement Committee will be comprised of: 1. Program Manager 2. Finance Manager 3. HR officer	
1.1.11	Procurement Committee	<u>Where vendors are deemed as not capable of meeting Elohim Foundation's requirements</u> Advice HR Officer to send rejection letter to vendor Go to 1.1.15	
1.1.12	Procurement Committee	<u>Where vendors are deemed as capable of meeting Elohim Foundation's requirements</u> Approve the inclusion of qualified vendors in the Approved Vendor List	
1.1.13	HR	Receive information on vendor's approval from Procurement Committee, set-up/ update approved vendor list and inform successful vendors	MS Word
1.1.14	HR	Advise vendor of registration as supplier to Elohim foundation	
1.1.15	Program Manager	Regularly review new vendor applications and recommend to Procurement Committee as required **End**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Vendor Registration Form (VRF)	A form that captures the details of the vendor and the nature of items to be supplied by the vendor.	HR Officer	Vendor

Output Documents

Document Description	Purpose	Source	Recipient
Approved Vendor List	A schedule that contains the listing of all the approved vendor of EF	HR	Procurement Committee

1.2 Vendor Monitoring and Evaluation

This process covers activities relating to the monitoring/ evaluation of EF's vendors, to ensure only competent and reputable vendors who meet EF criteria are retained and that the approved vendor list is up-to-date and provides accurate information on qualified and approved vendor

Procedures

Step	Responsibility	Task	Job Aid
1.2.1	HR	At predetermined periods (i.e. annually), commence review/evaluation of the performance of existing vendors based on set evaluation criteria **Note:** The review shall access the activity level and responsiveness of each vendor as well as level of performance of each vendor over the period with respect to quality of service, timeliness of delivery, cost - discount, charges, etc, value added, etc.	
1.2.2	HR	Evaluate vendor's performance and relationship with EF over the last period and prepare the Vendor Performance Evaluation Report **Note:** ▪ The HR can obtain a listing of Purchasing Orders issued to a given vendor and consult with the primary recipient of the goods/services supplied ▪ Based on comments from staff and the Finance Department, a performance evaluation is performed	
1.2.3	HR	Identify non-performing vendors and prepare a report proposing de-listing of such vendors from the input document (clearly stating the justification)	MS Word
1.2.4	HR	Forward the Vendor Performance Evaluation Report to the Finance Manager for review	
1.2.5	Finance Manager	Review the Vendor Performance Evaluation Report and determine the need to remove and/ or add new vendors to the Approved Vendor List	
1.2.6	Finance Manager	Compile list of proposed vendors to be de-listed based on their performance, attach Vendor Performance Evaluation Report, including recommendation for vendor additions and forward to Procurement Committee for review and approval	

Step	Responsibility	Task	Job Aid
1.2.7	Procurement Committee	Review Vendor Performance Evaluation Report including recommendation for addition or de-listing or vendors	
1.2.8	Procurement Committee	Approve update/ amendment to Approved Vendor List, ensuring reasonableness and justification of the propositions	
1.2.9	HR Officer	Receive Tender Committee's approval of amendments (additions/ deletions) to the Approved Vendor List, and commence implementation	
1.2.10	HR Officer	Send out letters as appropriate to vendors to communicate the new position.	
1.2.11	HR Officer	Where there is need to remove vendors Delete vendors from the approved vendor list as approved and generate an updated vendor list **End**	MS Word

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Approved Vendor List	A schedule that contains the listing of all the approved vendors of EF	HR Officer	Procurement Committee

Output Documents

Document Description	Purpose	Source	Recipient
Vendor Performance Evaluation Report	A report that details the performance evaluation of registered vendors stating vendors to be de-listed and motivation for such.	HR Officer	Procurement Committee
Updated Vendor List	A schedule that contains the listing of all the approved vendor of EF after the evaluation process	HR Officer	Procurement Committee

1.3 Request for Quotation (RFQ)

This process covers activities relating to the request for quotations for purchases from duly registered vendors, to ensure the EF gets the best price at the best quality.

Procedures

Step	Responsibility	Task	Job Aid
1.3.1	Staff	Where there is need to make a purchase Complete a Request for Quotation and forward to Line Manager for review and approval.	
1.3.2	Line Manager	Review RFQ for accuracy, reasonableness and compliance. Approve and forward RFQ to the HR Officer.	
1.3.3	HR Officer	Receive RFQ, query Approved Vendor List to identify vendors registered in the category	
1.3.4	HR Officer	Where there isn't enough vendors registered in that category **To Vendor Selection Registration**	
1.3.5	HR Officer	Where there are enough registered vendors registered in that category Contact vendor and request that they come and pick up RFQ or mail RFQ to the respective vendors	
1.3.6	HR Officer	Receive a maximum of three (3) quotes and pro-forma invoices, review and comment on them as appropriate	
1.3.7	HR Officer	Forward the three reviewed quotes to the Line Manager for Vendor Selection Approval	
1.3.8	Line Manager	Review and Select vendor and send the remaining quotes to the Purchasing for Filing **To Purchase Requisitioning**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Approved Vendor List	A schedule that contains the listing of all the approved vendors of EF	Admin Officer	Tender Committee

Output Documents

Document Description	Purpose	Source	Recipient
Vendor Performance Evaluation Report	A report that details the performance evaluation of registered vendors stating vendors to be de-listed and motivation for such.	Admin Officer	Tender Committee

1.4 Purchase Requisitioning

This process covers the activities performed in initiating and processing purchase requisitions (PR) for the procurement of goods and services for EF.

Procedures

Step	Responsibility	Task	IT/Job Aid
		From Vendor Selection/Registration	
1.4.1	Staff	Receive an approved pro-forma invoice quotation or contract document from the Manager, as a basis for initiating a PR.	
1.4.2	Staff	Review the pro-forma invoice quotation/proposal document to ascertain the purchase amount and the nature of the transaction.	
1.4.3	Staff	Complete the preprinted PR form and forward to the line Manager for review and ratification <u>Note</u> The PR will be updated with the following details: ▪ Name of purchase requisitioner ▪ Department ▪ Regional Code ▪ Account code ▪ Vendor ID and name ▪ Delivery Location ▪ Description of purchase ▪ Quantity of purchase ▪ PR authoriser name ▪ Purchase amount	
1.4.4	Manager (User	Review completed PR and supporting documents for completeness and accuracy, ratify by appending signature and forward to the	

<table>
<tr><th>Step</th><th>Responsibility</th><th>Task</th><th>IT/Job Aid</th></tr>
<tr><td></td><td>Department)</td><td>Finance Department for processing</td><td></td></tr>
<tr><td>1.4.5</td><td>HR Officer</td><td>Calculate the applicable WHT rate based on the description of services to be rendered and specified in the PR.

<u>Note</u>
<table><tr><th>Payment</th><th>Corporate Beneficiary (%)</th><th>Individual Beneficiary (%)</th></tr><tr><td>Rent</td><td>10</td><td>10</td></tr><tr><td>Commission, consultancy, technical and management fees</td><td>10</td><td>5</td></tr><tr><td>Contracts and agency arrangements</td><td>5</td><td>5</td></tr><tr><td>Professional fees</td><td>10</td><td>5</td></tr></table></td><td></td></tr>
<tr><td>1.4.6</td><td>HR Officer</td><td>Perform budgetary control by comparing the PR amount to the budget allocation for the department specified in the PR.

<u>Note</u>

Expenditure budget is prepared and approved at the beginning of the financial period. The approved budget is managed by the Finance department, and the department allocation is drawn down at the point where the PR is approved to a PO.</td><td></td></tr>
<tr><td>1.4.7</td><td>HR Officer</td><td><u>Where the purchase amount is within budget</u>

Go to 1.1.16</td><td></td></tr>
<tr><td>1.4.8</td><td>HR Officer</td><td><u>Where the amount is not within budget</u>

Review the current Expenditure Budget for the department to determine how expense could be funded.</td><td></td></tr>
<tr><td>1.4.9</td><td>HR Officer</td><td>Notify the Manager of budget constraints, and possible options of funding the expense.

