

# **FOUNDATION FOR ACTIVE CIVIC EDUCATION (FACE)**

## **FINANCE AND ADMINISTRATIVE MANUAL**

# **2010**

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# **1. INTRODUCTION**

## **1.1 Nature of business**

Foundation for active civic education started its operations in 2004 and got registered with Nsanje district social welfare office as a community based organisation in 2005 with registration number NE/SW/CBO/010/010 and broadened its legitimacy on 14<sup>th</sup> February 2008 when it got registered under the incorporation board of trustees Act of the Republic of Malawi Rules (cap.5:3) with certificate registration number TR/INC: 2646 (refer to the attached certificates)

The organisation has highly reputable board of trustees which provides the overall principle guidance lines and governance. The board makes policies, established salary scales and audit reviews, approves management response to the audit reviews, receives and approves minutes, reports and financial statements approves bank accounts and signatories, approves and recommends to higher organisation various proposal and projects, approves hiring and termination of staff contracts, approves the purchases of major items such as vehicles and other larger assets, approves operational budgets, authorizes international travel for staff , assigns specific authority to the executive director(country director)

FACE is headed by an executive director (ED) who provides technical support and dairy management of the organisation at the secretariat level. The ED is supported by the projects manager who is responsible for coordinating all projects. While on the other hand the finance and administration manager is entrusted with all the management of finance and human resources. Each project has its own project officer who links with the communities and all stakeholders at the community level

FACE as an organisation, has its own values, belief, mission statement, vision, constitution, strategic work plan of 2011-2015, systems and financial management, employment and human management and many other documents which will guide the operations of the organisation with the respect to the constitution of the republic of Malawi and its statutes.

## **Vision statement**

Foundation for active civic education envisions a vibrant and an inclusive society where women, children and other vulnerable community groups are empowered to actively participate in local and national developments to transform their lives

## **Mission statement**

Foundation for active civic education would like to be a responsive, nonpartisan and not for profit NGO that facilitates general human development through sustainable partnerships with other likeminded Organisations or alone in the areas of education, health, food security, HIV and AIDS, water development and environmental management and climate change mitigation

## **1.2 The finance and administration procedure manual**

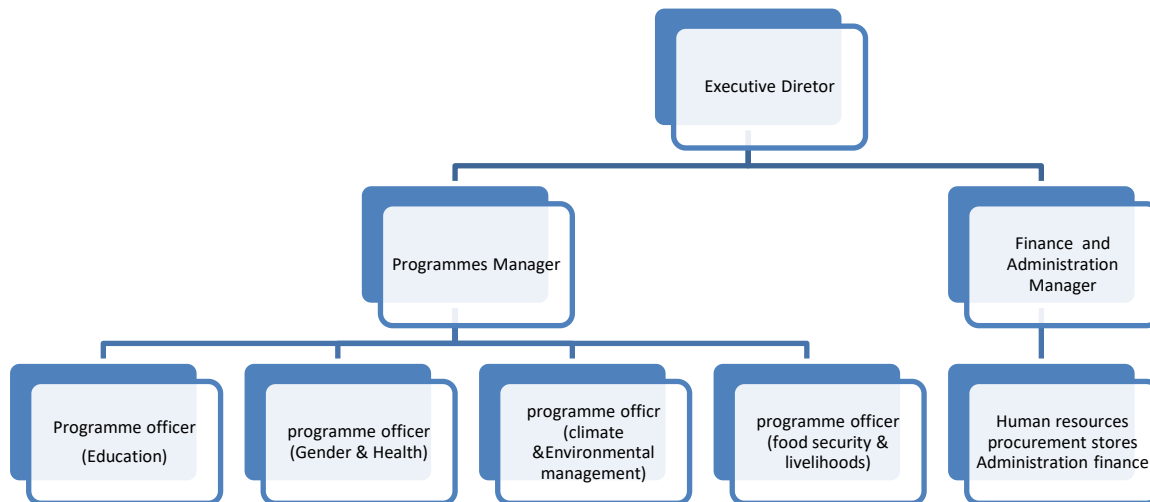
The finance and administrative procedures manual provides a description of the accounting system used by FACE, covering broad controls and procedures in financial reporting and analysis. It encompasses administrative steps that have to be followed in performing the financial activities of the organisation. It also describes the various management reports prepared at various stages of the system, the various documents to be prepared and books of accounts to be maintained.

