

# **COMMUNITY INITIATIVE FOR PARTNERSHIP AND DEVELOPMENT (CIPAD)**

## **FINANCE POLICY**



**ENDORSED BY:  
BOARD OF DIRECTORS,  
AWEIL, NBeGS, SOUTH SUDAN.  
AMENDED 2020**

## TABLE OF CONTENTS

ABBREVIATIONS .....	iii
1. INTRODUCTION AND OVERVIEW.....	4
1.1. Community Initiative for Partnership and Development (CIPAD).....	4
1.2. Vision, Mission, and Goal.....	5
1.3. Objectives .....	6
1.4. Values .....	7
1.5. Organizational Structure .....	8
1.5.1. Staffing .....	8
1.5.2. Offices .....	12
1.6. Purpose of this Manual .....	12
1.7. Changes to this Manual .....	13
2. FINANCE OPERATIONS POLICY.....	14
2.1. Financial Responsibility.....	14
2.2. Accounting and Budgetary Policy .....	15
2.2.1. Accounting Policy .....	15
2.2.2. Budgeting .....	16
2.2.3. Budget Structure.....	17
2.2.4. Budget Use.....	17
2.3. Audit and Documentation Guidelines.....	18
2.3.1. Audit .....	18
2.3.2. Documentation .....	20
2.3.3. Receipts.....	20
2.3.2. Examples of Unallowable Expenses .....	22
2.3.3. Accounting Records .....	23
2.4. Financial Report.....	24
2.4.1. Monthly Financial Report.....	24
2.4.2. Quarter Reports.....	24
2.4.3. Financial Report to Donors.....	24
2.4.4. Annual reports to Relief and Rehabilitation Commission (RRC).....	24
2.4.5. Personal Income Tax (PIT) Report.....	25
2.4.6. Final Report.....	25
2.5. Signatory Policies and Approvals.....	25
2.6. Bank and Cash Management.....	27
2.6.1. Bank Accounts.....	27
2.6.2. Checks and Bank Transfers .....	27
2.6.3. Petty Cash.....	28
2.6.4. Internal Control Measures for Cash and Bank .....	31
2.7. Cheque Book Maintenance.....	32
2.7.1. Cancelled Cheques .....	32
2.7.2. Stale or Lost Cheques.....	33
2.8. Payment Procedures and Policies .....	33
2.8.1. Payment Procedures.....	33
2.8.2. Salary Payment .....	35
2.8.3. Payroll Management.....	36
2.8.4. Retirement Benefits.....	36
2.8.5. Final payments (severance) to employees.....	37
2.9. Advances and Prepayments .....	38
2.9.1. General.....	38
2.9.2. Program Advances .....	38
2.9.3. Travel Advance.....	40
2.9.4. Salary Advance .....	41
2.9.5. Prepayments .....	41

## ABBREVIATIONS

AFO	Administration and Finance Officer
ED	Executive Director
CPO	Cash Payment Order
EC	Evaluation Committee
CIPAD	Community Initiative for Partnership and Development (CIPAD)
FOM	Finance and Operations Manager
FIFO	First-In First-Out
FBS	Fixed Budget Selection
GRN	Goods Received Note
HR	Human Resource
IGO	Income Generation Officer
IC	Individual Consultants
ITC	Instruction to Consultants
LCS	Least-Cost Selection
LOI	Letter of Invitation/Intent
M&IE	Meals and Incidental Expenses
PC	Project Coordinator
PM	Programme Manager
PmO	Programme Officers
PO	Purchase Order
PV	Payment Voucher
QBS	Quality-Based Selection
QB	QuickBooks
QCBS	Quality and Cost Based Selection
RFP	Request for Proposal
RFQ	Request for Quotation
SSS	Single-Source Selection
SSP	South Sudanese Pounds

# 1. INTRODUCTION AND OVERVIEW

## 1.1. Community Initiative for Partnership and Development (CIPAD)

Community Initiative for Partnership and Development (CIPAD) came into existence as a result of the motivation and personal initiative of its founding members who wholeheartedly seek to enhance the socio-economic status of the impoverished communities especially women, youth, children and elderly. Living in war affected South Sudan particularly Northern Bahr El Ghazal State, the founding members were not stranger to hardships faced by the underprivileged communities.

Having strategies to overcome economic and social challenges that impoverished communities are facing, the founding members registered CIPAD at Northern Bahr El Ghazal state level with Relief and Rehabilitation Commission (RRC) and Ministry of Social Development from 2010 to 2016 supporting communities with different capacities depending on funding from partners and well-wishers.

In the year 2017, the founding members of the organization decided to register the organization at national level with Relief and Rehabilitation Commission (RRC) obtaining registration number 902 as National Organization mandated to operate across the country as humanitarian and development organization.

The key areas of interventions include human rights; sustainable food security and livelihood; women & youth economic empowerment; peacebuilding; justice; education; health & nutrition; WASH; and people with disabilities participation and inclusion.

Our efforts have developed lasting relationship with government at all levels, nongovernmental organizations, United Nations agencies and corporate organizations as also with the communities, individuals and groups with whom we have worked.

We have come a long way following a small beginning in 2012, and have implemented a wide variety of projects related to child rights for change; food security & livelihood; women & youth economic empowerment; peacebuilding; community security & community policing; gender base violence; access to justice; reproductive child health care; trauma healing and psychosocial supports; HIV/Aids awareness; COVID 19 awareness; quality education; boreholes rehabilitation and capacity building of water user committees in different Bomas and Payams in the five counties of Northern Bahr El Ghazal State. While implementing different developmental projects, our thrust has always been on working

through people's participation and constructive engagement of government institutions and community leaders for project ownership and sustainability.

At CIPAD, we have always believed in the capacities and capabilities of the communities, and have always strived to channel their hidden energies for the betterment of society at large. Our efforts have always been directed towards creating an environment that is conducive of enhancing opportunities to local people to think and act positively.

We have endeavored to develop skills and competencies of the local communities with a view to enabling them to operate and maintain the assets created through the implementation of the projects on sustainable basis.

This philosophy of ours has led us to the adoption of a holistic and participatory approach to rural and urban development. We believe in inclusive approach, covering all the sections of the society, particularly the impoverished people in the Bomas, Payams, Counties and States in the Republic of South Sudan. We work with existing village level fora (and creating new ones wherever necessary) through Participatory Rural Appraisal (PRA) approaches, principles and techniques.

## **1.2. Vision, Mission, and Goal**

### **Vision**

CIPAD envisions a society that is fair, resilient, developed, and self-reliant, prioritizing the well-being of its citizens.

### **Mission**

To shape policies, and drive actions that advance relief and sustainable development by promoting partnerships, implementing and empowering community-led initiatives with focus on achieving fairness, resilience, peaceful coexistence, self-reliance, and enhancing of well-being in the society.