<u>Note</u>

The PR may be processed by budget offset or by motivating for</td><td></td></tr>
</table>

Step	Responsibility	Task	IT/Job Aid
		extra-budgetary expenditure.	
1.4.10	Manager	Decide if to proceed or discontinue with the PR.	
1.4.11	Manager	Where the purchase is to be discontinued Discontinue PR by informing Account Manager via email to terminate PR processing. **End**	MS Outlook
1.4.12	Manager	Where the purchase is to be continued Decide on how to fund the expense based on options provided by Account Manager.	
1.4.13	Manager	Where the expense is to be funded by motivating for extra-budgetary expense Forward the Purchase Requisition to the ED/ES for approval	MS Outlook
1.4.14	ED/ES	Review, approve and return to Manager Go to 1.4.16	MS Outlook
1.4.15	Manager	Where the expense is to be funded by budget offset Request Account Manager to perform budget offset on appropriate budget item. Note: Budget can only be offset within budget category.	
1.4.16	HR Officer	Update the Budget Tracker with requested budget offset information. Note: This activity does not change the account to which the expense would be charged, but rather depletes the budget for the selected line item.	MS Excel
1.4.17	HR Officer	Indicate on the PR that the budget check has been done and sign in the space provided	

Step	Responsibility	Task	IT/Job Aid
1.4.18		**To Purchase Ordering**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Pro-forma Invoice/quotation Proposals	A document showing the nature and value of goods to be procured. It serves as an input in raising PRs.	Vendor	Staff

Output Documents

Document Description	Purpose	Source	Recipient
Purchase requisition	A document proposing an expense for a given cost centre.	Staff	Account Manager

1.5 Purchase Ordering

This process covers the activities involved in the preparation and despatch of request for purchase order for the supply of goods and services to vendors on EF's approved vendors list.

Procedures

Step	Responsibility	Task	Job Aid
1.5.1	HR Officer	**From Purchase Requisitioning** Access the accounting system and complete a PO form based on the information contained on the approved PR.	
1.5.2	HR Officer	Compile documents and forward to the Finance Manager for review of documentation	
1.5.3	Finance Manager	Receive and review PR, PO and supporting documentation to ensure compliance to established policies and procedures forward to the General Manager.	
1.5.4	General Manager	Receive and review PO based on delegation of authority (DOA)	
1.5.5	General Manager	<u>Where PO amount is within DOA</u> Approve PO by appending signature in the required space and forward to the Admin Officer for processing Go to 1.5.8	
1.5.6	General Manager	<u>Where PO amount is above DOA</u> Forward approved PO to the relevant authority for counter approval as defined in the DOA	
1.5.7	General Manager	Receive approved PO and forward to Admin Officer for dispatch to the vendors	
1.5.8	HR Officer	Receive approved PO and supporting documentation and dispatch to the appropriate vendor and follow up with vendor to ensure timely delivery of items/ service <u>Note:</u> Purchase order to be distributed as follows after approval: (i) Vendor (Original copy)	

Step	Responsibility	Task	Job Aid
		(ii) HR Officer File (with supporting documentation, motivation and requisition attached) (iii) User department	
1.5.9		Where an advance payment is required **To Invoice Processing**	
1.5.10		Where an advance payment is not required **Receiving of Goods** **Receiving of Services**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Purchase Requisition	A document proposing an expense for a given cost centre.	Staff	HR Officer
Purchase Order	A document authorizing a vendor to provide goods/services to EF. It is required to confirm propriety of goods delivered by a vendor	HR Officer	General Manager User Department Vendor

1.6 Receiving of Goods

This process includes the activities involved in taking possession of goods purchased by EF through vendors. Goods are received in the location specified in the purchase order.

Procedures

Step	Responsibility	Task	IT/Job Aid
		From Purchase Ordering	
1.6.1	User Department Staff/ Store Keeper	Obtain a copy of the PO from the vendor upon delivery of goods to EF premises or project location.	
1.6.2	User Department Staff/ Store Keeper	Review the PO and confirm that the goods are being delivered to the appropriate delivery location specified on the PO.	
1.6.3	User Department Staff/ Store Keeper	Where goods delivery is not to the appropriate location Refer the vendor to the specified delivery location.	
1.6.4	User Department Staff/ Store Keeper	Where goods are delivered to the appropriate location Retrieve filed PO using the PO number and confirm the nature, specifications and quantity of the goods ordered on the PO.	
1.6.5		Where goods are not of a technical nature Go to 1.5.7	
1.6.6	User Department Staff/ Technical Staff	Where goods are of a technical nature Request a technical staff to inspect goods and confirm the nature of goods being delivered by the vendor.	
1.6.7	User Department Staff/Technical Staff/	Verify the nature, quality and quantity of goods against PO specifications. Note: The Receiving Staff should physically count the goods to verify the exact quantity supplied	

Step	Responsibility	Task	IT/Job Aid
1.6.8	User Department Staff/ Technical Staff	Where the quality of the goods are not in line with PO specifications Reject goods not up to the required quality. Note If some part of the goods delivered meet the required quality and this acceptable part is considered useful, it should be received. However if the acceptable part is not useful except complete delivery is received, the entire delivery shall be rejected.	
1.6.9	User Department Staff/Technical Staff	Where goods delivery is not to the required quantity Receive goods delivered into EF custody, but reject goods that are unusable without complete delivery of all relevant parts.	
1.6.10	User Department Staff/ Technical Staff	Where goods are in line with PO specifications Complete a Goods Received Note (GRN), sign off and issue original to the vendor. Note ▪ The GRN signifies that the goods delivered by the vendor have been inspected by user department staff and certified OK. ▪ Multiple GRNs can be raised for a PO. **To Invoice Registration**	
1.6.11		Where item received is a fixed asset Forward duplicate copy of GRN to the Finance Manager	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Purchase order	A document authorising a vendor to provide goods/services to EF. It is required to confirm propriety of goods delivered by a vendor.	Vendor	User Department Staff/ Logistics Supervisor

Output Documents

Document Description	Purpose	Source	Recipient
Goods received note (GRN)	A document issued to a vendor affirming EF has taken custody of goods. It is issued per goods delivery.	User Department Staff/ Logistics Supervisor	Vendor

1.7 Receiving of Services

This process includes the activities involved in receiving services against the PO to evidence receipt from vendor.

Procedures

Step	Responsibility	Task	IT/Job Aid
		From Purchase Ordering	
1.6.1	User Department Staff	Receive documents evidencing work done from the vendor. Note Documents evidencing work done include: ▪ Timesheets (e.g. security services, professional services). ▪ Certificate of work done (e.g. construction work)	
1.6.2	User Department Staff	Review the evidence of work done against the relevant PO and contract document, ensuring propriety of claims, rates and total value of services indicated.	
1.6.3	User Department Staff	Where there are issues identified Resolve issues with the vendor, requesting amendments to the evidence of work done where appropriate. Note Issues that may be identified include: ▪ Rates indicated not in line with the PO or contract document. ▪ The total value on the evidence of work done exceeds actual work done or PO value.	
1.6.4	User Department Staff	Where issues have been resolved Forward the evidence of work done to the Manager/ Project Sponsor for review and approval, attaching a printout of the PO and/or contract document.	
1.6.5	Manager/Project	Review the evidence of work done against the supporting documents	

Step	Responsibility	Task	IT/Job Aid
	Sponsor	and validate status of service receipt by EF	
1.6.6	Manager/Project Sponsor	Where there are issues identified by the Manager Resolve issues with the vendors and request an amendment of the evidence of work done as appropriate. Note Issues that may be identified include that actual receipt of services by EF not in line with the evidence of work done document.	
1.6.7	Manager	Where issues identified have been resolved Approve the evidence of work done document and forward to the staff to issue Service Received Note (SRN).	
1.6.8	User Department Staff	Receive approved evidence of work done; make photocopy and hand over the original copy to the vendor.	
1.6.9	User Department Staff	Complete a SRN and issue to a copy to the vendor and forward duplicate to the Account Manager. Note ▪ Multiple SRNs can be raised for a PO **To Invoice Registration**	