## **1.3 Objectives of the manual**

This manual will achieve the following objectives:

- 1.31 To ensure that all transactions are recorded accurately and properly accounted for.
- 1.32 To ensure that an audit trail for all expenditure incurred.
- 1.33 To ensure that proper books of accounts are maintained from which reliable Financial statements can be compiled.
- 1.34 To provide relevant information as required by donor.

## 2. FACE SECRETARIAT ORGANISATIONAL STRUCTRE



## 3. COMPONENTS OF THE ACCOUNTING SYSTEM

FACE accounting system shall contain the following components:

- Chart of account
- Cheque and receipt books
- Fixed asset register/ inventory
- General ledger
- Journals and subsidiary journals
- Management meeting files
- Board meeting files
- Investments register
- Petty cash file
- Current account cash books

## 4. CHART OF ACCOUNTS

FACE has a chart of accounts that has sufficient key ledger accounts through which financial transactions shall be recorded. This chart of accounts also lists the account code to use.

## **5. REVENUE CYCLE**

### **Grants and Donations**

**5.1** The Executive Director shall be the contact person in regards to donations made to the organisation.

**5.2A** schedule must be drawn up yearly by the finance and Administration Manager which shows the grants to be received from each donor. How the grant will be received (cheque or direct bank transfer) and when the grant will be received.

**5.3** For all donations, the donor must be sent a written confirmation by the executive director stating how much has been received from the donor.

**5.4** Donor funds shall only be used for the purpose for which they are granted. Any variation will require the prior approval of the donor.

### **Handling receipts and receipting**

**5.5** Incoming mail will be handled by the Administrative Assistant and recorded accordingly in the mail register. A receipt register must be kept of all monies received. This should be used as basis for receipting.

