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# FINANCE POLICY MANUAL

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The purpose of the manual is to further outlines the basic principles and guidelines that govern operations within the CIPAD accounts/finance department, develop basic principles in recognition to the generally accepted accounting principles and policies, align with international accounting standards applicable. The policies will guide the day-today operations of the access and use of financial resources in ensuring that what the accounting bodies have agreed upon is complied with.

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COMMUNITY INITIATIVE FOR PARTNERSHIP AND DEVELOPMENT (CIPAD)  
Republic of South Sudan, Aweil Town, along former Aweil Airstrip

## TABLE OF CONTENTS

1.	BACKGROUND TO THE FINANCIAL POLICY MANAGEMENT MANNUAL .....	3
1.1.	<i>Purpose of the manual</i> .....	3
1.2.	<i>Ethics</i> .....	4
2.	SOURCES OF ACCOUNTING INFORMATION AND DATA.....	4
2.1.	<i>The sourcing of Accounting Information and Data</i> .....	4
2.2.	<i>Source Documents</i> .....	5
2.3.	<i>Periodic Statements/Reports</i> .....	5
3.	FINANCIAL MANAGEMENT STRUCTURE .....	5
3.1.	<i>Roles and Responsibilities</i> .....	6
4.	CIPAD FINANCIAL AND ACCOUTING PROCEDURES .....	7
4.1.	<i>Basic Accounting Procedures</i> .....	7
4.2.	<i>Budgeting and Planning Controls</i> .....	8
4.3.	<i>Management of Resources Received</i> .....	10
4.4.	<i>CIPAD Petty Cash Management Policy</i> .....	12
1.5.	<i>CIPAD Procurement Policy</i> .....	14
5.	ANNEXES.....	<b>Error! Bookmark not defined.</b>

# 1. BACKGROUND TO THE FINANCIAL POLICY MANAGEMENT MANUAL

The management of CIPAD financial resources continued to evolve over the last several months. The changes in financial management are in line with the objective of enhancing fair and accurate reporting of CIPAD financial affairs, as well as ensuring prudent financial management. This manual is intended to safeguard CIPAD assets through institutionalization of systems of internal controls and internal check. The manual is for use by all staff (fulltime, part-time and volunteers).

## 1.1. *Purpose of the manual*

This financial management policy document is therefore is geared toward the enhancements of the existing financial and accounting system through the development of appropriate system, policies, and procedures. Further changes in the CIPAD financial system will be inevitable considering the anticipated establishment of operations office and banking facilities in South Sudan

It further outlines the basic principles and guidelines that govern operations within the CIPAD accounts/finance department. The basic principles are developed in recognition to the generally accepted accounting principles and policies. It is also in line with international accounting standards applicable. The policies will guide the day-to-day operations of the access and use of financial resources in ensuring that what the accounting bodies have agreed upon is complied with.

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This manual is designed to ensure that:

- All income received is properly receipted and accounted for
- All expenditure incurred is properly supported by appropriate documentation and accounted for
- Only properly approved and authorized transactions are effected in making payments
- There is consistency in treatment of similar issues or items in all CIPAD units
- There is adherence to set rules, regulation and procedures
- There is budgetary control by way of monitoring expenditure
- There is timely production of accounts and reports for management and donors verifications
- The staff has a reference to assist them in performance of their duties
- There are general controls over the custody of CIPAD assets

## 1.2. Ethics

Community Initiative for Partnership and Development (CIPAD) shall put the following ethics into consideration:

- I. **Objectivity:** Anything related to the program of CIPAD shall be taken objectivity in accordance with the program plan and budget
- II. **Integrity:** CIPAD shall be honest throughout its doings or activities
- III. **Conflict of interest:** CIPAD shall not tolerate the conflict of interest. When called up to deal with the matters of the organization for which there is an actual or perceived conflict of interest, the staff members should make declaration in writing to supervisor. He/she should then abstain from dealing with the matter in question or follow the instructions of his/her supervisor who may reassigned the task to another staff.
- IV. **Accountability:** CIPAD beliefs in accountability, everybody should be accountable for what he/she does. CIPAD is accountable to beneficiaries, donors, governments and other stakeholders.
- V. **Professional competency:** All the staff of CIPAD and Consultants should be selected based on their competencies
- VI. **Confidentiality:** Any office staff or members should not act against the favor of the organization and should not open the confidential matters of the organization. Staff or members of the Board of Directors of members of General Assembly should not use uncivilized or vulgar words in any meeting or seminar.