### **Goal**

To contribute to enhanced peace and socio-economic development of impoverished communities especially women, children, disable groups and elderly.

### 1.3. Objectives

1. To work for community development, to cooperate in sustainable development by local participation through integrated program.
2. To Improve community safety & Security through community security & community policing program in collaboration with the security providers
3. To enhance wellbeing of the people of the State & counties by operating result oriented program for poverty alleviation and development at the grassroots.
4. To develop mutual relation and brotherhood fillings in community.
5. To carryout water, sanitation and hygiene program to our local populations
6. To cooperate in managing water supply schemes in its working area.
7. To cooperate in road repair and maintenance with the coordination with local agency.
8. To lunch the awareness program in the field of education, health, WASH, peace building, civic education, human rights, gender and children issues.
9. To lunch appropriate program in developing community of women, children, old age, helpless and disable.
10. To work for creative youth activities and sports development.
11. To implement social protections program
12. To lunch awareness program against anti-social activities like girls trafficking, drug abusing, betting, vulgarity.

CIPAD is a national organization working for community development and empowerment through capacity building in order to provide essential knowledge that will lead to awareness, which will further lead to self-development, empowerment and action.

In furthering of the above objectives, CIPAD shall continue to:

- a) Mobilize local resources from community, members, governments, organizations and banking institutions. This shall be in form of contributions, donations and income generating activities.
- b) Advocate for large communities in furthering of its objectives for communal interests.
- c) Promote and carryout or assist in promoting and carrying out rural development research, surveys, assessments and investigations on the matter of community concern and publish the useful results thereof for public consumptions and intervention.
- d) To promote rural development, work through singular or join workshops, exhibitions, meetings, awareness campaigns, lectures, seminars and training courses.
- e) Collect and disseminate information on all matters affecting the said objects 1-18 above and exchange such information with other bodies having similar objects whether in South Sudan or overseas.

- f) Undertake, execute, manage or assist any communal work which may lawfully be undertaken, managed or assisted by the organization.
- g) Purchase, take on lease or in exchange, hire or otherwise acquire any property and any rights and privileges necessary for the promotion of the said objects and construct, maintain and alter any buildings or erections necessary for the work of the organization.
- h) Within laws of publications, to write and print or otherwise reproduced and circulated such workshop documents, papers, books, periodicals, pamphlets or other documents or films or recorded tapes (whether audio or visual or both) as shall further the said objectives.
- i) In accordance with **section 20 (i) of the South Sudan Non-Governmental Organizations (NGOs) ACT 2016**, the organization shall within its financial capacity, employ and pay any person or persons to supervise, organize, and carryout the work of the organization and make all reasonable and necessary provision for the payment of pensions and superannuating to or on behalf of employees and their dependents as maybe determine by the employment contracts between the organization and such a person or persons
- j) Establish where necessary field offices within the Republic of South Sudan or country offices in other countries of the world
- k) Make policies and regulations like finance policy manual, human resource policy manual, assets management policy manual, frauds policy, security policy, code of conducts and strategic plan to guide the work of the organization.

## 1.4. Values

- Human rights and dignity
- Partnership beyond boundaries
- Mutual Respect
- Honesty, Integrity and Ethics
- Diversity, Inclusivity, Transparency and Accountability
- Gender sensitivity
- Cost efficiency
- Solidarity
- Safeguarding
- Trustfulness and legality

## 1.5. Organizational Structure

### 1.5.1. Staffing

Below are summaries of main CIPAD staff only. Organisation Chart is presented in [Figure 1](#).

**Executive Director (ED):** is responsible for the overall management of Community Initiative for Partnership and Development (CIPAD) Programmes and Operations and operates under the Board. The ED serves as the principal CIPAD representative liaising with donors and partner organizations on project related technical, policy, and financial issues. The ED is ultimately responsible for the generation, commitment and disbursement of all project funds and provide technical and administrative leadership to the overall achievement of the goals and objectives of the organization. The ED is ultimately responsible for the management of all CIPAD resources.

**Programme Manager (PM):** Operates under and closely with the ED and is responsible to oversee and coordinate CIPAD capacity building, advocacy and service delivery programme activities and provide technical and programmatic leadership to the overall achievement of the goals and objectives of the programmes. With the ED, the PM leads the development, implementation, and monitoring of the organization strategy and work plans and communicates results and achievements to the community and other stakeholders.

**Finance and Operations Manager (FOM):** Operates under and closely with the ED and is responsible for developing and maintaining the financial systems of the organization, managing financial and other organizational resources, and managing other organizational operations including, human resources, procurement of equipment and materials, and tracking inventory and managing fixed assets. The FOM will assist the ED in ensuring that financial controls and systems comply with acceptable accounting practices and meet donors and CIPAD standards. The FOM ensures that programme activities adhere to the financial and operations policies and procedures of the organization and donors. The FOM works closely with the PM and the technical team to ensure smooth implementation of programmatic activities. The Human Resource (HR) Manager in this document refers to the FOM.

**Programme Officers (PO) and Project Coordinators (PC)/Project Managers:**

Operate under and closely with the PM and are responsible to coordinate capacity building, advocacy and service delivery programme activities. With the PM, the PO develops, implements, and monitors project activities and work plans. In the absence of the PM, the senior PO acts as the Programme Manager. The Project Coordinators (PC) / Project Managers operate under and closely with the Programme Officer (PO) and/or the Programme Manager (PM) and are responsible to implement capacity building, advocacy and service delivery programme activities at the community level.

**Logistics and Procurements Officer (LPO):** Operates under and closely with the FOM and is responsible for the management of and supervision of support staffs (drivers, store keepers, logistics & procurements assistants), procurement, logistics and managing vehicles as well as motorbikes.

**Administration and Finance Officer (AFO)/Accountant:** Operate under and closely with FOM. Accountants assist the FOM and maintain the field accounting system, reviewing and processing purchase orders and expenditures, reviewing employee timesheets, and distributing checks, and executing payments with the cashier. The Finance Officer will take over in the absence of the FOM. The AFO also can work as the cashier. AFO is also responsible for the management of and supervision of support staff (Security Guards, Cooks, Cleaners, Cashiers, and Assistants).

**Human Resource Officer (HRO):** Operate under and closely with FOM and is responsible for human resource planning, recruitment & selection, performance management, learning & development, industrial relations, job analysis & design, maintaining work culture, processing payrolls, maintaining employees' records, compensations & benefits, labor law compliance, and staff motivation. HRO is also responsible for the management of and supervision of support staff like human resources assistants and related staff.

**Cashier:** Operate under and closely with Finance Officer/Accountant and manage petty cash and executes payments. The cashier can be given various other responsibilities and serve as office assistance, store keeper... etc.

The above Admin & Finance, Logistics and Procurements positions are responsible for the smooth flow of finance, administration and logistic implementation of the CIPAD projects.