**5.6** Of the two copies of receipts, one is for donor and another one a FACE copy for accounts department.

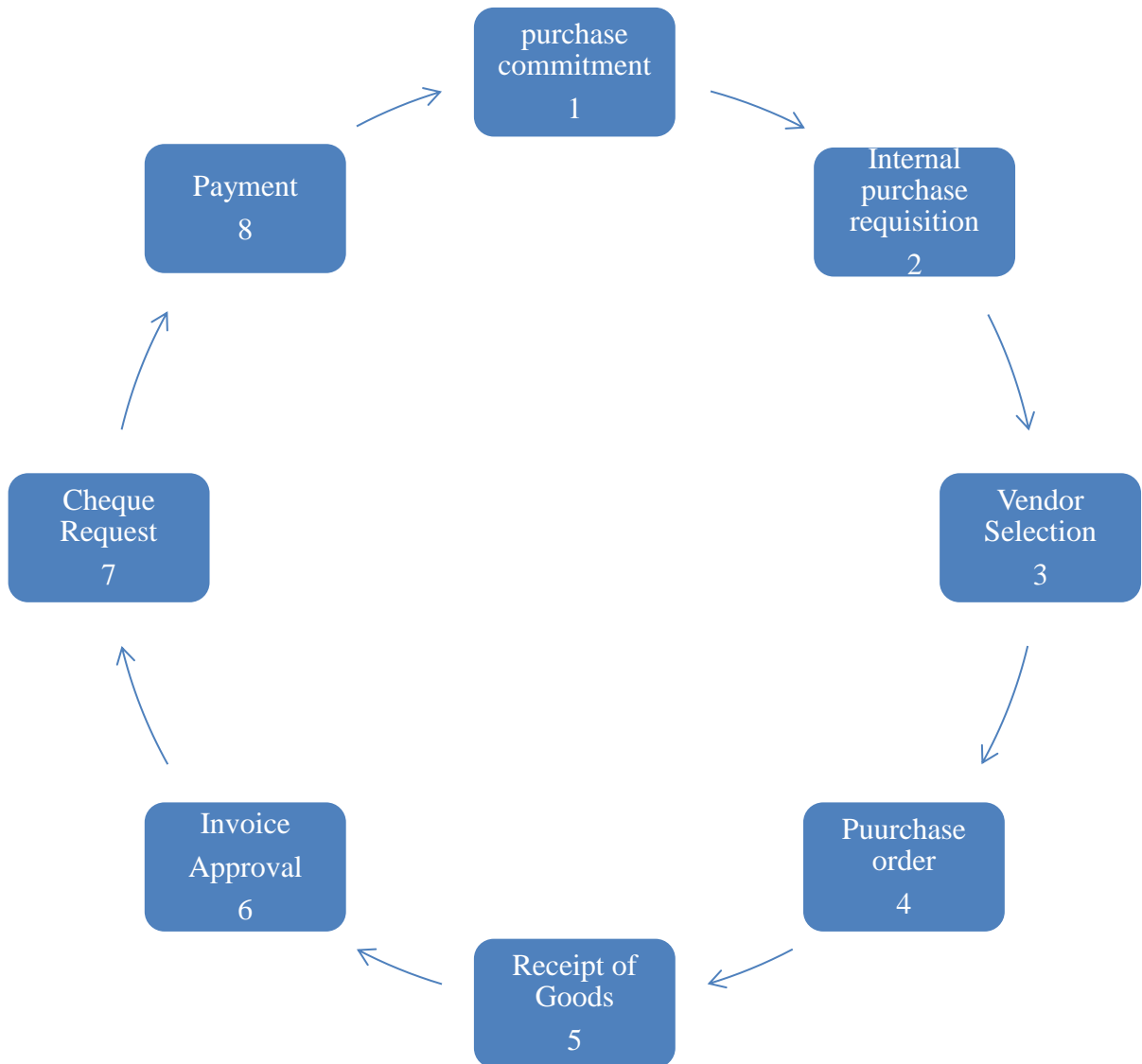
**5.7** When foreign cheques and cash is received it shall be recorded in the foreign currency register (currently not available), noting clearly the sender, address, purpose and amount in foreign currency is banked. When the corresponding national currency is known this should be entered as well.

**5.8** All cash and cheques receipts must be banked on the day of receipting or the following day. The amount receipted must be reconciled to the amount banked daily.

**5.9** The finance and Administration Manager must request for bank statement monthly, and inspect these for any direct deposits into the account. Explanations must be obtained from the bank on any direct deposits for which there is no documentation.

## 6.0 OPERATING EXPENDITURE AND DISBURSEMENT

6.1 The operating expenditure and disbursement business circle is as follows:



### Internal Requisitioning

6.2 The originating department must fill in a sequentially numbered internal purchase requisition, authorized by the officer responsible; all requisitions for purchase must have prior approval of the executive director

6.3 This internal purchase requisition is sent to the finance and Administration Manager who signs it if the expenditure has been budgeted for, and sufficient funds exist to purchase the respective items.

**6.4** After the internal purchase requisition is approved by the executive director, the finance administration manager should obtain three quotations from various suppliers.

### **Ordering**

**6.5** The finance and administration manager must prepare a pre- numbered purchase order to be submitted to the successful supplier. The finance and administration manager must authorize the purchase order by referring to the approved internal purchase requisition.

**6.6** One copy of the purchase order is then sent to the supplier, and a FACE copy retained in the book for accounts

### **Receiving goods, storing and issuing**

**6.7** On receipt of goods, a goods received voucher is completed after verifying the quality of goods supplied, condition and that quantity is matched to the order.