## 2. SOURCES OF ACCOUNTING INFORMATION AND DATA

### 2.1. *The sourcing of Accounting Information and Data*

All accounting information and data within the accounting system for CIPAD has designated source; in all cases there are designated source documents. To most lists of sources of accounting documents shall include the following, among others: invoice, delivery note, petty cash voucher/payment voucher, cash sale/receipt, cash transfer, cheque counterfoil. The accounting information provided by the source documents is in turn used to provide a comprehensible information that appropriate decision-making.

Everyone in the organization shall be expected to appreciate that accountable documents should be used by the staff and management to commit the organization's resources or as proof of such commitment. The source/accounting documents and the periodic accounting statements kept by the organization are appropriately serialized; their issuance or use has to be authorized; the documents are usually kept under lock and key; and constitute items such as cheque books, invoice books, and petty cash vouchers.

## 2.2. Source Documents

Assortments of forms are used to provide information that is necessary for accurate decision making related to approval for expenditures. These include:

- I. **Payment Voucher:** this voucher should be used to record all cheque payments. The payment voucher is usually supported by approved invoices, requisitions, and delivery notes. The responsible authority must have initially cleared all supportive invoices. Each voucher required to be numbered for case of reference.
- II. **Deposit voucher:** this voucher shall be used to record all deposits with the bank; the deposits may be in the form of cash, cheque or fund transfer. The back-up for the voucher shall be dully stamped bank deposit slip. The respective voucher shall be numbered respectively from 001 and prefixed by the letters DV.
- III. **Imprest/petty cash requisition:** the imprest requisition shall be use whenever an imprest is required for official use. Authorized staff at the appropriate levels are charged with the approving of the requisitions.
- IV. **Cashbook:** the cashbook shall be maintained for each bank account maintained. They shall be used to record all transactions that pertain to the particular account. Each bank account shall be numbered as A, B, C etc. the cashbook shall be closed at the end of each month.

## 2.3. Periodic Statements/Reports

**Reporting for the financial year:** These are based on the financial year of CIPAD. The reporting periods shall be quarterly, annually, or such other periods that meet the requirements of the interested parties. The following statements shall be produced periodically or as required:

- Income and expenditures account (monthly/annually)
- Cash flow statement (monthly/quarterly/annually)
- Bank reconciliation (monthly)

## 3. FINANCIAL MANAGEMENT STRUCTURE

The financial management structure allocates the financial responsibilities at various levels. The structure required CIPAD to have an approved annual budget, which shall be backed by work plans. Work plans are fundamental for the implementation of the budget and hence the approved expenditure must be in line with the budget.

Approval of activities before they are carried out is a very important feature for financial management and controls, which should be in line with donors' requirements.

The accounts for Officer shall, therefore, play an important role in ensuring that before any commitment is made, they advise management on whether the activity is budgeted for and the availability of funds to execute the activity. The key organs are:

- Board of Directors (BoD)
- Executive Director
- Program Manager
- Finance Officer
- Tender Committee (TC)
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### 3.1. Roles and Responsibilities

**Board of Directors (BoD):** The Board of Directors shall oversee the proper running and management of the organization affairs without being directly involved in the day-today activities. The BoD will get reports of operations from Executive Director on the organization performances during BoD meetings and when requested. The duties included the following:

- I. Setting the organization values, vision, mission and goals. The board provide the overall direction to the organization
- II. Make sure the organization has the resources it needs
- III. Make sure finances are well-managed
- IV. Ensure that an organization's work is effective
- V. Hiring, supervising and evaluating the Executive Director
- VI. Establishing policies and procedures

**Executive Director:** The Executive Director shall be responsible in running, managing, and controlling the day-today activities of the organization. The Executive Director shall have executive powers and will be the accounting officer on all financial and operational matters

**Program Manager:** A Program Manager shall be in charge of specific project or sets of projects within an organization. She/he determined how a program is to be implemented, which tasks need to be completed, and how to go about it in order to achieve the greatest level of success.

**Finance Officer:** The main objective of the Finance Officer shall be to ensure that CIPAD finance, accounting and materials management procedures are followed as described in the CIPAD finance, accounting and procedures manual.