Input/Output Documents

Input Documents

Document Description	Purpose and Frequency	Source	Recipient
Purchase order	A document authorising a vendor to provide goods/services to EF. It is required to confirm propriety of service delivered by a vendor/service provider.	Vendor	User Department Staff
Time sheet	A third party document that serves as an evidence for time charged for the services.	Vendor/service provider	User Department Staff
Certificate of work done	A third party document that evidences	Vendor/service	User Department

Input/Output Documents			
	work done, e.g. for construction services.	provider	Staff

Output Documents			
Document Description	**Purpose and Frequency**	**Source**	**Recipient**
Service received note (SRN)	A document issued to a vendor affirming EF has received the stated service. It is issued per service received.	User Department Staff	Vendor

2.0 Accounts Payable

Accounts payable covers the activities involved from receiving to obtaining approval for vendor invoices payment. The sub-processes under Accounts Payable include:

1 Invoice Registration

2 Payment Approval

2.1 Invoice Registration

This process describes all activities involved in receiving and recording details of invoices received from vendors. Invoices are received from vendors through the invoice boxes situated in the Finance department. Invoice registration is the initial capture of invoice details into the EF financial system.

Procedures

Step	Responsibility	Task	IT/Job Aid
		Start	
2.1.1	Vendor	Visit Finance department office and hand over the invoice directly to the HR/Finance manager. Note: The GRN/SRN should be attached to the invoice.	
2.1.2	Account Manager	Review invoice and confirm if PO number is indicated and invoice is on a letter head.	
2.1.3	Account Manager	Where PO number is not indicated on invoice/or invoice not on letter head Set aside as invoice to be returned to vendor. Go to 2.1.11	
2.1.4	Account Manager	Acknowledge receipt of invoice by date-stamping invoices with EF official receipt stamp.	
2.1.5	Account Manager	Register the invoices in the invoice log spreadsheet by capturing the following details: ▪ PO number	MS Excel

Step	Responsibility	Task	IT/Job Aid
		▪ Invoice number ▪ Receipt date ▪ Supplier details	
2.1.6	Account Manager	Confirm if the invoice is on letterhead, or alternatively, signed-off by the vendor.	
2.1.7	Account Manager	<u>Where invoice is not on letter head or endorsed</u> Update the invoice status in the log to 'Returned' and set aside the invoice. Go to 2.1.11	MS Excel
2.1.8	Account Manager	<u>Where invoice is on letter head or endorsed</u> Retrieve filed PO using the PO number indicated on the invoice and compare invoice amount with value of the 'received' portion of the PO. <u>Note:</u> POs may be received in part as is the case in partial delivery.	
2.1.9	Account Manager	<u>Where invoice amount is less than or equal to PO amount</u> Enter the invoice into the system, and set the due date for payment <u>Note:</u> The payment due date should be inputted into the Invoice Log for easy of tracking **To Payment Approval**	
2.1.10	User Department Administrator	<u>Where the invoice amount is greater than the PO amount</u> Update the invoice status in the log to 'Returned' and set aside the invoice.	
2.1.11	User Department Administrator	Notify vendors via phone, e-mail or SMS of issues identified with invoices that have been set aside, and request to pick up invoice(s) for correction and re-presentation.	
		End	

Input Document			
Document Description	**Purpose**	**Source**	**Recipient**
Invoices	Payment request for goods delivered or services rendered to EF.	Vendor	User Department Administrator
Goods/Service received note (G/SRN)	A document issued to a vendor affirming EF has received the stated Goods/service. It is issued per Good/service received.	Vendor	Account Manager

2.2 Payment Approval

The payment approval process describes the activities involved in authorizing invoices for payment.

Procedures

Step	Responsibility	Task	IT/Job Aid
		From Invoice Registration	
2.2.1	Account Manager	Review PO and GRN to ensure that goods/services has been certified as received. Note Ensure that the receiving staffs counter signs on the GRN to indicate receipt of goods.	
2.2.2	Account Manager	Where the goods/services have not been received Contact Manager by phone/e-mail and notify of invoice for which goods/services are yet to be received.	Phone/ MS Outlook
2.2.3	Account Manager	Log invoice(s) in manual register and forward to Manager to aid investigations.	
2.2.4	Account Manager	Receive notification of issue resolution and invoice from User Department staff and make internal inquires to confirm status of goods/service receipt.	
2.2.5	Account Manager	Where goods/services have been received Manually match details contained in the invoice to relevant PO and GRN or SRN. Note ▪ The matching task is 3-way (Invoice – PO – GRN/SRN).	
2.2.6	Account Manager	Determine and enter appropriate account codes and cost centre (s) for the invoiced transactions based on the type of item supplied/service provided. Note: ▪ The accounting entries generated by this activity are:	Accounting System

<table>
<tr><th>Step</th><th>Responsibility</th><th>Task</th><th>IT/Job Aid</th></tr>
<tr><td></td><td></td><td>Dr Asset/expense/GIT Accrual Account

Cr Vendor Account</td><td></td></tr>
<tr><td>2.2.7</td><td>Account Manager</td><td>Complete a payment requisition form for the invoiced amount and forward processed invoices with supporting documents to the Account Manager.

<u>Note:</u>

The supporting documents include:

1 PO
2 GRN
3 Other contract documentation</td><td></td></tr>
<tr><td>2.2.8</td><td>Account Manager</td><td>Receive and review payment requisition for propriety accuracy of computation and ensure policies have been adhered to and forward to the Finance Manager</td><td></td></tr>
<tr><td>2.2.9</td><td>Financial Manager</td><td>Receive and review processed invoices with supporting documents for accuracy and compliance with procedures and determine required signatories

<u>Note:</u>

The financial signatories requirement for payment approval according to DOA is outlined below:
<table>
<tr><th>Amount (₦)</th><th>Finance Manager</th><th>Program Manager</th><th>ED/ES/MD</th><th>BOD</th></tr>
<tr><td>0 – 50,000</td><td>✓</td><td>✓</td><td></td><td></td></tr>
<tr><td>50,001 – 500,000</td><td></td><td>✓</td><td>✓</td><td></td></tr>
<tr><td>500,000 and Above</td><td></td><td></td><td>✓</td><td>✓ *</td></tr>
</table>
For payments above N500,000 the board shall approve disbursement but checks will only be signed by the ED/ES and the Account Manager.</td><td></td></tr>
<tr><td>2.2.10</td><td>Finance Manager</td><td>Forward compiled payment pack to the Program Manager for review and approval</td><td></td></tr>
</table>

Step	Responsibility	Task	IT/Job Aid
		Note: The payment pack contains: 1 Vendor Invoice 2 Purchase Order 3 Goods Receipt Note (GRN) 4 Payment Requisition Form 5 Relevant Contract Documentation	
2.2.11	Program Manager	Receive payment pack and review documentation for accuracy, completeness and compliance.	
2.2.12	Program Manager	Approve payment where no issues are identified and sign off on the Payment requisition form and forward to the relevant counter signatory based on DOA for signature.	
2.2.13	Counter Signatory	Receive payment pack and review for consistency, accuracy and compliance.	
2.2.14	Counter Signatory	Where there are no discrepancies identified Authorise cheque and return payment pack back to the Program Manager. **To Payment/Disbursement**	
2.2.15	Counter Signatory	Where there are discrepancies Notify the Program Manager of identified discrepancy and request resolution.	
2.2.16	Program Manager	Receive payment pack, resolve identified issue/discrepancy and represent payment pack for approval. Go to 2.2.13	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient

Payment Pack	Documents requesting/supporting a payment.	Service provider/staff	User Department Administrator
Invoice	Payment request for goods delivered or services rendered to EF.	Vendor	User Department Administrator

Output Document			
Document Description	**Purpose and Frequency**	**Source**	**Recipient**
Payment Requisition Form	A form that contains the details of the breakdown of amounts due to the vendors.	Account Manager	Account Manager

3.0 Expense Management

Expense Management covers the activities involved in managing business advances (staff advances) and petty cash for business purposes. Expense Management processes include:

1 Business Advance Request

2 Business Advance Retirement

3 Increase in Petty Cash Float

4 Petty Cash Request

5 Petty Cash Replenishment

3.1. Business Advance Request

This process covers the activities involved in requesting for a business advance. These are advances requested by staff to accomplish assigned EF tasks.