**6.8** Goods held as consumables must be kept secure and bin cards maintained.

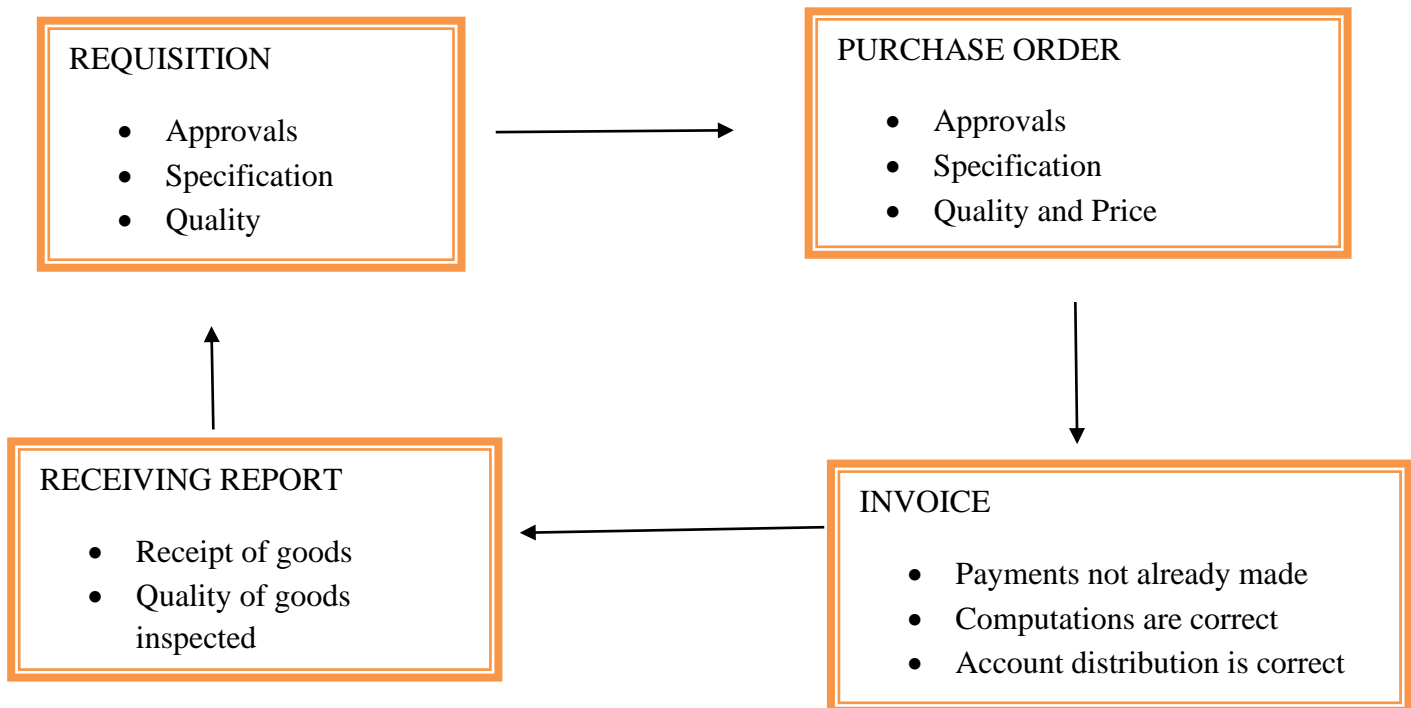
**6.9** Consumable must be held secure in appropriate locked cupboards or locked rooms and keys kept at a secure place by a nominated member of staff.

**6.10** All stocks requested should be put in writing. Numbered internal requisition forms must be filled with such information as: Who is requesting for the items, date of request, product type and quantities required, and approved by whom. The finance administration manager shall approve all issues.

### **Processing Payment**

**6.11** The finance and administration manager does a four- way match between the internal purchase requisitions, the purchase order, the goods received voucher and the invoice as illustrated below.






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**6.12**For documentation approvals, verification and account distribution on the invoice a rubber stamp should be used.

**6.13**The finance and administration Manager raised a payment voucher, and attached will be the internal purchase requisition, purchase order, goods received voucher and the invoice

**6.14**The payment voucher and the supporting documentation (purchase order, receiving report and invoice)are submitted to the signatories. The signatories compare the prepared cheque to the supporting documents prior to signing the cheque.

The main or class A signatories are any two of the following:

- The Executive Director
- FACE board Members

Class B signatories are any two of the following:

- Finance and Administration Manager
- Projects Manager
- Project officer

**6.15** Before the cheque is forwarded to the payee, all the supporting documents are cancelled by being stamped “PAID”

**6.16** All payments are posted into pastel daily as soon as the cheque is dispatched to the respective supplier. The cheque number is used to identify and control all disbursement made by cheque.