**Tender Committee (TC):** Normally, tendering and decision making on procurements are carried out in line with procedures laid down by CIPAD. However, the Executive Director (ED) may establish a tendering committee for particular procurements. In this case, the duties of the tendering committee shall include:

- I. Drafting letters for invitation of tender;
- II. Evaluation of tenders and selection of successful tenders;
- III. Approval of tenders;
- IV. Negotiating terms of service with approved suppliers

## 4. CIPAD FINANCIAL AND ACCOUNTING PROCEDURES

### 4.1. Basic Accounting Procedures

#### a) Review and closing of monthly accounts:

The posting of all entries into the various accounting records as detailed in the source documents is followed by review and closing of the monthly accounts. Such transactions have a focus on ensuring that the information reflected in the respective records is comprehensible and accurately conclusive.

#### b) Maintenance of bank Accounts and main cashbook:

- I. During the month, all the cheque issued or paid out should be recorded and the expenditure allocated to the relevant code entries
- II. All receipts during the month are banked intact; likewise, the receipts should be recorded and allocated to their respective code entries
- III. At the end of the month, the receipts and the payments should be totaled, and the same balanced off to arrive at the closing bank balance as per the cashbook.
- IV. The opening bank balance as per the cashbook should be incorporated when balancing off the cashbook.
- V. At the end of each month under normal circumstances, the bank will send bank statements for all the current accounts operated by the organization. The following should be undertaken upon receipt of the bank statements:
  - a) Checking as to whether the bank statements cover the entire month in question
  - b) Identification of all cheques issued within the month but not yet presented for payment
  - c) Identification of all cash and cheques deposited but not yet credited by the bank
  - d) Identification of direct credits e.g. credit vouchers not recorded in the cashbook
  - e) Identification of debts, ledger fees, commission, interest and debit vouchers not recorded in the cashbook
  - f) Identification of any cheques deposit returned unpaid by the bank
  - g) Identification of unpresented cheques in the previous month, which have been cashed in the current month
  - h) Identification of uncredited deposits in the previous month, which have been credited in the current month.

After the above have been done, a bank reconciliation and monthly statements should then be prepared for each bank accounts.

## 4.2. *Budgeting and Planning Controls*

The regular budgets for CIPAD are planned and documented on a one-year cycle so that the fund can be sought in good time. New requirements during the year are handled by preparing budgets as the needs arise. For each, project the particular needs are identified and an appropriate budget is prepared as part of the proposal to donors for funding. The budget lines established at this stage are the ones used for accounting purposes when the actual grants are received.

Budgeting shall be a teamwork consultative process. The Executive Director is responsible for coordinating the budgeting processes. The processes of budgeting for the following year will start in the month of September of every year. Here are preconditions of the planning and budgeting process:

- Individual project budget needs (goods and services) will trigger the processes
- The Board of directors (or its designate) shall approved the overall budget
- The whole budgetary processes shall not exceed three month period
- The financial year shall be the calendar year; hence the budgetary processes shall be completed by December of the current year.
- All items of the budget shall be subdivided twelve months duration to enable enforcement of the budget
- The work plans and budget shall be reviewed regularly

There will be broadly three avenues through which CIPAD shall mobilize resources for the promotion of the organizational interests.

### **a) Grant Policy**

- I. Grants shall be accounted for as per the donor contracts and or agreements
- II. Grants must be applied to the purposes for which they were disbursed (as per project contracts)
- III. Grants must be used rationally (wisely)
- IV. Grants will accounted for on cash basis i.e. Grants are considerable as income only when they have been received
- V. Grants will be classified as restricted and unrestricted funds

### **Procedures**

- I. When CIPAD received funds from the donor or any person of goodwill, acknowledgement letter and receipt will be given immediately
- II. Funds shall be used in agreed period of the project
- III. All funds shall be counted separately
- IV. CIPAD shall have a detailed reports that contain justifications of needs for continuous support from the donor
- V. CIPAD shall ensure that donations of goods and services are acknowledged
- VI. CIPAD shall ensure that project spending are implemented according to the budget donor lines
- VII. CIPAD shall ensure that its cashbooks are updated weekly to avoid loses
- VIII. All project reports shall be sent to respective donor separately.



**b) Membership Contributions**

All the members contributions shall be receipted and banked immediately  
The following procedures shall be used to collect and record members’ contributions.