It is important that the duties of accounting/financial personnel be properly segregated. No staff member should be assigned duties that could lead to a situation where the person could carry out and conceal illegal acts or violations of rules. To accomplish a proper segregation of duties, different individuals should perform the following functions:

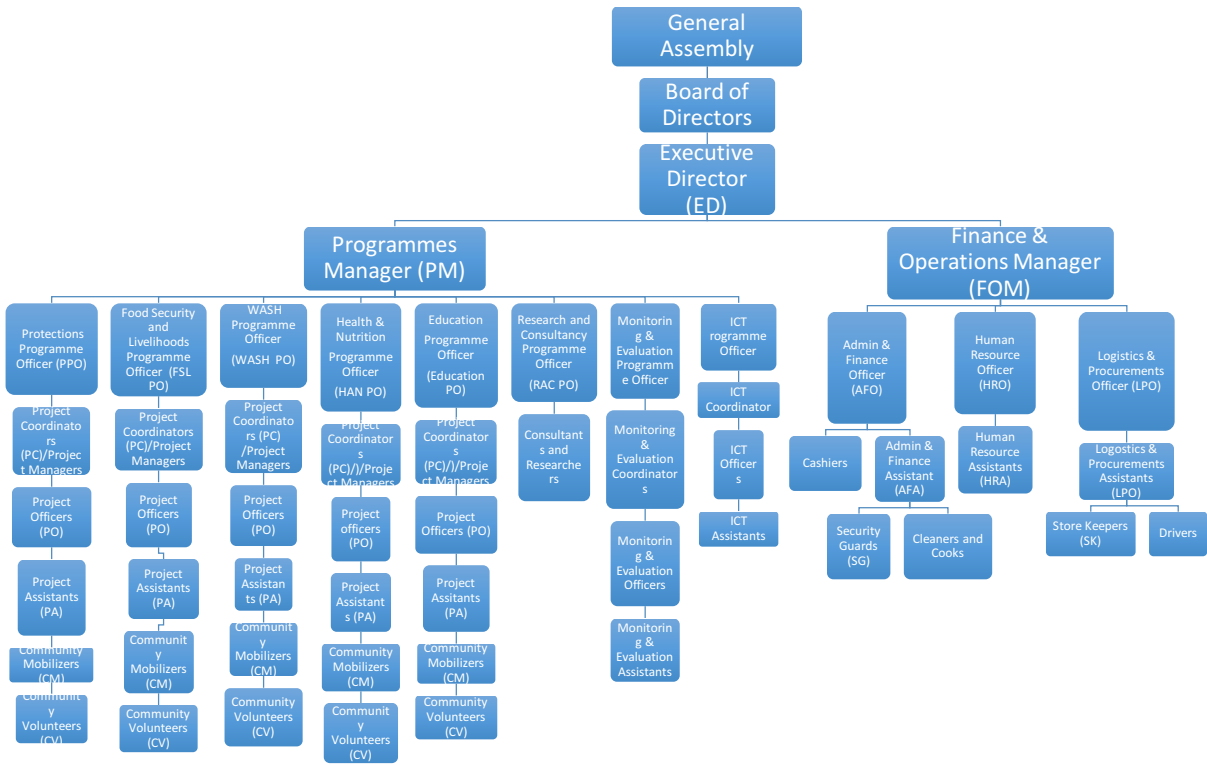
- Authorize transactions (ED and FOM),
- Record transactions (Admin & Finance Officer, Accountants, Cashier)
- Maintain custody of the assets that result from a transaction (LPO, Store Keeper)
- Compare assets with the related amounts recorded in the accounting records (Auditor)

**Minimum Required Staff:** in times of restricted resources the minimum required staff members for CIPAD are:

- The Executive Director (ED)
- The Finance and Operations Manager (FOM)
- The Cahier/Accountant/Admin and Finance Officer

Other staff members listed in this document will be appointed as necessary.

***Figure 1: See below the Organizational Chart of CIPAD***



### 1.5.2. Offices

The Head Office of CIPAD is Aweil, Northern Bahr El Ghazal State, South Sudan. CIPAD will work in multiple States of South Sudan to achieve its mission depending on operational capacity attained. There three field offices in Gokmachar, Aweil North County and Nyamllell in Aweil West County, and Wanyjok in Aweil East County. We have Coordination office in Juba, South Sudan.

### 1.6. Purpose of this Manual

This Manual is to be used by **ALL** staff of projects implemented by CIPAD. It is intended to be a guideline for all projects financial and administrative policies and procedures. This manual must be viewed in conjunction with the Human Resource (HR) Manual as well as CIPAD's other financial and administrative manuals and resources.

This Finance and Operations Manual addresses questions staff may have about the CIPAD programmes and projects in regard to its office procedures, travel policies and procedures, financial procedures, information technology policies and procedures, and procurement policies and procedures. It serves as a reference document for employees of their rights, responsibilities and obligations and is a guide for supervisors and directors in the administration of the various policies and procedures.

CIPAD reserves the right to make changes and updates to this manual as outlined in this chapter. As policies are added or changed, staff will be notified by official memoranda from the ED. These memoranda will then become part of the official CIPAD Finance and Operations Manual. Please read the manual, understand its contents and always refer to it for reference. If you have any questions or suggestions regarding this manual, please see the Executive Director, Finance and Operations Manager or Human Resources Officer of CIPAD.

## **1.7. Changes to this Manual**

This document is subject to change and revision as and when the circumstances require it. If there is an item or a section in this manual that requires an update, the procedures outlined below should be followed to ensure that all employees receive and record the change. Once a year, if multiple changes have been made, a complete revised version will be produced and distributed. It is the responsibility of each employee to read, understand, and adhere to any policy changes that are made. Employees will be notified of a change via memo as outlined below.

### ***Minor changes to an amount, name, or item:***

1. Send a memo to all employees noting the change.
2. Each employee should insert the memo in his/her manual directly after this procedures page to deemed track of who initiated the change and when.
3. The employee should locate and cross out the outdated item in his/her manual, writing in the change.

### ***Major section changes***

1. Send a memo to all employees noting the change and attach the revised section with the current date.
2. Each employee should insert the memo in his/her manual following this procedures page.
3. Each employee should insert the revised version in front of the original section, simply crossing out the pages that are no longer current.

The Executive Director of CIPAD must authorize all changes to the manual.