**6.17** Where the cheques are returned by the bank, the cheques are compared each month to disbursement records to identify outstanding cheques old outstanding cheques (more than six month old )should be written- off and the related disbursement entry reversed.

**6.18** Cheques are not made payable to “Cash”, or “ petty cash” or bearer.

## **7. PETTY CASH ADMINISTRATION**

**7.1** All pre- approved minor expenses shall be paid from this account in the line with the delegated authority guidelines. Minor expenses shall include local travel and subsistence, teas and cleaning, minor office repairs and maintenance and office utilities no “I owe You’s” shall be made out to any member of staff.

**7.2** The responsibility for managing and reconciling the petty cash book lies in the Administrative Assistant

**7.3** Petty cash funds will be subject to surprise audits by the finance and Administration Manager or the Executive Director.

**7.4** A cash account disbursement report is prepared when due for reimbursement. The report summarizes disbursement and serves as a request for reimbursement. All supporting documents are cancelled when the reimbursement is made. The Finance and Administration Manager must only make the reimbursement after approving the expenses incurred.

**7.5** When the needs for goods or services arises, a petty cash voucher that is numbered in ascending order shall be made and approved by the Finance and Administration Manager.

**7.6** The custodian shall attach the invoice or other supporting documentation and make the payment

**7.7** The custodian then updates the petty cash book.

## **8. CAPITAL EXPENDITURE CYCLE**

### **Asset acquisitions**

**8.1** At the beginning of each year, each department will update its fixed assets register and determine if there are new fixed assets needs to be considered for purchase.

**8.2**The Executive Director reviews the capital expenditure budget from the departments and on approval asks the Finance Manager and Administration Manager to compile a consolidated capital budget.

**8.3** The capital budget is tabled at a board meeting for the Board to approve.

**8.4**All capital item snot exceeding MK1, 000,000 shall be approved for purchase by the Executive Director. All purchases beyond MK1 million will require approval from the Board of trustees.

**8.5**On the approval of the purchase of the fixed asset by the Executive Director/Board, the procedures on expenditures apply.

### **Asset Management procedures**

**8.6** All fixed assets purchased must be recorded in the fixed Asset Register on purchase.

**8.7.** List of assets in each office must be prepared and pinned to the back of the office door. Such assets shall be signed for by the office occupants or userswho will be held responsible for any deficiency in, damage to or destruction thereof.

**8.8**A person other than the custodian of assets shall perform assets verification exercise once every quarter. At the end of this exercise, a report shall be prepared showing any surpluses and/or deficiencies discovered and of any item found to be damaged or unserviceable. An assessment of the adequacy and suitability of the equipment. Any general matters, which should be brought to notice.

**8.9** Heads of various projects are responsible for assets, which are held by their departments. They shall institute departmental control systems compatible with their operation's to ensure safe use of assets. The control systems shall be documented and copies of such instructions shall be forwarded to the Executive Director

### **Asset Disposals**

**8.10** where excess obsolete or redundant asset are identified, normally as a result of recommendation provided or as a result of fixed asset verification exercise then those assets should be disposed of at maximum value to the organisation. In order for the maximum value to be attained, the method of disposal shall be approved by the board.

**8.11** All disposals shall be authorized for disposal by the board expect items an original value (initial purchase price) is less than MK1 million.

**8.12** Where the asset was bought by a donor for a specific project, the donor policy on disposal must apply. If the donor has no policy, the organisation policy must be used.

**8.13** As soon as an asset is sold, it must be removed from the accounting records and fixed asset register.

**8.14** All fixed assets must be insured. The insurance policy must be obtained from a reputable insurance company. The Finance and Administration Manager must be in-charge of the insurance.

### **Accounting for fixed assets**

**8.15** Accounting for the asset shall be carried out strictly in compliance with the requirements and provisions of international Accounting standard 16, property, plant and equipment.