**Procedures**

- I. Members shall pay monthly subscriptions
- II. The contributions shall be compulsory for all members
- III. A record book shall be kept in the office for membership
- IV. A members will issued with receipt after payment
- V. A reconciliation between the cash collected and receipt book will be done frequently
- VI. The Director shall verify the reconciliation
- VII. All collections shall be banked first before the spending
- VIII. The money collected shall be banked immediately after reconciliation
- IX. The bank slips shall be filled and serialized

**c) Community Contribution**

All contributions from the community whether cash or in-kind shall be acknowledged. The following procedures shall be used to collect and record community contributions.

**Procedures**

- I. A specific person shall be in charge of collections-the cashier
- II. A record book for community contributions shall be kept
- III. Community contributions shall not be compulsory
- IV. Cash contributions will be issued with the receipt and a letter of acknowledgement
- V. For in-kind contribution, a letter of acknowledgement will be issued
- VI. Materials contributed shall be recorded
- VII. Materials shall be well accounted for to avoid lose or misused
- VIII. Assets materials shall be registered in the name of the organization in asset register
- IX. The document of registration shall be filed and kept confidentially in the Director’s office

Figure 1: Timetable for Annual Proposal and Budget Submission

<b>Period</b>	<b>Activity</b>	<b>Output</b>
Daily	Finance & Administration Office gives budgetary guidelines	Meeting of Program Coordinators or Program management Team
16 <sup>th</sup> -30 <sup>th</sup> of September yearly	Project Coordinators (PCs) with their team make project budget	Individual project budgets or departmental budgets

October yearly	Finance and Administration Team put together the program budget into master budget	1 <sup>st</sup> Draft of the Budget
1 <sup>st</sup> to 15 <sup>th</sup> of November yearly	Finance and Administration team meets with management and discusses the budgets	Moderated Draft Budget
15 <sup>th</sup> -30 <sup>th</sup> of November yearly	Finance and Administration team incorporates the amendments in consultations with Project Coordinators and Team Leaders	Amended Budget
1 <sup>st</sup> to 15 <sup>th</sup> of December yearly	Executive Director presents the budget to the Board of Directors (BoD)	Approved budget
16 <sup>th</sup> -30 <sup>th</sup> December yearly	Finance and Administration Team circulates the budget to PCs	Approved Budget received by Project Coordinators (PCs)

#### 4.3. *Management of Resources Received*

##### **a) Receipts**

CIPAD shall ensure that all financial and material resources received into the organization are collected, documented and secured appropriately. Such shall include: Grants, membership contributions, community contribution and sale of old assets.

- I. All receipts should be properly recorded, accounted for and reflected in the cashbook
- II. Used or old or obsolete assets shall be sold on “as is basis” by bids.

The following procedures shall be used to make sure all money received is recorded to minimized errors and lose.

##### **Procedures**

- I. The receipt books should be kept by the finance office depending on who is designated for such areas
- II. The receipt itself shall have the number of it cover
- III. All the receipts shall be serialized
- IV. A receipt shall have all the organization details
- V. Only one person shall handle the receipt books

- VI. When filled up, the Finance manager shall signed for the new ones
- VII. All the money received shall be receipted and banked by the Finance Office
- VIII. The finance office shall issue receipts and stamped it
- IX. A cancelled receipt shall be attached to the book copy and be stapled together
- X. The filled up receipts, one in use and the new ones shall be under lock and key

#### **b) Acknowledgement Letter**

All contribution from partners, members, community and well-wishers shall be acknowledged by sending an acknowledgement letter.

The following procedures shall be used to appreciate all the partners, members, and community.

#### **Procedures**

- I. Acknowledgement letter shall be written and signed by the Director
- II. The letter shall be written on the letter headed of the organization or headed paper
- III. In receipt of materials and money, a letter of acknowledgement shall be written
- IV. A copy of each letter shall be filed
- V. The file shall be kept by a finance manager

#### **c) Banking**

CIPAD shall register bank accounts in the name of the organization. CIPAD shall have three signatories and two to sign from the named individuals.

The following controls shall be used to make sure that money in and out is well managed and authorized.

#### **Controls**

- I. The organization shall have two accounts, one in SSP (Local Currency) current account and the other in United States Dollar current account
- II. The organization shall have additional accounts depending on the donor interest
- III. The bank accounts shall be opened in the name of the organization
- IV. CIPAD shall ensure that its bank accounts shall have three signatories according to the mandate
- V. The organization shall have a 3<sup>rd</sup> parties issued with cheque signed by two signatories and the headed letter signed by mandated signatory
- VI. CIPAD shall have three signatories but one signatory will be mandatory.