## 2. FINANCE OPERATIONS POLICY

### 2.1. Financial Responsibility

1. The employee is personally responsible for all Project cash in his/her custody. This includes travel advances, petty cash funds, advances for office operations, or any other Project cash advances which the employee may have in his/her possession.
2. If an employee is unable to account for an amount, he/she will be required to repay that amount. Further, if one employee decides to entrust another employee with Project funds that they are responsible for such as cashing a check for them, the original employee still remains responsible for these funds.
3. For the protection of Project funds, and for the employee's own protection, the following procedures must be followed:
  - When cash is received it should be carefully counted to ensure that the amount received is the same as the amount recorded as disbursed. Recipients should sign the appropriate document (for example, travel advance form), after verifying that the amount received is the same as listed on the form.
  - If cash is turned over to another staff member, make sure the recipient person signs a receipt indicating their name and the amount that they have received.
  - Cash should always be kept in a secure location.
  - When spending money from cash, recipients should be sure to obtain receipts to submit on their expense reports in accordance with the project's established policy.
4. Additionally, CIPAD will provide cash insurance to selected employees to protect them when carrying cash from the bank to CIPAD offices and from the bank to

activity sites. If an employee with cash insurance is a victim of theft, they need to follow the following procedures:

- a) Ensure that the victim is safe, if the victim has been harmed immediately go to the nearest health facility for treatment;
- b) Inform the local authorities of the incident;
- c) Inform the ED and FOM of the incident;
- d) File a formal police report with the local authorities;
- e) Document a report to the FOM;
- f) Submit the police report along with an incident report to the FOM for submission to the insurance company (without these forms the insurance will not reimburse CIPAD).

## 2.2. Accounting and Budgetary Policy

### 2.2.1. Accounting Policy

1. The Financial year of CIPAD is between March 31<sup>st</sup> and April 30<sup>th</sup> every year.
2. ***Basis of Accounting:*** CIPAD mainly applies cash basis of accounting where expenses are recorded when they are incurred, and incomes are recorded when they are received. Therefore, in the preparation of the financial statements, the primary financial statement is the statement of cash receipts and payments. In rare cases, CIPAD will recognize the obligations/effects of financial transactions and other events when they occur and not when cash is received or paid (accrual basis). Therefore, it is the policy of CIPAD to apply modified cash basis of accounting.
3. ***International Public-Sector Accounting Standards (IPSAS):*** CIPAD will follow the standards set out by the IPSAS Board for financial reporting under the cash basis of accounting. Compliance with the requirements of this Standard will enhance

comprehensive and transparent financial reporting of the cash receipts, cash payments and cash balances of CIPAD. It will also enhance comparability with CIPAD's own financial statements of previous periods and with the financial statements of other entities which adopt the cash basis of accounting.

The Financial reporting requirements and procedures, under the cash basis of accounting, indicated in the Handbook of International Public-Sector Accounting Pronouncements, Volume 3, 2018 Edition will be strictly followed:

<https://www.ifac.org/system/files/publications/files/IPSASB-HandBook-2018-Volume3.pdf>. It is the responsibility of the Finance and Operations Manager to apply and monitor the implementation of these requirements.

4. **Chart of Accounts:** Chart of accounts is a grouping of the general ledger accounts where all transactions will be posted. They will be added, removed, deleted or modified **ONLY** when approval is granted from ED.

### 2.2.2. Budgeting

1. **Budget:** is the financial plan for a particular period. The budget forms a plan as to how funds are to be received and spent, on specifically outlined activities. It is the first step towards effective financial management.
2. Budget preparation should happen between November and December each year. All key players must be involved in the budgetary process.
3. Programmes and projects budgets need to be prepared as per the funder's requirements.
5. Each budget needs to be reviewed and approved by the ED.
6. The budget serves as the authority to incur expenditure on the approved areas. And the budget assists management to achieve its financial objectives of economic, efficiency and effectiveness using the available resources to obtain reasonable returns.

7. The budget is also a basis for financial accountability and transparency. When it is clear how much should have been spent and received, informed questions can be asked about discrepancies.
8. The ED is ultimately responsible in managing approved budget for a fiscal year. Any reallocations among budget categories greater than US\$5,000 or other revisions made to previously approved budgets must be approved in writing by ED. This does not apply in donor budget since donor budget will be regulated by grant agreements.
9. Budget realignment among major budget line items MUST be communicated to ED for further approval.

### **2.2.3. Budget Structure**

The budget shall reflect, as closely as possible, the structure and the activities of CIPAD. This will also be the format that the variance analysis reports will take. Classification of income and expenses shall be done in a manner that ensures that the budget statements are easily understood by all potential users. The budget format shall be drafted and shared by finance section to ensure that the reports are uniform in CIPAD hence making the consolidated report of each program easier. The format will form the basic structure for the Income and Expenditure Statement.

### **2.2.4. Budget Use**

1. The budget serves as the authority to incur expenditure on the approved areas. And the budget assists management to achieve its financial objectives of economic, efficiency and effectiveness using the available resources to obtain reasonable returns.
2. The budget is also a basis for financial accountability and transparency. When it is clear how much should have been spent and received, informed questions can be asked about discrepancies.

3. Expenditures made on behalf of a particular project will be charged against that particular project budget.
4. The ED is ultimately responsible in managing approved budget for a fiscal year. Any reallocations among budget categories greater than US\$5,000 or other revisions made to previously approved budgets must be approved in writing by the ED. Budget realignment among major budget line items MUST be communicated to the ED. This does not apply in donor budget since donor budget will be regulated by grant agreements.

## **2.3. Audit and Documentation Guidelines**

### **2.3.1. Audit**

1. As a recipient of donor funds, CIPAD shall be routinely audited internally and by both the donors and other external auditors. All CIPAD expenses and procedures are subject to audit.
2. It is important for all CIPAD staff (even those not in a financial role) to do everything possible to ensure that CIPAD expenses and procedures are audit-ready.
3. Staff should keep in mind that all expenses incurred by CIPAD must:
  - Be supported by adequate documentation
  - Meet applicable Donor's regulations and CIPAD policies.
  - Be appropriate for the scope and objectives of the project.
4. It is critical that all staff cooperate with the systems, policies and procedures set in place by the CIPAD finance team. These have been set up to ensure that CIPAD expenses are audit ready.

#### **2.3.1.1. Internal Audit**

1. Internal audit is one of the functions in an organization working to monitor and evaluate how well risks are being managed, the organization is being governed and

internal processes are working. It also deals with how government laws are consistently followed in conformity with internal policies and procedures.

2. To ensure the healthy movement of activities of CIPAD; the Internal Auditor shall ensure the conformity of internal policies and procedures against laws of South Sudan, specifically laws.
3. The internal auditor should work to ensure how staff of CIPAD are aligning themselves in regard to the financial policies.

#### **2.3.1.2. External Audit**

1. An annual independent review of accounts will be carried out.
2. By conducting an annual audit, an assurance of the accuracy of financial reports is obtained. Apart from that, weaknesses in the accounting system or any irregularities are pointed out in the Management Letter, which facilitates corrective action.
3. Annual independent audit will be conducted according to NGOs Act, 2016.
4. The audit will be conducted by a Certified Auditor/Audit firm to be approved by the ED.
5. After three years a new Auditor must be selected. For the selection procedure reference is made to South Sudan NGOs legislation and this process is done with support of Internal Auditor of CIPAD.
6. A year-end Audit exercise should be done each year to smoothly plan and make proper preparation for the audit process. An engagement letter will be sent and discussed at the pre-audit meeting at which timelines, scope and deliverables will be agreed. The audit must be performed in accordance with South Sudan NGOs legislation.