## **9. PAYROLL CYCLE**

### **Validity of payroll disbursements**

**9.1** controls should be put in place to ensure that the payroll disbursements are made only upon proper authorization to Dona fide employees, that the payroll disbursements are properly recorded and that the related legal requirements (such as Pay as You Earn tax and pension deductions) are complied with.

**9.2** FACE should maintain personnel manual/staff handbook which describes the organization's policies regarding vacations, study leave, sick leave etc. Records of leave should be kept for each employee to ensure that these policies are being followed.

### **Access to payroll information**

**9.3** Access to employee records in the payroll system must be restricted. This access levels should be documented and regularly reviewed.

**9.4** A personnel file with the following documents must be put in place.

- Personal details of the employee
- Contract/letter of appointment including rate of pay and job description
- Contact details
- Date of engagement

**9.5** Intention to leave must be submitted in the writing and the notice period must be as per contract.

**9.6** On resignation of the employee, the finance and administration manager calculates The employee's net leaving salary after taking into account leave days, gratuities Due to the employee, loans due by the employee and any losses by FACE to be Recovered from the employee. This calculation is attached to a cheque Requisition that can only be processed once the Executive Director has it signed Off.

**9.7** The finance and Administration officer must delete all employees whose contracts Have been terminated from the payroll. This must be done after the employee's Resignation letter, which has been approved or letter of dismissal has been seen

## **Contract workers**

**9.8** Hiring of casual workers must be properly authorized. Before the workers are hired, the officer requesting their service must apply to the Executive Director stating why contract workers are required and for how long they will be engaged by the organisation. The Executive Director must approve the hiring by signing on the request form.

**9.9** For control purposes, payment to contract workers shall only be carried out once a month on the same day as the normal payroll.

**9.10** A record must be kept of leave days owing to employees. The finance and Administration Manager must put responsible maintaining this register. The leave days due to employees must be reflected on the pat slip. This will act as a control as employees will query any discrepancies on their leave days. All negative days must be investigated.

**9.11** On or before the 20<sup>th</sup> day of the month, the Finance and Administration Manager must run the payroll together with the relevant reconciliations.

**9.12** The Executive Director must review monthly payroll by comparing it with that of the prior month. The Executive Director must sign off as proof of review. The payroll must be reviewed for the presence of the ghost employee.

## **10 EXPENSES REIMBURSEMENT AND STAFF LOAN CYCLE**

### **Staff travel and subsistence**

**10.1** Staff will be reimbursed actual and reasonable business expenses in accordance with maximum rates specified within the staff travel and subsistence arrangements.

**10.2** Expenses are calcified as follows:

**10.2.1** Proved expenses –i.e. where a staff member is required to produce proof of expenditure by the way of an invoice or receipt. In such instances FACE will pay for the total cost of the expenses.

**10.2.2** Unproved expenses- this may refer to expenses for which receipts or invoices will not as a must be required. In such circumstances the Executive Director in conjunction with the board will from time to time set rates for unproved breakfast, lunch, dinner and overnight accommodation expenses.

**10.3** The immediate supervisor will certify each claim form. The person authorized the claim must not be claimant. The invoices/receipts shall be submitted three days after returning from the trip.

**10.4** Where an advance remains outstanding for one month it will be deducted from the employee's salary in the second month.

### **REMBURSEMENT FOR USE OF OWN VEHICLES**

**10.5** When a privately owned vehicle is used, by prior agreement, a mileage allowance may be claimed

#### **Staff Advances**

**10.6** Employees must fill in the advance application forms.

**10.7** The Executive Director must approve the advanced application form and sign off as a sign of approval.

**10.8** The advanced is recoverable in full within 3 months.

### **11 BANK RESOURCES CYCLE**

**11.1** Bank statements should be corrected from the bank at the end of every month for all bank accounts. These must be reviewed for any unusual entries.

**11.2** Bank reconciliations for all accounts should be prepared monthly.

**11.3** Direct debts/credits which do not have advice slips or which do not seem to be proper charges/credits to the bank accounts should be verified with the bankers immediately and explanation is obtained in writing or adjustment made as appropriate.