Procedures

Step	Responsibility	Task	Job Aid
3.1.1	Requisitioner	Print out and complete the Advance Request Form (ARF) and forward to line approver. <u>Note:</u> • Details to be completed in the ARF include 1 Staff Name 2 Staff Number 3 Department 4 Required amount 5 Justification for advance • Requisitioner should confirm the current staff advance balance on his account with Account Manager via phone or email before forwarding the ARF for approval.	
3.2.1	Approver	Review ARF to ensure validity and appropriateness of advance request	

Step	Responsibility	Task	Job Aid
		as well as accuracy of computation. <u>Note:</u> • The line manager of the requisitioner would act as the approver of the business advance request. • Where staff has an unretired advance outstanding, a new advance shall normally not be granted.	
3.3.1	Approver	<u>Where advance request is not okay</u> Reject ARF. **End**	
3.4.1	Approver	<u>Where advance request is okay</u> Approve ARF and return to requisitioner.	
3.5.1	Requisitioner	Forward ARF to Account Manager for verification of the staff current advance account balance and endorsement.	
3.6.1	Account Manager	Receive ARF from requisitioner and verify the staff's current advance account balance.	
3.7.1		Access the accounting system and post the necessary entries to recognise cash disbursement. Dr: Staff Advance Account Cr: Cash Account	
3.8.1	Account Manager	Endorse ARF and forward to the Finance Officer for further processing. **Funds Disbursement – Cash** **Funds Disbursement – Cheque**	

Input/Output Documents

Input Documents			
Document Description	**Purpose**	**Source**	**Recipient**
Advance Request Form	Used to raise request for a business advance.	Staff	Approver/Manager

3.2. Business Advance Retirement

This process covers the activities involved in accounting for business advance retirement. These are advances requested by staff to accomplish assigned EF tasks.

Procedures

Step	Responsibility	Task	Job Aid
3.2.1	Requisitioner /Project Staff	Print out and complete the Expense Retirement Form (ERF) filling in the relevant expense details.	
3.2.2		Where requisitioner has unexpended cash balance Return unexpended cash to the Finance Officer and obtain a receipt of payment. Go to 4.2.3	
3.2.3	Requisitioner	Where requisitioner does not have unexpended cash balance Attach relevant supporting documents (receipts, attendance sheet, etc.) and forward to relevant HOD for approval. Note: If the Requisitioner is the HOD, a higher level management staff will have to approve the retirement.	
3.2.4	HOD	Review ERF and documents for propriety, ensuring advance was utilised in line with approved expenditure.	
3.2.5	HOD	Approve ERF and return to Requisitioner.	
3.2.6	Requisitioner	Submit approved ERF with copy of payment receipt to Account	

Step	Responsibility	Task	Job Aid
		Manager for processing.	
3.2.7	Account Manager	Receive approved ERF and supporting documents and review for proper authorisation.	
3.2.8	Account Manager	Update the staff advance account on the system. Note: For unexpended advance Dr: Cash Account Cr: Staff Account For expended Advance Dr: Expense Account Cr: Staff Advance Account	
3.2.9	Account Manager	Stamp "posted" on processed documents to evidence posting and file accordingly. **End**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Expense Retirement Form	A form used to document the staff's business related expenses.	Requisitioner	Account Manager
Receipt	A third party document showing evidence of cash spent by EF staff.	Requisitioner	Account Manager

3.3. Increase in Petty Cash Float Request

This process describes the activities involved in increasing the petty cash float of a department or EF in line with the prevailing business needs.

Procedures

<table>
<tr><th>Step</th><th>Responsibility</th><th>Task</th><th>IT/Job Aid</th></tr>
<tr><td></td><td></td><td>Start</td><td></td></tr>
<tr><td>3.3.1</td><td>Petty Petty cash custodian</td><td>Prepare a justification for increase in petty cash float and forward to the approver for review.

<u>Note</u>

• The justification should provide a business case for the request to increase petty cash float.

• The Petty cash custodian and approver role will be assigned to the following

<table><tr><th>Location</th><th>Petty cash custodian</th><th>Approver</th></tr><tr><td>Head Office (All Departments within the head office location)</td><td>Accountant</td><td>Account Manager</td></tr></table></td><td>MS Word</td></tr>
<tr><td>3.3.2</td><td>Approver</td><td>Review and agree the justification for float increase to transaction history and changes to business operations.</td><td></td></tr>
<tr><td>3.3.3</td><td>Approver</td><td><u>Where the request for float increase cannot be justified</u>

Discontinue request for petty cash float increase.

End</td><td></td></tr>
<tr><td>3.3.4</td><td>Approver</td><td><u>Where the request for float increase is justified</u>

Request Petty cash custodian to complete the Petty Cash Float Request form.</td><td></td></tr>
<tr><td>3.3.5</td><td>Petty Petty cash custodian</td><td>Print out and complete the Petty Cash Float Request form based on agreement with the Approver.</td><td>FIDO</td></tr>
</table>

Step	Responsibility	Task	IT/Job Aid
		Note The details required on the form include: ▪ Cost centre code ▪ Location code ▪ Petty cash account number ▪ Name of petty Petty cash custodian ▪ Current float amount ▪ Additional float amount required	
3.3.6	Petty Petty cash custodian	Attach justification document to Petty Cash Float Request form and forward to the Approver for approval.	
3.3.7	Approver	Receive and review Petty Cash Float Request form and justification document, ensuring accuracy of request details.	
3.3.8	Approver	Forward Petty Cash Float Request form and justification document to Account Manager for review and approval.	
3.3.9	Account Manager	Receive Petty Cash Float Request form and justification document, sign on the request form and forward to the Program Manager.	
3.3.10	Program Manager	Receive and review Petty Cash Float Request form and justification document for propriety. Note The form is reviewed for: ▪ Justification for increase ▪ Reasonableness of amount requested	
3.3.11		Where there are no issues with the request Go to 5.1.14	
3.3.12	Program Manager	Where there are issues with the request Contact the Finance Manager and resolve issues as appropriate.	

Step	Responsibility	Task	IT/Job Aid
3.3.13	Program Manager	Where the request for float increase is to be discontinued Discontinue petty cash request processing. **End**	
3.3.14	Program Manager	Where the request for float increase is to be continued Sign off Petty Cash Float Request form and forward to the Finance Manager for processing.	
3.3.15	Account Manager	Receive authorized Petty Cash Float Request form, and update the Petty Cash Float Tracker to reflect the new float.	MS Excel
		To Petty Cash Reconciliation & Reimbursement	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Justification document	A document that outlines the business case to justify an increase in petty cash float.	Petty Petty cash custodian	Approver
Petty cash Float Request form	A form to communicate details of the increase in float request.	Petty Petty cash custodian	Approver

Output Document

Document Description	Purpose	Source	Recipient
Petty Cash Float Request form (approved)	A form to communicate details of the increase in float request.	Program Manager	Finance Manager
Petty Cash Float Tracker	A log in MS Excel that details the maximum float for each EF Location.	Account Manager	Finance Manager

3.4. Petty Cash Expense & Disbursement

This process includes the activities involved in obtaining cash from the petty cash account to fund the procurement of minor goods and services for business purpose.