### 2.3.2. Documentation

1. In order to be audit-ready, it is critical that each CIPAD expense is supported by adequate documentation.
2. It is the responsibility of the finance team to ensure compliance on financial matters, but it is the responsibility of every project team member to provide adequate documentation to support any payment s/he makes on behalf of the CIPAD Project.

### 2.3.3. Receipts

1. Receipts are required for all expenses. For payments such as labor services, or outside services to obtain official receipts may not be possible. In such instances for payment of outside services, the **PAYMENT ACKNOWLEDGEMENT FORM** can be filled out and approved by concerned FOM or ED or their representatives.
2. All cash receipts, whether in currency or check, are to be deposited in the appropriate bank account as soon as possible, but no later than one week from the date received. When such cash is received cash received voucher should be raised and filed properly along with the bank deposit slip.
3. Cash receipt will issued to all cash collections, bank transfers from donors advance return and other collections like disposals of asset, membership fees and community contributions.
4. Regardless of the above, all receipts:
  - Must be original
  - Contain at least the following: Amount Paid (with local currency symbol), Date Paid, and a Description of Goods/Services Received.
5. Other Documentation: Note that any documentation that is received from a vendor or outside source must be the original document. Photocopies of receipts, bills, invoices, tickets, etc. are not valid documentation.

6. Different types of expenses require particular types of documentation. In many cases, a receipt is not adequate documentation. Below are common Project expenses and their required documentation. The project Finance staff can provide more detailed guidance, as the need arises.
  
7. Donations that will be received periodically should be supported by the same documents stated as above. Fund received should be recorded on the appropriate ledger account in QuickBooks.

**Table 1: Documentation Requirements**

<b>Type of Payment</b>	<b>Documentation requirements</b>
Advance for Program Activity	PROGRAM ACTIVITY: <b>Completed Advance Request Form</b> (name of advance recipient, detailed activity budget, purpose of advance, agenda if applicable, advance calculation, appropriate approval, recipient signature)
Training, Workshop or Meeting	Agenda Participant List Travel/Per Diem Calculation and Payment Sheet (with appropriate signatures) Brief description of Training/Workshop/Meeting Receipts for related expenses (Hall rental, food, coffee and tea, training materials, etc.) Hotel Bill(s) if paid directly by the project (copy of procurement documentation) Venue Invoice (copy of procurement documentation)
	<b>Purchase Request Form</b>

Procurement (Program or Administrative Activity)	approval) (including appropriate  3 quotations with evaluation matrix Local Purchase Order Contract/Service Agreement
Salary Payments	Payroll, pay slips and timesheets Bank transfer letter, Bank advice (If salary payment is through bank transfer).
Income Tax and Pension Payments	Copy of payroll spreadsheet PIT receipt or Bank transfer Income tax or Pension spreadsheet

### 2.3.2. Examples of Unallowable Expenses

Below is a list of expenses that are not allowed to be charged to CIPAD and other Donors regulations. This list is not complete but provides a reminder of common unallowable expenses.

- a) Alcohol
- b) Business Class Travel\*
- c) Donations
- d) Entertainment (including costs of staff celebrations such as birthday/good-bye)
- e) Expenses with improper/incomplete documentation
- f) Gifts (including staff birthday or good-bye gifts; bereavement flowers)
- g) First Class Travel
- h) Hotel Costs Above Maximum Lodging\*
- i) Personal Expenses
- j) Personal Use of Project Vehicle without written donor approval
- k) Taxis for personal use (from hotel to restaurant)
- l) Tips
- m) Used equipment (without prior Donor approval)

### 2.3.3. Accounting Records

1. Accounting records should be kept for a minimum of 10 years unless national legislation is changed or regulations prescribe a longer period of archiving. Records for certain specific projects may be kept for the period stipulated in the contract signed with the donor.
2. Accounting records shall not leave the office premises without the written authority of the ED or without the instruction received from other legal authorities.
3. The finance team at the main and regional offices level shall be responsible for ensuring the overall maintenance and proper custody of all accounting records.
4. The following accounting records but not limited should be maintained:
  - Cash Book and reconciliation
  - Bank statements and reconciliation
  - Cheques' stubs and print outs from the bank(s)
  - Receipt books
  - Payment vouchers
  - Supporting documentations for payments made.
  - Reimbursement form/Claim for expenses
  - Fixed asset transfer forms
  - Fixed assets register
  - Purchase Order (PO)
  - Vehicle log books
  - Travel advance settlements
  - Journals entered
  - Copies of supporting documentation of costs incurred on behalf of CIPAD by other offices.

## **2.4. Financial Report**

### **2.4.1. Monthly Financial Report**

Each month (30<sup>th</sup> or 31<sup>st</sup> of each month) CIPAD closes monthly financial base and the finance office reports to the ED for review and filing. In addition, the finance team submits monthly financial memo, bank statements, bank reconciliations, petty cash logs and reconciliation to the ED on 10<sup>th</sup> of every month. When reporting financial base, it is strongly prohibited to change prior period reports as it affects balances that have been reported. If a correction is needed, general journal entry can be used to correct in the current month of reporting period.

### **2.4.2. Quarter Reports**

Quarter financial reports should be submitted to ED and partners along with activity report. It is the obligation of the finance team to prepare, consolidate and submit the reports on timely manner. The due date to submit the quarter report to ED is 10<sup>th</sup> of the beginning month of the next quarter.

### **2.4.3. Financial Report to Donors**

Financial reports to funding sources shall be provided in accordance with the contractual agreement. The ED and Programme Manager office will initiate the report and work closely with the finance team to review and verify the report. It will be reported to the donor only when approval to report is given by the ED.

### **2.4.4. Annual reports to Relief and Rehabilitation Commission (RRC)**

May to June annual audit report shall be submitted to Relief and Rehabilitation Commission (RRC) in accordance with the local laws and regulation. Preparation for audit shall be commenced early February and will be finalized at the end of March and the final audit report will be submitted mid of June.

### 2.4.5. Personal Income Tax (PIT) Report

PIT payment report need to be submitted to the respective government bodies (State or National Revenue Authority) by 15<sup>th</sup> of every month of the quarter or as requested by the concern government authorities.

### 2.4.6. Final Report

A Final Report must be submitted to the Donors and Relief and Rehabilitation Commission (RRC) in accordance with the local laws and regulation within 3 months of the end of a Project and will include a summary of the major achievements, issues, outputs generated, lessons learned and best practices.