**11.4** Cheques which remain uncleared for unreasonably long periods (21 days) should be queried and investigated upon to determine the reason for their non-clearance.

**11.5** The Executive Director should review and sign off the reconciliation statements monthly.

## **12 TREASURY ACTIVITIES**

### **Operation of bank accounts**

**12.1.** Controls must be in place to ensure that all bank accounts opened are properly authorized.

**12.2** The following controls must be in place if a bank account has to be opened:

- The finance and Administration Manager must fill in a request form indicated what the account is for
- Reason must be stated why a new account has to be opened.
- The request to open the bank account must be made to the Executive Director and be authorized. As soon as the cheque books are received from the bank, the sequence number of unutilized cheques should be recorded in a stationery register, to be maintained by the Finance and Administration manager

### **Conversion of foreign currency into local currency**

**12.3** All money received in foreign currency shall be converted into local currency except that money which will be required to be used in foreign currency. This will allow possible investment if there is excess cash at the bank.

**12.4** The finance and Administration Manager must assess if the rates used to convert the currency is in line with the market rates. The gains and losses on exchange of foreign currency donated must be calculated and be posted into the records.

### **Cash flow Management**

**12.5** The flow for the next three months must be projected to avoid any future cash flow problems and invest any excess.

**12.6** The finance and Administration Manager must obtain budgets from all managers for three months. The budgets must be for network activities and for the operation expenses of the managers.



**12.7** The Finance and Administration Manager must consolidate all departmental budgets to come up with the budget for the whole organisation.

**12.8** If the projects cash flow is negative, more funds must be requested from the donors

**12.9** If donors cannot finance the organisation, then the cost –cutting measures must be put in place and, as a worst -case –scenario, some project activities may have to be deferred.

**12.10** Any excess cash must be invested per the organisation policy. The board will approve a variety of investment vehicles that the organisation can invest in.

**12.11** All short-term investments shall be initiated by the Finance and Administration Manager, discussed and agreed to with the Executive Director before the investment has been made.

**12.12** Investment certificates must be kept by the Finance and Administration Manager.

**12.13** Some funds must be invested in liquid investments as to ensure that they are available at the time that are required.

## **13. BUDGETING**

### **Yearly Operation Budget**

**13.1** Before the beginning of each year, a budget for that year must have been finalized.

**13.2** This budget must indicate how much organizational activities need, and how the operating expenses for that year will be financed

**13.3** This consolidated budget must be compiled by the finance and Administration Manager reviewed by the Executive Director and approved by the Board.

**13.4** In drafting the budget the following must be considered:

**13.4.1** Budget assumptions must be clearly stated.

**13.4.2** How much grant income will be received based on contracts already in existence

**13.4.3** How much grant income will be raised during the year from other donors or any increase from the donors. This will be based on the current year receipts, and any amounts promised by donors, which have not been summarized in a contract yet.

**13.4.5** Expenses mini budget must obtain from the various operating departments.

## **14. INFORMATION TECHNOLOGY**

### **DISASTER RECOVERY CONTINGENT PLAN (DRCP)**

**14.1** There shall be a sufficiently documented Disaster Recovery Contingent Plan to be developed and administered by the Finance Administration Manager.

#### **Passwords**

**14.2** Access levels must be defined in teams of accessing the accounting package, pastel. The access levels will be controlled by using passwords.

**14.3** The Finance and Administration Manager must have access to all levels of the accounting packages.

**14.4** The password must:

- Be unique to each individual and consist of at least seven characters.
- Be maintained by a single password administrator from one terminal.
- Be kept secure, and changed regularly
- Not be obvious
- Be removed from the system at the time of termination of employment or transfer of the respective employee.

## **15. MANAGEMENT REPORTS**

### **Monthly Receipting Report**

**15.1** The objective of this report is to report the amount of cash collected for the week. The Finance and Administration Manager at the close of each working week should compile this report. The report is compiled from the cash book.

**15.2** The objective of this report is to highlight the amount of cash banked each week. The report will be compiled by the Finance and Administration Manager from the bank deposit slips and the cash book. **Monthly Foreign Currency Banking Report (in case one will be available)**

**15.3** This report is similar to the Monthly Banking Report except that it contains details of foreign currency banked. It is the responsibility of the Finance and Administration Manager.