Procedures

Step	Responsibility	Task	IT/Job Aid
		Start	
3.4.1	Staff	Obtain Petty Cash Voucher (PCV) from petty Petty cash custodian, complete required sections and forward to the Approver for approval. Note ▪ The PCV is a pre-printed form with a serialized numbering system. ▪ The details required include: - Name of the staff - Amount required - Justification for expense	
3.4.2	Approver	Review PCV ensuring the expense is in line with policy and approve as appropriate.	
3.4.3	Petty Petty cash custodian	Receive PCV and review for propriety, ensuring accuracy of computation.	
3.4.4	Petty Petty cash custodian	Where issues are identified with PCV Notify staff of issues identified with PCV and request the staff to retrieve form and make necessary adjustments.	
3.4.5	Staff	Receive notification of issues identified with PCV and retrieve PCV from Petty cash custodian.	
3.4.6	Staff	Make required adjustments to PCV and return to the Approver. Go to 4.2.2	
3.4.7		Where there are no issues with PCV	

Step	Responsibility	Task	IT/Job Aid
	Petty cash custodian	Approve PCV by signing off and disburse cash to staff as appropriate.	
3.4.8	Petty cash custodian	Register details of approved PCV in logbook and file in Outstanding PCV file. Note The PCV is filed temporarily in the Outstanding PCV file pending retirement by staff.	
3.4.9	Staff	Purchases items/services using petty cash and obtain receipt from vendor. Note Some expenses may not be receipted e.g. local transport.	
3.4.10	Petty cash custodian	Where expense is not retired within twenty four (24) hours Forward the PCV to the Account Manager to notify him of outstanding petty cash and request update of the staff's advance account.	
3.4.11		Receive PCV from the Petty cash custodian and update staff advance account. Note • The accounting entries are: Dr Staff's advance account Cr Petty Cash account • For Petty cash custodians outside the Head Office, requests for conversion of outstanding petty cash to staff advance and PCVs are forwarded to the Account Manager at the end of week along with the petty cash retirement and reconciliation documents. **To Business Advance Retirement & Reimbursement**	
3.4.12	Petty cash custodian	Where expense is retired within twenty four (24) hours Indicate actual amount spent by staff on PCV and obtain staff's sign-off on the PCV.	

Step	Responsibility	Task	IT/Job Aid
3.4.13	Petty cash custodian	Where expenses are without receipts Notify Manager via e-mail and request confirmation of expense. Note Expense claims without receipts must be supported by an e-mail from Manager confirming the expense.	MS Outlook
3.4.14	Manager	Receive notification for expense support, confirm actual expenditure by staff and send e-mail confirming expense to Petty cash custodian as an evidence of expense.	MS Outlook
3.4.15	Petty cash custodian	Receive confirmation e-mail for expense support from Manager.	MS Outlook
3.4.16	Petty cash custodian	Update the petty cash schedule with the relevant details.	
3.4.17	Petty cash custodian	Stamp PCV as processed.	
3.4.18	Petty cash custodian	File stamped PCV, receipts and print out of confirmation e-mail appropriately.	
		To Petty Cash Reconciliation & Reimbursement	

Input/Output Documents

Input Document

Document Description	Purpose	Source	Recipient
Petty Cash Voucher form	A form to be used in requesting funds for petty expenses.	Staff	Petty cash custodian

Output Document

Document Description	Purpose	Source	Recipient
Expense confirmation e-mail	E-mail sent to confirm un-receipted petty expense incurred by staff.	Manager	Petty cash custodian
Receipt	A third party document showing evidence of cash spent by EF staff.	Staff	Petty cash custodian

3.5. Petty Cash Reconciliation & Reimbursement

This process covers the activities involved in accounting for cash disbursed through petty cash and requesting for replenishment of petty cash float.

Procedures

Step	Responsibility	Task	IT/Job Aid
		From Increase in Petty Cash Float Request **From Petty Cash Expense & Disbursement** **From Business Advance Request**	
3.5.1	Petty cash custodian	At the beginning of each week/biweekly or monthly (as the case may be) prepare a report of petty cash transactions for the relevant petty cash account. Note The petty cash accounts shall be reconciled and reimbursed weekly depending on the level of expense.	
3.5.2	Petty cash custodian	Prepare a reconciliation statement for the petty cash account.	
3.5.3	Petty cash custodian	Count cash in hand (if any) in the presence of EF staff and obtain the observer's signature on the reconciliation statement against the cash count. Note The staff that witnessed the cash count must sign in the appropriate section of the reconciliation statement as evidence that the cash was accurately counted.	
3.5.4	Petty cash custodian	Forward the reconciliation statement with supporting documents to the Approver for review. Note The supporting documents include: ▪ Petty cash transaction listing ▪ Receipts/confirmation by writing (for expenses without receipts)	

Step	Responsibility	Task	IT/Job Aid
		▪ Petty Cash Voucher (PCV)	
3.5.5	Approver	Receive and review reconciliation statement against the PCV, receipts and confirmation e-mails to ascertain accuracy of reconciliation statement.	
3.5.6	Approver	<u>Where there are issues identified with the reconciliation</u> Return reconciliation statement and supporting documents to the Petty cash custodian and request a resolution of the identified issues.	
3.5.7	Petty cash custodian	Resolve issues identified with the reconciliation, make required adjustments and return to the Approver. Go to 4.3.4	
3.5.8	Approver	<u>Where the reconciliation is accurate</u> Forward reconciliation statement and supporting documents to the Account Manager for approval.	
3.5.9	Account Manager	Review and approve reconciliation statement for reimbursement by signing off.	
3.5.10	Account Manager	Forward reconciliation statement and supporting documents to the Account Manager.	
3.5.11	Account Manager	Review and authorize cash reimbursement by endorsing the reconciliation statement.	
3.5.12	Account Manager	Return the reconciliation statement with supporting documents to the Account Manager.	
		To Fund Disbursement – Cash **To Fund Disbursement – Cheque** **To Fund Disbursement – Direct Transfer**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Petty Cash Voucher form	A form to be used in requesting funds for petty expenses.	Staff	Petty cash custodian
Expense confirmation	The supervisor checks the petty cash expense incurred by staff.	Manager	Petty cash custodian
Receipt	A third party document showing evidence of cash spent by EF staff.	Staff	Petty cash custodian

Output Document

Document Description	Purpose	Source	Recipient
Petty Cash Transaction Listing	Shows details of transactions posted into each petty cash account.	Petty cash custodian	Financial Account Manager
Petty Cash Reconciliation Statement	Checks that cash received has been properly accounted for and agreed to ending cash balance.	Petty cash custodian	Account Manager

4.0 Treasury Management

This process covers activities involved in managing EF's funds. It covers activities involved in establishing cash position and requirements to enable EF to meet its cash obligations, receipt of fund and settlement of payment claims/obligation.

Treasury Management processes include:

1 Cash Forecasting

2 Funds Receipt

3 Fund Disbursement

4 Fund Disbursement – Cash Disbursement

5 Fund Disbursement – Cheque Disbursement

6 Fund Disbursement – Direct Transfer

7 Bank Reconciliation

4.1 Cash Forecasting

This process covers the activities involved in providing a realistic projection of the EF's future cash inflows and outflows and proactively determine the periods in the future when the EF will have surplus or insufficient funds to meet its future obligations

Procedures

Step	Responsibility	Task	IT/Job Aid
		Start	
4.1.1	Account Manager	Obtain the cash balance for each of the EF bank accounts from the latest bank reconciliation statement. Note The cash forecast is a weekly forecast of expenditure for four (4) weeks. It is prepared at the beginning of each week.	
4.1.2	Account Manager	Input total cash available from the bank accounts in the relevant field of the cash forecast template.	
4.1.3			