## 2.5. Signatory Policies and Approvals

Below is the Signatory Policy for CIPAD:

**Table 2: CIPAD Signatory Policy**

<b>Documents/Action</b>	<b>Approval Limit</b>	<b>Approver/Position</b>
Purchase Requests	Less than 400 USD	Finance and Operations Manager (FOM)
	More than 400USD	Executive Director
Petty Cash Expenditures	Up to 500 USD	Finance and Operations Manager (FOM)
Project budgets for Workshop/meeting/training/service/research budgets	Up to 1500 USD	Programme Director (PD) And Finance and Operations Director (FOM)

	1501USD and above	Executive Director
Signing of Checks/Bank Transfers	Less than 1500 USD	Finance and Operations Manager (FOM) and ED
	More than 5000 USD	Co-sign: Chief Executive Director, or Board Chairperson or Finance and Operations Manager (FOM)
Subcontracts and sub-awards	N/A	Executive Director
In-country Travel Requests	N/A	Direct Supervisors
International Travel Requests	N/A	Executive Director
Consultant Agreements	N/A	Executive Director and Programme Manager (PD)
Payroll Changes	N/A	Executive Director
Staff Hire Letters	N/A	Executive Director
Cash Flow Projections	N/A	Finance and Operations Manager (FOM)
Printed Quickbook Voucher Approval (before check signing)	N/A	Finance and Operations Manager (FOM)
Timesheets	N/A	Direct Supervisors

Voucher Approval (before check signing)	N/A	Finance and Operations Manager (FOM)
Field Accounts Package	N/A	Finance and Operations Manager (FOM)

## **2.6. Bank and Cash Management**

### **2.6.1. Bank Accounts**

1. Bank accounts are the major store of funds for CIPAD; it is secure and convenient to conduct financial transactions through banks (i.e. cheque, inter-bank transfer, telegraphic transfers (TTs), etc.).
2. Approval to open (or close) a bank account should be obtained from Board through Executive Director.
3. All bank accounts must have a reasonable number of authorized bank signatories of primary and secondary classes; The ED is a principal signatory for all bank accounts in the country.
4. In the event of a signatory leaving the organization, ED must be informed in writing to write letter to the bank (s) to remove him or her from the signatory list immediately and replace him or her.

### **2.6.2. Checks and Bank Transfers**

1. All Project Checks and Bank Transfers (with the exception of payroll) are issued on each working day of each week during the afternoon working hours from 8:30 PM to 5:00 PM.
2. Payment Request Forms and Invoices must be submitted to Finance Officer:

- a. Upon receipt of the request, the Finance Officer will check for allowability of the expense and completeness of documentation. If the documents are not in order, he/she will return the request to the person who initiated the payment request. It is the staff member's responsibility to obtain all necessary approvals and documentation.
- b. All requests and invoices received by Finance section will be paid within a maximum of two working days unless there is a shortage of fund in the concerned project bank account.
- c. All project checks will be prepared after a maximum of two (2) working days after being received and stamped by the finance office.
- d. Check Payment will be dependent on availability of sufficient cash balance at bank.

### **2.6.3. Petty Cash**

- 1. The purpose of petty cash is to pay for small one-off purchases, mostly urgent items such as stationary, stamps, electric and water bills, parking fee, mending (repairing) tires, photocopying, etc.
- 2. The petty cash is also served as paying travel per diems, daily laborer, professional services rendered for maintenance of electric, office doors, mirrors, water line, etc.
- 3. Maximum limit of petty cash float set is USD500 or its equipment in South Sudanese Pounds only, and it is subject to periodic revision based on the size and operations of CIPAD.
- 4. The amount of petty cash held in the office as imprest should never exceed the maximum amounts indicated above or approval can be given by ED under special circumstances.

### **2.6.3.1. Payment from or to Petty Cash**

1. The maximum payment from petty cash (i.e. payment made on a single voucher) shall not exceed USD100.
2. Such payments shall require documentation and approval from authorized staff before payment is executed.
3. The payee shall sign the voucher acknowledging receipt of the money.
4. Payments from petty cash can be made on a regular petty cash voucher.
5. Below are the procedures staff must follow when using Petty Cash:
  - a) Complete a Petty Cash Request Form
  - b) Submit the form to Finance Officer for approval.
  - c) Submit the approved Petty Cash Request Form to the Petty Cash Custodian for payment.
  - d) The Petty Cash Custodian will issue an advance to the staff member and will deemed the Petty Cash Request Form in a pending file until all receipts are submitted.
  - e) For the Head Office, all receipts (and any un-used cash) must be submitted to the Custodian within five working days of receiving the advance. For the Field Offices, all receipts (and any un-used cash) must be submitted to the Custodian within ten working days of receiving the advance.
  - f) If the expenditure amount exceeded the original advance, staff will receive reimbursement from the Custodian under rare circumstances because staff must contact the direct supervisor for approval.

4. The petty cash holder is not allowed to borrow money from petty cash; neither shall he/she issue to other members of staff or use personal money to finance the organization's activities.
5. For travel expense balances not exceeding the petty cash limits, transactions can be made with the petty cashier directly. For any of such transactions, receipts of money or payments must be signed by employee and cashier.

#### **2.6.3.2. Replenishment of Petty Cash**

1. It is suggested that the authorized staff replenishes the petty cash funds up to the maximum amount, when approximately eighty percent (80%) of the funds have been expended. The procedure is as follows:

- a) The petty cash reconciliation form is filled by petty cashier, as a documentation of petty cash spent.
- b) Submit the form to authorized staff for approval and replenishment (by means of cheque).
- c) Cheque is to be cashed by a designated staff member.

#### **2.6.3.3. Keeping Petty Cash**

1. Cash shall be kept securely in a safe at all times. ONLY the Cashier has the right to access safe box keys.
2. In case of a handover of petty cash keys:
  - The (petty) cash book shall be totaled (using the cash count form);
  - The recipient of the keys shall sign the cash count form to indicate receipt of keys and the amount of money in the petty cash box and book. The FOM or staff designated by the FOM should designate the recipient of the keys and the amount of money.

3. Cash counts should be carried out each month. Apart from that, the Finance Officers will carry out weekly cash counts to reconcile the balance of the petty cash book with the actual amount of cash kept.
4. In the event that there is a shortage or excess in actual petty cash held, the Finance Officer shall notify the FOM immediately in writing and the discrepancy shall be investigated instantly.