#### **d) Bank reconciliation**

- I. Bank reconciliation shall be done on 2<sup>nd</sup> or 3<sup>rd</sup> day of the following month e.g. reconciliation for January shall be done on 2<sup>nd</sup> or 3<sup>rd</sup> of January
- II. All bank reconciliations shall be signed by the Director and filed serially.

The procedures will help the Director know the net value of the organization for decision making.

#### **Procedures**

- I. The reconciliation shall be done monthly
- II. The cashbook shall be updated
- III. A bank statement shall be requested monthly
- IV. The cashbook and the bank statement shall be reconcile
- V. The reconciliation shall be attached together with cashbook and bank statement and filed monthly

#### 4.4. *CIPAD Petty Cash Management Policy*

##### **a) Petty Cash Management and Policies**

The finance person or petty cash clerk keeps small cash float for expenses such as airtime, basic office items, cleaning suppliers, office water & soda, newspaper and activities cost that is ready for disbursement.

Petty cash, unlike other transactions such as cheque, has no automatic audit trail and, therefore, it is imperative that it is properly controlled to avoid loss or theft. The petty cash floats should be kept to the minimum required day-to-day needs. Large floats lead not only to security problems but also to increased use of petty cash for purchases.

##### **b) Cash Count**

To ensure proper internal control of cash, there shall be a cash count form filled according to the situation of financial flow. The periodic cash count shall be weekly and monthly and can be either daily or surprisingly done as situation determine. This can be determine by the decision of the Director, Manager or Project Coordinator with finance person.

##### **c) Level of petty cash**

A limited amount of money (currently SSP 85,000) shall be kept in the office to help in the day-today running of the organization activities. The amounts is set and limited to the basic needs of CIPAD. It can further be reviewed depending on the needs of the organization.

The main purpose is to:-

- Ensure that the daily operations in the office run smoothly
- Ensure that all petty cash expenditure is approved and authorized
- Ensure that there are adequate controls over physical cash in the office.

The following procedures shall be used to control the petty cash or any other cash on hand from being mismanaged.

##### **Procedures**

- I. The imprest shall be renewed at its minimum upon satisfactory checking and approval by the Director
- II. The imprest shall be replenished when it reach a minimum level of SSP 200
- III. The petty cash shall be handled by the cashier who shall be appointed by the Director
- IV. There shall be random check of the petty cash amounts by the Director or an appointed officer
- V. A petty cashbook will be kept
- VI. Petty cash shall be securely kept (lock and key) with the key being handled by the cashier

- VII. Only an employee or volunteer shall be entitled to requests for petty cash and only for the official use.
- VIII. Only item that costs less than SSP 20 shall be paid by the petty cash
- IX. In case of item costing more than set amount (SSP 20), a Director approval will be required
- X. In such cases, the cashier shall send the request to the Director for approval before giving the money out
- XI. Once approved the cashier shall issue the money to the staff and the staff signs for the money received
- XII. The Finance Manager or other finance staff will verify the item bought and attached the supporting documents to the request.
- XIII. The expenditure well supported will be filed and serialized
- XIV. Any balance shall be given back to the Finance Manger or other finance person to return in to imprest

**d) Cash Advance**

- I. Staff attending field work shall request cash advance to use during official field work. The staff shall account of such money within two days upon returning from field work
- II. Any salary advance shall not exceed 1/3 of staff salary and shall be recovered at the end of the same month given.

The following procedures shall be used to request and account for the cash advance given.

**Procedure**

- I. A cash advance shall be request by staff or volunteer
- II. The staff or the volunteer shall fill the cash advance form
- III. The Director shall approved the cash advance whether salary advance or for field
- IV. A payment voucher shall be prepared and a cheque written
- V. The finance Manager or other finance person shall issue the money
- VI. The accounting of cash advance shall be done within 24 hours after return from the field
- VII. The staff shall sign the request form
- VIII. The payment voucher shall be filed serially
- IX. The cash, if salary advance, will be deducted at the end of the same month
- X. The cash advance, if for the office use, shall be accounted and all the supporting documents attached to the payment voucher immediately the staff returns
- XI. The expenses shall be coded