Step	Responsibility	Task	IT/Job Aid
4.1.4	Account Manager	Obtain data (actual and estimate) for all expenditure items in the cash forecast template.	
4.1.5	Account Manager	<u>For payments to suppliers (local and foreign) including prepayments and accrual</u> Request the Account Manager to prepare a schedule of all payment that falls due within the period of the forecast, stating the total amount.	
4.1.6	Account Manager	<u>For business expenses</u> Review trend in business advance, travels, per diem and petty cash expenditure, and compute to obtain an average of actual expense over the previous three (3) months.	
4.1.7	Account Manager	<u>For long and medium term loans</u> Obtain the value of loan repayment (long and medium term) due during the period of the forecast from the schedule.	
4.1.8	Account Manager	<u>For staff salaries</u> Request and obtain salary estimates for the month from the HR department.	
4.1.9	Account Manager	<u>For banking fees and charges</u> Retrieve latest bank statements and obtain monthly bank fees and charges.	
4.1.10	Account Manager	<u>For statutory payments</u> Liaise with the HR and obtain the value of VAT and WHT to be remitted during the period covered by the forecast.	
4.1.11	Account Manager	Populate the cash forecast template with the figures obtained and compute the net cash position for the period.	
4.1.12	Account Manager	Prepare cash forecast schedule based on details of projection of expenditure. <u>Note</u> ▪ The cash forecast is to be ready by 10am every Monday of	

Step	Responsibility	Task	IT/Job Aid
		every month.	
4.1.13	Account Manager	Print out and forward the cash forecast schedules and supporting documents to the Finance Manager.	
4.1.14	Finance Manager	Receive and review the cash forecast schedules against the expenditure data for data accuracy and reasonableness of projections.	
4.1.15	Finance Manager	Approve the cash forecast schedule where there are no issues identified.	
4.1.16	Finance Manager	Forward copy of cash forecast schedules to the relevant personnel. Note: The distribution list of the cash forecast include: 1 ED/ES 2 Program Manager 3 Account Manager	
4.1.17	Finance Manager	Discuss the cash forecast with the Program Manager and make appropriate cash management decision.	
4.1.18	Finance Manager/ Program Manager	Where there is a cash surplus Decide on how to invest excess fund on EF's behalf in line with DOA.	
4.1.19	Finance Manager/Program Manager	Where there is a cash deficit Decide on how to source/manage funds for obligations that fall due. Note: Several options are available to fund the cash deficits, some of which include: - Short term borrowings (from Donors or other projects) - A revolving credit facility from banks - Delayed supplier payment, etc.	

Step	Responsibility	Task	IT/Job Aid
4.1.20	Finance Manager	Implement cash management decision taken with the Program Manager.	
		End	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Bank reconciliation statement	A reconciliation of the Accounting system bank account to bank statement.	Account Manager	Finance Manager
Due payment report	A report of due payments in the accounting system.	Account Manager	Account Manager
Loan repayment schedule	A schedule showing existing loans and their repayment timetable.	Account Manager	Finance Manager
Bank statement	A statement of EF's bank account with a bank.	Bank	Account Manager
VAT&WHT analysis report	A report of EF's outstanding liability on VAT&WHT.	Account Manager	Account Manager

Output Documents

Document Description	Purpose	Source	Recipient
Cash forecast	A schedule showing estimates of cash needs per expenditure head on a weekly basis.	Account Manager	Finance Manager

4.2 Funds Receipt

This process describes the steps involved in ensuring that EF funds are received and effectively captured in the banks books on a timely basis and that adequate controls and safeguards are in place to avoid misappropriation or theft of funds.

Procedures

Step	Responsibility	Task	Job Aid
4.2.1	Finance Officer	Receive cash from staff or cheque from staff, Donor agency, philanthropist etc.	
4.2.2	Finance Officer	<u>For cash receipts</u> Count and confirm the cash amount in the presence of the payer and lodge cash collected in a safe and deposit into bank account within 12 hrs. . Go to 5.2.4	
4.2.3	Finance Officer	<u>For cheque receipts</u> Make photocopy of cheque and file.	
4.2.4	Finance Officer	Prepare Official Receipt in duplicate, endorse and stamp.	
4.2.5	Finance Officer	Detach and issue original copy of Official Receipt to the payer by hand or mail.	
4.2.6	Finance Officer	Record details of cash/cheque collected in the Cash or Cheque Register.	
4.2.7	Finance Office	At close of business, collate all collections for the day and liaise with the Finance Manager to determine which project each cash or cheque receipt is coming from and lodge into appropriate bank account.	
4.2.8	Finance Officer	Deposit all cash and cheques collected at the identified lodgement bank.	
4.2.9	Finance Officer	Collect endorsed copy of deposit slips from bank and forward to the Receivables Account Manager.	
4.2.10	Receivable Account Manager	Receive cash/cheque details and deposit slip from the Finance Officer and update the relevant accounts. Dr: Bank Account	

Step	Responsibility	Task	Job Aid
		Cr: Staff Advance Account or donor bank account	

Output Documents			
Document Description	**Purpose**	**Source**	**Recipient**
Bank Deposit Slip	A document that evidences the receipt of cash deposits by the bank. It is obtain each time cash/cheque is deposited into the bank.	Bank	Accountant

4.3 Fund Disbursement

This process covers activities involved in the settlement of staff and third party claims/obligations. It also ensures that approved payments are disbursed accurately as and when due

Procedures

<table>
<tr><th>Step</th><th>Responsibility</th><th>Task</th><th>Job Aid</th></tr>
<tr><td>4.3.1</td><td>Account Manager</td><td>
From:
- Business Advance Requisitioning
- Petty Cash Requisitioning
- Payment Approval

Receive approved payment request documents (payment vouchers, advance request, etc.) from Requisitioner or Requisitioning dept.

Note:

The payment documentation required for the processes above include:
<table>
<tr><th>Process</th><th>Payment Request Documents</th></tr>
<tr><td>Business Advance Requisitioning</td><td>• Completed Advance Request Form
• Approved Details of expenses required
• Activity plan/trip plan</td></tr>
<tr><td>Petty Cash Request</td><td>▪ Petty cash transaction listing
• Petty Cash Voucher (PCV)</td></tr>
<tr><td>Payment Approval</td><td>• Vendor Invoice
• PO
• GRN
• Other contract</td></tr>
</table>
</td><td></td></tr>
</table>

Step	Responsibility	Task	Job Aid
		<table><tr><td></td><td>• Purchase requisition order • Local purchase order • Other documentation</td></tr><tr><td>Payroll processing</td><td>• Time sheet • Attendance sheet •</td></tr></table>	
4.3.2	Account Managers Manager	Review payment request documents to ensure arithmetic accuracy of computations and proper authorisation of the request in line with the DOA.	
4.3.3	Account Manager	Sort payment requests into internal (business advances, staff loans, etc.) and third party (vendor/supplier, etc.) payments.	
4.3.4	Account Manager	Prioritise and batch invoices to be settled based on payment due date, and availability of funds.	
4.3.5	Account Manager	<u>Where a payment is not to be settled immediately</u> Identify and file the payment requests document(s) to be deferred and processed with the next batch. Go to 4.3.3	
4.3.6		<u>For internal payment requests to be settled immediately</u> Go to 4.3.10	
4.3.7	Account Manager	<u>For third party payments to be settled immediately</u> Log on to Accounts Payable Module of the Accounting System and call up payments details for each transaction.	Accounting System
4.3.8	Account Manager	Match payment details with supporting documents to ensure there are no discrepancies.	Accounting System
4.3.9	Account Manager	<u>Where there are discrepancies</u> Return Payment request documents to Accountant or Requisitioner for amendment. Go to 5.3.1	

Step	Responsibility	Task	Job Aid
4.3.10	Account Manager	Where there are no discrepancies Determine mode of payment, in accordance with approved payment policies.	Accounting System
4.3.11		Where disbursement is by cheque **To Fund Disbursement – Cheque**	
4.3.12		Where disbursement is by cash **To Fund Disbursement – Cash**	
4.3.13		Where disbursement is by direct transfer into beneficiary's account **To Fund Disbursement – Direct Transfer**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Petty Cash Transaction Listing	Shows details of transactions posted into each petty cash account.	Petty cash custodian	Account Manager
Petty Cash Reconciliation Statement	Checks that cash received has been properly accounted for and agreed to ending cash balance.	Petty cash custodian	Account Manager
Advance Request Form	Used to raise request for a business advance.	Staff	Approver/Manager
Purchase order	A document authorising a vendor to provide goods/services to EF. It is required to confirm propriety of service delivered by a vendor/service provider.	Vendor	User Department Staff
Invoices	Payment request for goods delivered or services rendered to EF.	Vendor	User Department Administrator
Payment Requisition Form	A form that contains the details of the breakdown of amounts due to the vendors.	Payable Account Manager	Account Manager

Goods/Service received note (G/SRN)	A document issued to a vendor affirming EF has received the stated Goods/service. It is issued per Good/service received.	User Department Staff	Vendor

4.4 Fund Disbursement – Cash Disbursement

This process covers activities involved in the settlement of staff and third party claims/obligations via cash disbursement.