#### **2.6.4. Internal Control Measures for Cash and Bank**

In order to reduce the risk of misappropriation of CIPAD funds, the following internal control measures should be put in place:

1. All payments are to be made by cheque or bank transfer except payments made out of petty cash and in special cases where the authorization of the ED/FOM is required. In that case, a cheque is written to be drawn from the bank account by the authorized representative. In rare circumstances, cash payments shall only be made in the verified areas where there are no banking or limited banking services and also where vendors prefer cash payments because of mistrust in the banking system.
2. All staff salaries are to be made by bank transfers to the respective employee accounts. Employees are required to have bank account. In rare circumstances, cash payments shall only be made in the verified areas where there are no banking or limited banking services and also where vendors prefer cash payments because of unavoidable circumstances.
3. Cash holding in the office should be discouraged to avoid loss through negligence and theft. Petty cash should be kept in a locked safe.
4. The Finance Officers at the respective offices are to ensure that bank reconciliations are done every month. Similarly, surprise petty cash counts should be done regularly at least each week, as well as when petty cash is replenished.

## **2.7. Cheque Book Maintenance**

1. On receipt of a new cheque book, the responsible staff shall verify that all leaves are available.
2. In the event that a cheque leaf is missing from a new cheque book, the matter must be brought to the attention of the ED and other senior staff immediately and then followed up with the responsible bank.
3. The Accountant is responsible for ensuring that all the cheque books are kept securely in a safe and are used sequentially.
4. Cheques must be completed clearly, using indelible ink. No gaps should be left before or after words and figures that would allow later falsification of the details or value of the cheque.
5. The cheque counterfoil (stub) must always be completed with the following details:
  - date;
  - payee;
  - brief details of reason for the payment; - the value;
  - PV number.
6. Under no circumstances should a cheque be signed before full details of the payee and sum payable have been entered. In other words: 'blank' or pre-signed cheques are not allowed unless prior approval is sought from ED/FOM.
7. Cheques should be issued to payees as soon as they are ready.
8. After all the leaves of the cheque book have been utilized, the stubs shall be kept safely for a period of no less than 10 years.

### **2.7.1. Cancelled Cheques**

1. In the event that a cheque is to be cancelled/voided, the word “CANCELLED” or “VOIDED” should be written across the cheque and the stub in indelible ink. The PV should be marked, mentioning the cheque number and the word “CANCELLED” or “VOIDED” written across it.
2. The cancelled cheque should be stapled back into the cheque book on the corresponding cheque stub.
3. The original PV and other underlying documents may now serve as the justification in the preparation of a replacement voucher and cheque.
4. Details of the replacement cheque should be cross-referenced to the cancelled cheque.

### **2.7.2. Stale or Lost Cheques**

1. If a cheque remains unpaid after 6 months, it becomes stale and the bank will not honour it.
2. Follow up of recipients should be done for all cheques which are more than 3 months presented.
3. Efforts should be made to contact the recipient of a cheque to discover why it remained outstanding and remedial action taken accordingly.
4. If relevant, a new PV and cheque can be completed, but only when the payee has returned the old cheque. If the payee has misplaced or lost the cheque, the bank should be informed and its acknowledgement received before the replacement cheque is released.

## **2.8. Payment Procedures and Policies**

### **2.8.1. Payment Procedures**

Payments can be triggered by different means, such as a payment request, an invoice, or an advance request form. The procedure for payment is as follows:

1. Before the accountant prepares a payment voucher (PV), a check/validation is needed to ensure that the following supporting documentation to invoices/requests are in place as appropriate:
  - a) Approved Purchase Order, Purchase Request for goods/services
  - b) Quotation (s) and related analysis attached;
  - c) Bid documents;
  - d) Contractual agreements;
  - e) Email memos;
  - f) Previously approved and filed memos;
  - g) Signed work completion/service/purchase supplied certificate note;
  - h) Goods received note or delivery note, signed by recipient;
  - i) Vendor's invoice acknowledged by the recipient.
  
2. The accountant prepares the PV and verifies that the following procedures are followed before the payment is made:
  - a) The invoices are in accordance with Contract/ Quotation/ PO and this has been verified by the user;
  - b) Invoice approved in accordance with the payment approval limit;
  - c) Expenditure is within the limits of the available budget;
  - d) Control of details/calculations on invoice are accurate;
  - e) Invoice coded rightfully with the correct general ledger account by the accountant;
  - f) PV raised by the accountant.
  
3. Forward the PV, with all the supporting documents, to the ED/FOM or to the authorized staff for approval. Supporting documents include all that is listed above.
  
4. Forward the cheque, PV and supporting documentation to the cheque signatories. Each cheque signatory shall verify the underlying documents before signing the cheque. The verification will include:

- a) Correctness of procurement procedures;
  - b) Correctness and adequacy of supporting documentation;
  - c) Amount of payment and payee;
  - d) Approval/recommendation process;
  - e) Any other additional checks based on specific cases may also be carried out.
5. The payment documents including the signed cheque shall then be returned to the accountant to effect payment. The accountant is to ensure that an official receipt is obtained for the payment and that the payee signs the PV to acknowledge receipt. If receipts are not issued, a written acknowledgement of receipt of payment should be obtained from the supplier/ consultant. All documentation should be stamped **PAID**.

### **2.8.2. Salary Payment**

1. The payroll is to be prepared by Finance Officers and sent to the FOM before the 25<sup>th</sup> of every month for review and verification. The FOM must verify the correctness of the payroll prior to taking it for approval, such that the gross salary, the deduction for each employee, loan repayment, other deductions, etc., and the net payable to each employee is correct.
2. A comparison between the previous month's and the current month's payroll must be made and any variances noted, queried and cleared before the payroll is approved by the ED.
3. Payroll reconciliation should be made each month to ensure accuracy.
4. The human resource section must double check the correctness of the payroll before final approval is made and must be reconciled if there is any error in the process of preparation.
5. The payroll is to be prepared by the Finance Officer/accountant at all times. In rare cases, the FOM can prepare the payroll.
6. Payroll is **ONLY** prepared at the main office and paid out to employees each month.

### **2.8.3. Payroll Management**

Payroll management should at least address the following points.

1. The objective of payroll is to ensure:
  - a) Employees are paid in accordance with letters of appointment (contracts);
  - b) Payments to employees are properly accounted for;
  - c) Statutory and voluntary deductions are properly accounted for and remitted to the appropriate authorities;
  - d) Salary advances are properly accounted for and recovered from salaries.
2. The entire payroll system should routinely be audited by the internal auditor. The auditor also ensures whether the payroll is in compliance to local regulations.
3. All payroll information is confidential.
4. Payroll reconciliation shall be done each month to meet audit requirement.
5. When the employment status is changed: e.g. promotion, annual increment, transfers pay, addition of new hires, leave without pay, or severance, salary increment will be sent to the finance department from human resource department. No changes in payroll can be effected for a salary without authorization by the ED.
6. Monthly payroll shall be reviewed by FOM and shall be shared to HR officer for confirmation of appropriate staffs is paid, gross salary and benefit is correctly included.
7. Staff salaries should be paid through bank transfers in which case the bank debit advices are considered to be sufficient proof of payment; in case of cheque payment, staff will sign for proof of payment receipt;

### **2.8.4. Retirement Benefits**

1. CIPAD will make contributions and ensure employee's contribution as required by the laws of the country and as per the Human Resource Manual.
2. As per South Sudan Labor Law, monthly, CIPAD will contribute to the Government of South Sudan Pension Fund Scheme for employees. The rate is 17% from CIPAD and 8% from the employee.
3. The rate also applies to all temporary contractual employees regardless of the length of the contract.
4. All salary deductions will be shown on each employee's payroll sheet and payslip.