### 1.5. CIPAD Procurement Policy

Procurement is the acquisition of goods and services by the organization. Most common areas where payments are done in the organizations include: -

- 1) Organizational Assets
- 2) Statutory Payments
- 3) Salary related costs
- 4) Travel imprests
- 5) Contracts/agreements
- 6) Bills for utilities

#### **Purpose**

The purchase of goods and services is necessary for the smooth operation of the organization. The aim of the internal control system for the supplying of goods and services is to:

- ensure orders are handled by individuals having skills in evaluating what purchases are required from suppliers offering the best deals,
- ensure purchases made do not exceed the budget provided,
- ensure purchased goods and services conform with the quantity and price specified in the order
- ensure that there is efficiency and timelessness when preparing the order,
- ensure that CIPAD gets value for money on purchases made,
- ensure there is a fairness, transparency and non-discriminatory competitive bidding

#### **Procedure**

CIPAD shall follow certain procedures in purchasing goods, equipment and services required for the needs of the organization or its projects. Use of competitive bidding shall be a priority practice depending on the amounts required as per the below approval and purchase amounts levels. The first criterion in choosing a supplier shall be the lowest bid. However, if a supplier does not provide the required level of service or an adequate guarantee, then other criteria shall also be considered. CIPAD shall specify in the purchase file the reasons the lowest bid was not chosen.

## Procurement thresholds

CIPAD throughout its operations shall abide by the below procurement thresholds:

- For purchases under One USD to Four Hundred United States Dollars (\$1-400) or its South Sudanese Pound equivalent under applicable government rate, a price survey by telephone of two suppliers will be sufficient for determining the supplier and only receipt shall be taken from the supplier.
- For purchases that cost amounts of four hundred and one to one thousand and five hundred United States Dollars (\$401 to \$1500) or its South Sudanese Pound equivalent under applicable government rate, two quotations/invoices shall be obtained from two local suppliers accompanied with bid analysis made and dully signed by the procurement committee
- For purchases that cost amounts of one Thousand, Five Hundred and One to Five Thousand United States Dollars (\$1501 to \$5000) or its South Sudanese Pound equivalent under applicable government rate, three quotations/invoices shall be obtained from three local suppliers accompanied with bid analysis duly signed by the procurement committee
- For purchases that cost amounts of five thousand and one to twelve thousand United States Dollars (\$5001 to \$12,000) or its South Sudanese Pound equivalent under applicable government rate, the bid shall be widely advertised and three quotations/invoices shall be obtained from three local suppliers accompanied with bid analysis
- For purchases that cost amounts of twelve thousand United States Dollars and above (\$12,001 and above) or its South Sudanese Pound equivalent under applicable government rate, the process shall be tendering
- The purchase file shall contain all the documents pertaining to each transaction, i.e. the purchase requisition, quotations, contact information of suppliers' purchase contracts or orders, invoices, delivery slips or Good Received Note (GRN) and any other pertinent documents.

## **Certification and authorizing invoices**

For an invoice to be paid, it must be:

- Certified by an officer with the below title who confirms that the goods/services have been received and
- The authorization of the invoice shall be done by any staff in accordance with the following monetary limits:

<b>Titles</b>	<b>Authorization Limits</b>
Project Coordinator	\$1-1500 (Equivalent of South Sudanese Pounds in Bank rates)
Project Manager	\$1501-5000 (Equivalent of South Sudanese Pounds in Bank rates)
Executive Director	\$5001- 20,000 (Equivalent of South Sudanese Pounds in Bank rates)
Board	\$20,001 – and above (Equivalent of South Sudanese Pounds in Bank rates)

to authorize an invoice for a particular cost center, you must be listed on the authorization officers form for that cost center currently held by finance and procurement offices. Blank authorizing officers' forms can found in finance and procurement offices and must be updated whenever there is a change to the authorizing officers for any cost center. Finance and procurement offices will request the update on these forms annually or whenever needed. However, it is the departments responsibility to ensure that invoices are being authorized only by officers listed on the authorizing form for that cost.

CIPAD should endeavor to have an authorizing officer at head and field offices for each of their cost centers in order to cover the range of authorization limits listed above.