Procedures

Step	Responsibility	Task	Job Aid
4.4.1	Account Manager	**From Fund Disbursement** Complete Payment Voucher (PV) in duplicate stating all relevant payment details and particulars.	
4.4.2	Account Manager	Forward the PV to Finance Officer for cash disbursement.	
4.4.3	Account Manager	<u>Where Requisitioner comes to pick up cash</u> Disburse cash to requisitioner at approved payment time and obtain signature of the recipient on the Payment Voucher to evidence payment. **Note:** Cash disbursement to be made between 4:00 – 5.00 pm on a daily basis.	
4.4.4	Accountant	Cross out all supporting documents, stamp Payment Voucher as "paid "and file accordingly.	
4.4.5	Account Manager	At the end of the day, collate all processed Payment Voucher and post payment details into the Accounting System to update the relevant accounts.	Accounting System
4.4.6	Account Manager	File PV and supporting documentation appropriately.	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Payment Pack	Documents requesting/supporting a payment.	Account Manager	Account Manager

Output Documents

Document Description	Purpose	Source	Recipient
Payment Voucher	A document that contains the details of payment to be made to the recipient.	Account Manager	Finance Manager

4.5 Fund Disbursement – Cheque Disbursement

This process covers activities involved in the settlement of staff and third party claims/obligations via cheque disbursement.

Procedures

Step	Responsibility	Task	Job Aid
4.5.1	Account Manager	**From Fund Disbursement** Prepare the Payment Voucher for cheque disbursement, retrieve cheque book from the Finance Manager and write-out payment instruction in favour of Payee on cheque leaflets.	
4.5.2	Account Manager	Prepare bank confirmation covering letter for cheques with amounts greater than the amount stipulated in the finance polices.	
4.5.3	Account Manager	Attach relevant supporting payment documents to the cheque.	
4.5.4	Account Manager	Forward cheque (including the cheque book), Payment Voucher and other supporting documents to authorised signatories for approval in accordance with the approved DOA.	
4.5.5	Authorised Signatories	Review and approve cheques, ensuring accuracy and agreement of details with relevant supporting documents.	
4.5.6	Authorised Signatories	Endorse cheque stub and Payment Voucher to evidence payment and return to the Account Manager for further processing.	
4.5.7	Account Manager	Receive approved cheques and Payment Voucher and update Cheque Register with details of cheque (date, cheque number, recipient and amount).	
4.5.8	Account Manager	<u>Where approved cheque is in respect of petty cash replenishment</u> Request petty cash custodian to pick up cheque. Go to 5.5.14	
4.5.9	Account Manager	<u>Where approved cheque is in respect of payroll disbursement</u> Forward cheques, payment schedule and covering letters to the various salary paying banks for processing.	
4.5.10	Account	Advice Payroll Officer of deposit into Staff Salary Account.	

Step	Responsibility	Task	Job Aid
	Manager		
4.5.11	Account Manager	Detach cheque leaf from cheque book, make copy of the cheque and give to beneficiary for acknowledgement.	
4.5.12	Accounts manager	Raise a cheque payment voucher for the beneficiary to confirm receipt.	
4.5.13	Account Manager	Post payment details into the Accounting System and update bank position. Dr: Liability Account Cr: Bank Account	Accounting System
4.5.14	Account Manager	Cross out all supporting documents, stamp Payment Voucher as"paid" and file accordingly. **End**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Payment Pack	Documents requesting/supporting a payment.	Account Manager	Account Manager

Output Documents

Document Description	Purpose	Source	Recipient
Payment Voucher	A document that contains the details of payment to be made to the recipient.	Account Manager	Finance Manager

4.6 Fund Disbursement – Direct Transfer

This process covers activities involved in the settlement of staff and third party claims/obligations via direct transfer to recipients account.

Procedures

Step	Responsibility	Task	Job Aid
4.6.1	Account Manager	**From Funds Disbursement** Prepare Payment Voucher and Payment Transfer Instruction Letter, authorising a direct transfer of due payments/ amounts to beneficiary's bank accounts.	
4.6.2	Account Manager	Forward Payment Vouchers, Transfer Instruction Letter, supporting documents (invoices, etc.) to authorised signatories for approval in line with approved DOA.	
4.6.3	Authorised Signatories	Review and approve Payment Voucher and Transfer Instruction Letter, ensuring accuracy and agreement of details with supporting documents.	
4.6.4	Account Manager	Receive approved Payment Voucher and Transfer Instruction Letter from authorised signatories, and dispatch Transfer Instruction Letter with acknowledgement copy to selected bank.	
4.6.5	Account Manager	Obtain bank officer's signature on acknowledgment copy of Transfer Instruction Letter to acknowledge receipt of transfer instruction.	
4.6.6	Account Manager	Advise the Account Manager to generate and dispatch a payment advance to beneficiaries. <u>Note:</u> The payment advice can be an email or official letter.	
4.6.7	Account Manager	Post the payment details per the payment voucher into the Accounting System. Dr: Liability Account Cr: Bank Account	Accounting System
4.6.8	Account Manager	Cross out and stamp all supporting documents (invoices, payment voucher, etc.) with "Paid" and file documents accordingly.	

Step	Responsibility	Task	Job Aid
		End	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Payment Pack	Documents requesting/supporting a payment.	Account Manager	Account Manager

Output Documents

Document Description	Purpose	Source	Recipient
Payment Voucher	A document that contains the details of payment to be made to the recipient.	Account Manager	Finance Manager

4.7 Bank Reconciliation

This process covers activities aimed at ensuring the accuracy of the EF's bank's position or records at any point in time.

Procedures

Step	Responsibility	Task	Job Aid
4.7.1	Account Manager	Obtain Bank Statement from various banks at month end for bank reconciliation.	
4.7.2	Account Manager	Print out General Ledger–(GL) bank transaction report for the month from the Accounting System.	Accounting System
4.7.3	Account Manager	Reconcile balance per bank statement to balance per GL.	
4.7.4	Account Manager	Identify reconciling items such as un-presented cheques, un-credited lodgements, etc.	
4.7.5	Account Manager	Identify interest income and charges, and other bank charges (e.g. COT) on the bank statement.	
4.7.6	Account Manager	Recover / re-compute these items to confirm their reasonableness/accuracy.	
4.7.7	Account Manager	Identify other unmatched items in the bank statement (e.g. direct credit and direct debits), and confirm that they relate to bonafide transactions.	
4.7.8	Account Manager	Prepare Bank Reconciliation Statement (BRS).	
4.7.9	Account Manager	Raise a journal/voucher to book the unmatched, bonafide items in the bank statement.	
4.7.10	Account Manager	Forward BRS, Journal/ Voucher, Bank Statement and GL Bank Transaction Report to Finance Manager for review.	
4.7.11	Finance Manager	Review the BRS, Journal/Voucher and supporting documents by checking accuracy of computations, validity of reconciliation and validity of reconciling items and forward the BRS to the Program Manager.	