#### **2.8.5. Final payments (severance) to employees**

1. When an employee leaves CIPAD employment, through voluntary or involuntary or termination, the finance department will handle any claims arising.
2. A copy of the termination/resignation letter will be sent to the ED and to the finance department. The following information will be provided to the finance department:
  - Employee name
  - Last working day;
  - Type of termination;
  - Receivables & payables (due to staff, due from staff);
  - Whether CIPAD provided the required periods notification;
  - Whether the employee provided 15 days notification;
3. Based on this information the Finance Officer/accountant shall compute the amount that needs to be paid to the employee, the amount must include taxes payable.
4. The computation shall be approved by the FOM, and then by the ED.
5. The payment will then be prepared by the Finance Officer and verified by the FOM.
6. Final payment will never be made without a full clearance by the leaving employee.

7. Severance payment will be paid and calculated based on the policy stated in the “Separation/Termination of Employment” section of the human resources Manual.

## **2.9. Advances and Prepayments**

### **2.9.1. General**

1. An advance is a cash amount given by the project to cover anticipated travel expenses or other project-related activity such as Workshop/Meeting costs.
2. Any unused advance funds must be returned to the Project upon the travellers return or completion of activity. Under no circumstances may staff receive a salary advance.
3. In most cases, advances are only to be given to project staff. If an advance must be given to someone other than project staff (i.e., staff traveling on project funds), the respective staff who is closely working with the outsider must assure the FOM in writing that the advance will be settled in time.
4. Employees should only have one outstanding advance at a time, regardless of the advance type.
5. A previous advance should be reconciled before a new advance is issued. CIPAD strives to reconcile advances as soon as possible and to only allow one advance at a time. However, given the de-centralization of the Project, it may be necessary to advance more than one advance to complete concurrent activities. In extreme circumstances the ED at central or head office may approve an additional advance if necessary. To allow additional advance the employee should at least compile and make ready for liquidation documents for the previous advance.

### **2.9.2. Program Advances**

1. Program advance is an advance that will be directly released to CIPAD staff for making program related payments. It should incorporate comments of the Programme Manager and be detailed for approval.

2. It is the policy of CIPAD not to issue additional advance prior to settling the previous one. The outstanding advance must be rectified prior to presenting a request for additional advance. The staff who received the program advance **MUST** settle the advance within 21 days or before the end of the month. The program advance request should at least include the following information:
  - Name of advance recipient
  - Detailed activity budget (should align with the approved budget line item)
  - Purpose of the advance
  - Agenda (if applicable)
  - Detail calculation of the advance
  - Approval by ED/FOM
  - Recipient signature
  
3. Once program advance is received by an employee, it is the responsibility of the employee to deemed the fund in a secured location until it will be paid out for the intended purpose. In order to safeguard the organization's cash and employees as well, it is important that the following procedures are strictly adhered to:
  - a) As much as possible cash payment order (CPO) cheques and letter transfers shall be used whenever practical;
  - b) Money, other than petty cash, shall be held in the office for the shortest feasible time before utilization by the requestor. However, this will not be for more than 5 working days. If such money is not collected by close of the week, it must be banked back intact before the week end (unless authorized otherwise by the ED/FOM);
  - c) Proper arrangements should be made to safeguard the person carrying the organization's money while in transit. No CIPAD money should be left unattended to, anywhere. Staff members holding organization's money that needs storage overnight should use the office safe or a hotel strong room for safe keeping (while on duty travel);

- d) The maximum advance that will be issued to Diver Logisticians or coordinator should not exceed USD500. If the amount is higher than USD500, it must be managed by finance staff.
- e) In the event of loss, robbery or theft of money and/or assets, staff concerned should immediately report to the nearest police station and thereafter notify ED/FOM through a written report of the incident. The responsible staff member should do his/her utmost to obtain an official police statement.

### 2.9.3. Travel Advance

1. Travel advance is an advance issued to CIPAD employees, consultants, and government staff going on officially authorized trips.
2. The advance includes fund for lodging, meal, incidental and transportation (if CIPAD do not avail vehicle).
3. For all travel (local or international), the amount of the travel advance given will be calculated 75% of the maximum lodging and rates allowable for that particular trip only when it is budgeted in the project budget.
4. The daily per diem rate and detail rates for meal and incidental can be referred from the **travel policy of CIPAD.**
5. Advance for international travel is calculated and issued based on the living condition in that particular country and only when it is budgeted in the project budget.
6. As part of the Travel Advance, some staff members may require an additional advance for travel- related costs. This is typically the Driver, who may require additional funds to purchase fuel on the trip, or a staff member who must pay for a luncheon or meeting room expenditure. In this case, the additional funds can be requested along with an explanation for the use of the funds.
7. Travel advances **MUST** be settled within 5 working days after field mission. Any unspent (remaining balance) must be deposited to bank.

8. Points listed below should be completed when making a request for travel advance. Travel advance will not be issued unless these points are properly addressed:
  - Name of advance recipient
  - Budget availability should be checked
  - Dates of travel
  - Purpose of travel
  - Detail travel plan
  - Applicable per diem rates
  - Approval by ED/FOM or Supervisor of the traveller
  - Recipient signature
  
9. All advance ledger accounts, be it program or travel advance, must be cleared and carry zero balance on August 31.

#### **2.9.4. Salary Advance**

Salary advance to employee is prohibited.

#### **2.9.5. Prepayments**

1. Prepayments are assets to the organization and represent expenses that have been paid but not yet incurred. Prepaid rent and insurance are typical examples of prepayments.
2. All items of actual expenditure relating to the prepayments are debited to the prepayment account and credited to the appropriate bank account. Payment voucher systems must be utilized for payment of prepaid expenses.
3. For each accounting period a schedule of payment should be prepared stating date of payment, description, annual rate, total amount paid and period covered, balance brought forward and period covered and balance outstanding and period covered.

4. At the end of each month appropriate expense account (example: rent, insurance) should be Debited and the prepayment account should be Credited. Prepayment ledgers must balance to zero on March 31.

Approved by Board on 17<sup>th</sup> of April 2020

Sign

A handwritten signature in blue ink, appearing to read "Jacob Lual Jok", is written over a horizontal line.

Jacob Lual Jok,  
Board Chairperson.