## **Purchases**

Employees making purchases as part of the project activity or organizational work shall follow these mechanisms:

- a. Requisition form – the employee requesting a purchase fills this form, has it approved by the Executive Director and sends it to finance division.
- b. Order form – the finance division issues the order form, after it is signed by the Executive Director. The concerned employee or the finance division will make the purchase successful on the basis of the order form.
- c. Delivery slip or Good Received Note (GRN)– After the purchase has been made, a delivery slip will be issued by the finance division for the supplier, who will sign it and give it back to the finance division.

### **a) Payments for goods and services**

#### **Purpose**

- I. To settle the organizations financial commitment with 3<sup>rd</sup> parties
- II. To ensure optimal utilization of the organization's financial resources

The payments processed are divided into three:-

- I. Petty cash
- II. Cheque
- III. Bank

CIPAD shall make timely payments for goods and services. The following procedures shall help the organization in purchasing from good supplier as far as quality and price is concerned.

### **b) Quotations for Goods and Services**

#### **The quotations must be satisfactory and negotiable.**

- I. The details must appear in the quotation e.g. date, price per quantity etc.
- II. Assign 2-3 staff member for market survey so that CIPAD could be able to select the best supplier that meet its outlines term
- III. There shall be at least three different quotations for comparison
- IV. A committee shall be appointed to select the best supplier based on the needs of the organization
- V. Supplier should agree to sign the contract that contains the terms and conditions of the organization
- VI. The quotations shall be send to the Director for approval to supply the items
- VII. The quotations shall be filed serially, all of them with comments of the committee for future reference

### **c) Invoice Management**

- I. CIPAD shall require all the suppliers to send an invoice with the full details of items supplied.
- II. All the invoices shall be approved by the authorized person before payments is done
- III. An invoice shall be stamped when received
- IV. The invoice shall be taken to be approved by the Director or Program Manager
- V. The accounts office shall fill it in the suppliers file while waiting to be paid
- VI. When due for payment, a payment voucher and cheque shall be prepared
- VII. The invoice shall be attached to the payment voucher and taken to be signed by the two signatories
- VIII. Back to the finance Manager, he removes the cheque and files the payment voucher together with the invoice

**d) Payment Voucher**

All payment vouchers shall be fully supported with valid documents. The following procedures shall be used especially in payment by cheque.

The following procedures shall be used to request and account for the cash advance given.

- I. Payment voucher shall be used as an authority to pay
- II. It shall be prepared by the Finance Officer
- III. The invoice or request shall be attached to support the payment voucher
- IV. The payment voucher shall be approved by the signatories as they sign the cheque
- V. The payment voucher shall be filed and serialized

**e) Staff salaries and wages**

Employees and Volunteers shall be paid on 30<sup>th</sup> or end of the month. If payday falls on Saturday, Sunday or any other day deemed to be public holiday, payday will be rescheduled for the next earliest business day.

CIPAD shall use the following controls to avoid under or overpayment of the staff.

**Controls**

- I. Payroll shall be prepared by Finance Manager monthly
- II. It shall be approved by the Director on the 25<sup>th</sup> of the month
- III. The finance manager or other finance person shall pay the employees and casuals depending on the number of days worked or as per agreements or contracts
- IV. The finance person shall pay the employees and casuals after the timesheets is approved and signed by the Director or Line Supervisor
- V. The contracted staff should be paid after the approval of the payroll
- VI. The payroll shall be prepared by 20<sup>th</sup> of every month for contracted staff
- VII. The staff and casuals shall sign after the payments
- VIII. Budgetary codes shall be put if applicable
- IX. Timesheets shall be attached to payrolls
- X. Payroll file shall be opened to filled all the payrolls

**f) Cheque Payments for Goods and Services**

- I. All payments, besides petty cash expenses, shall be made by cheque
- II. All payments made shall be supported by valid, original and authentic accounting documents
- III. All cheques must be signed by at least two signatories. This include both accounts held in foreign and national currency.

**This is expected to:**

- I. Minimizing risk of having large payments made by cash
- II. Enhance control and financial displine
- III. Ensure proper and safe custody of the organizational funds

The following laid down procedures shall be followed: -

**Procedures**

- I. Cheque shall be prepared by the finance manager
- II. Cheques shall be kept under lock and key
- III. A person who is involved in the preparation of cheques shall not signed them
- IV. Cheques shall be kept by the person who is not signatory
- V. Once a cheque is spoiled or cancelled, it should be attached to the counterfoil and stapled together
- VI. One cheque book shall be used at a time
- VII. A blank cheque shall never be signed