Step	Responsibility	Task	Job Aid
4.7.12	Program Manager	Review, approve and sign the BRS, Journal Voucher and return to Account Manager for booking.	
4.7.13	Account Manager	Post adjusting entries into the Accounting System.	Accounting System
4.7.14	Account Manager	File all documentation and contact bank to resolve any unusual or unexplained items. **End**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Bank Statement	A document issued by the bank that details movement on the EF's account.	Bank	Account Manager

Output Documents

Document Description	Purpose	Source	Recipient
Bank Reconciliation Statement	This document specifies the reconciling items and the appropriate treatment for each.	Account Manager	Finance Manager

5.0 Financial Reporting

This process covers the various activities involved in the recording, classification and analysis of financial transactions, including the preparation, generation and presentation of key management and financial reports. It comprises the following sub-processes:

1 Accounts Reconciliation

2 Prepayment Processing

3 Period-end Closing

4 Amendment to Chart of Accounts

5.1 Accounts Reconciliation

This process is designed to ensure that the General Ledger account balances are accurate.

Procedures

Step	Responsibility	Task	Job Aid
5.1.1	Account Officer	Generate trial balance from the Accounting System on the defined cut-off date on a monthly basis.	Accounting System
5.1.2	Account Officer	Review trial balance, isolate unusual items and identify accounts to be reconciled. Note: This includes negative balances, unusually low/ high balances and/or balances with high variances when compared to prior period.	
5.1.3	Account Officer	Print out General Ledger Transaction Listing of the accounts to be reconciled.	Accounting System
5.1.4	Account Officer	Reconcile GL transaction listing to sub ledger records and supporting documents.	
5.1.5		Where there are no discrepancies Forward documentation to the Finance Manager for review and approval. Go to 7.1.7	

Step	Responsibility	Task	Job Aid
5.1.6	Account Officer	Where there are discrepancies Prepare a statement reconciling the GL balance to subsidiary ledger balances, raise appropriate adjusting journal entries and forward to the Finance Manager for approval.	
5.1.7	Finance Officer	Review reconciliation statements, sign off adjusting entries and return to Account Manager for posting.	
5.1.8	Account Manager	Post journal entries.	Accounting System
5.1.9	Account Manager	File all documentation (Reconciliation Statements, Journal, etc.). **End**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Trial Balance	A schedule that states the stock remaining in the warehouse based on the accounting system information.	Finance Department	Operations Manager

Output Documents

Document Description	Purpose	Source	Recipient
Reconciliation Statement	This document specifies the reconciling items and the appropriate treatment for each.	Account Manager	Finance Manager
Journal Adjustments Form	This form is used to update entries made into the accounting system.	Account Manager	Finance Manager

5.2 Prepayment Processing

This process is designed to ensure complete and accurate capture, recording and amortization of prepaid expenses over the period for which the benefit will be enjoyed.

Procedures

Step	Responsibility	Task	Job Aid
5.2.1	Account Manager	Access Accounting System and print-out transaction listing of all Prepayment Accounts in the GL.	Accounting System
5.2.2	Account Manager	Print out the Prepayment Amortisation Schedule and reconcile to prepayment account details. Note: A Prepayment Amortisation Schedule should be maintained by the Account Manager.	MS Excel
5.2.3	Account Manager	Identify reconciling items such as new prepayments and unmatched amortisation.	
5.2.4	Account Manager	Update amortisation schedule with new entries (prepayments) per GL prepayment account and compute amortisation, for the month.	MS Excel
5.2.5	Account Manager	Raise appropriate journal entries to adjust the GL balance and book amortisation, for the month.	
5.2.6	Account Manager	Forward journal voucher, updated Prepayment Schedule and other relevant support to Chief Account Manager for review and approval.	
5.2.7	Finance Manager	Review Prepayment Adjusting Journal Voucher along with supporting documents and approve accordingly.	
5.2.8	Account Manager	Post journal entries to effect adjustments to prepayment GL account. **To Period-end Closing**	Accounting System

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Prepayment Amortisation Schedule	A schedule that contains all the ongoing prepayment amortisation.	Account Manager	Finance Manager
Prepayment Account Transaction Listing	This contains a listing of transactions posted into the prepayment account in the accounting system.	Account Manager	Finance Manager

Output Documents

Document Description	Purpose	Source	Recipient
Journal Adjustments Form	This form is used to update entries made into the accounting system.	Account Manager	Finance Manager

5.3 Period Closing

This process covers the activities involved in preparing period-end financial reports and statements. It ensures accurate and timely capture, recording and classification of the EF business and financial activities

Procedures

Step	Responsibility	Task	Job Aid
5.3.1	Account Manager	Obtain all relevant month-end reports from process operators on agreed period-end cut-off date and commence period-end closing procedure.	
5.3.2	Account Manager	Update all other relevant month-end accounts and schedule (fixed asset register and depreciation schedules, inter-EF payables and	

Step	Responsibility	Task	Job Aid
		receivables, interest expenses, etc.).	
5.3.3	Account Manager	Raise journal vouchers to book all necessary transactions i.e. depreciation, interest expense, inter-EF transactions, etc.	
5.3.4	Account Manager	Collate all journal vouchers and supporting documents/ schedule and forward to Finance Manager for review and approval.	
5.3.5	Finance Manager	Review journal vouchers and supporting documents, make appropriate corrections if required, and approve for posting into the Accounting System.	
5.3.6	Account Manager	Post transactions into the Accounting System and print out draft transaction listing for the period.	Accounting System
5.3.7	Account Manager	Forward draft transaction listing and supporting documents to Finance Manager for review.	
5.3.8	Finance Manager	Review transaction listing and reconcile to journal vouchers and other source documents to ensure completeness and accuracy of financial report.	
5.3.9	Finance Manager	Update transactions on Accounting System if required and generate period-end financial reports.	Accounting System
5.3.10	Finance Manager	Forward draft financial reports to Program Manager for review	
5.3.11	Program Manager	Review draft financial reports and recommend amendments as required.	
5.3.12	Finance Manager	Update transactions on Accounting System as required and generate period-end financial reports.	Accounting System
5.3.13	Program Manager	Approve Period-end Financial Reports.	
5.3.14	Finance Manager	Back up all data files.	
5.3.15	Finance Manager	Request the Account Manager print copies of final reports and distribute accordingly. **Note:** Final reports (monthly and year-end) to be distributed as follows: – Board of Trustees – ED/ES	

Step	Responsibility	Task	Job Aid
		– Program Managers – Department Heads	

5.4 Chart of Account Maintenance

This process covers activities involved in the maintenance and update of the EF chart of accounts.

This process is designed to ensure:

- Availability of complete and relevant chart of accounts for the recording of the EF business/financial activities
- Timely and accurate update of the charts-of-accounts on an on-going basis
- Proper authorisation of amendments to the Chart of Accounts

Procedures

Step	Responsibility	Task	Job Aid
5.4.1	Finance Manager	Identify need for new account headings/ cost centres based on newly identified transaction types or in response to need for improved/ different classification and reporting of transactions.	
5.4.2	Finance Manager	Prepare a memo informing the Program Manager of the need for amendment to the chart of accounts, including justification for amendment.	
5.4.3	Program Manager	Review Chart of Account amendment request and review justification for recommended amendment.	
5.4.4	Program Manager	<u>Where amendment are not justified</u> Reject amendment and notify Finance Manager accordingly. **End**	

Step	Responsibility	Task	Job Aid
5.4.5	General Manager	Where amendment is justified Approve amendment, modifying the recommendation as required and return to the Finance Manager for implementation.	
5.4.6	Finance Manager	Access chart of account modification utility on the Accounting System and amend/ update chart of accounts as approved.	Accounting System
5.4.7	Finance Manager	Print out and review copy of amended Chart of Accounts and forward to Program Manager for approval.	Accounting System
5.4.8	Program Manager	Approve amended Chart of Accounts and return to Finance Manager.	
5.4.9	Finance Manager	File approved Chart of Accounts, and circulates copies of amended Chart of Accounts to all relevant staff. **End**	

Input/Output Documents

Input Documents

Document Description	Purpose	Source	Recipient
Chart of Accounts	A schedule that contains a listing of accounts their descriptions and the account code they are mapped to in the system.	Finance Manager	Program Manager

APPROVED BY:

18/07/2021

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18/07/2021

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