### **Monthly Management Accounts**

**15.4** The objective of this report is to show the financial performance of the organization through the income and Expenditure statement and the financial position of FAST through the Balance sheet.

## **16. OFFICE PROCEDURES**

### **Work Time Table**

**16.1** work starts at 7:30am in the morning until 12:00 hours and resume at 13:30 hours until 16:30 hours between Monday and Friday. Staff will only come to work on weekends with prior notice to them to do so.

### **Beginning of the Day**

**16.2** The person to enter the building shall responsible for the following procedures:

- Switching off the external security lights
- Opening the front door
- Switching on the internal networking computer

## **Photocopying**

**16.3** The administration Assistant is the designated person for the purpose of operating the photocopying machine

**16.4** The designated person shall maintain a photocopying register showing person requesting copies, number of copies, program to change, signature of the recipient.

**16.5** At the end to each week the Finance and Administration Manager shall obtain the register and allocate the expenses accordingly.

**16.6** The photocopying machine must be serviced regularly. A register must be kept for the maintenance of the machine. The Finance and Administration Manager is responsible for the service of the machine.

## **17. USE OF MOTOR VEHICLES**

### **Motor Vehicle Group**

**17.1** FACE motor vehicles are grouped into two categories, namely pool vehicle and Allocated Vehicles.

**17.2** Pool vehicle are vehicles allocated to an employee of a management grade but include vehicles issues to projects.

**17.3** Allocated vehicles are those vehicles allocated for use by employees of a management grade in terms of their contract of employment.

### **Authority to drive FACE vehicles**

**17.4** Only those persons in possession of a clean valid driver's license, i.e. a license that does not contain unexpired endorsement and have driven for at least six months may be permitted to drive a FACE vehicle. The finance and Administration Manager shall inspect the driver's license before a person is authorized to a driver a FACE vehicle for the first time.

### **Use of Vehicles**

**17.5** Pool vehicles shall be used in official business only.

**17.6** Allocated vehicles shall be used for both business and personal purposes.

### **Vehicle Maintenance**

**17.7** The Finance and Administration Manager must perform the following each week:

- General visual check of vehicles
- A check on the oil level, water level, level of distilled water in battery cells and brake fluid level.
- Supervise the cleaning of the pool vehicles

**17.8** The Finance and Administration Manager shall keep registration book.

**17.9** The Finance and Administration Manager shall be responsible for servicing, registration and licensing of each pool vehicle and displaying of licenses.

**17.10** An approved dealer or garage should repair cars.

### **Motor Vehicle Operating Costs**

**17.11** Subject to clauses below, all motor vehicle operating costs, such as petrol, oil, tyres, servicing, repairs, licensing and insurance will be borne by FACE.

### **Motor Vehicle records**

**17.12** Every pool vehicle shall have a log book in which a record of all trips, undertaken shall be recorded. Every time the vehicle is fueled, the Driver should make appropriate record of the amount of fuel, the date and mileage.

### **Motor Vehicle Accidents**

**17.13** All accidents, irrespective of the nature of severity thereof, will be reported immediately to the police within 48 hours of occurrence to the immediate supervisor and the Executive Director. The driver or allocated user shall pay the cost of repairs where the accident or damage has not reported to the police.

## **Motor vehicle fines**

**17.14** Should a driver be required to park a FACE vehicle in a metered parking bay, or where parking the discs are requested, he shall be responsible for activating such meter or buying the park discs. Only drivers for pool vehicle shall be reimbursed parking fees.

## **18. FUEL ADMINISTRATION**

**18.1** The finance and Administration manager must be in charge of fuel cards. A register of the fuel card receipt must be maintained.

**18.2** The amount of fuel that may be used every month to the employees as part of their employee benefits are as per approved or correspondence or contract of employment.

**18.3** Staff will be sold fuel issued to them in excess of their monthly allocations through written correspondence each employee is given the fuel quantity which will not be exceeded in a month.

**18.4** All fuel that is sold to employees must be receipted. Of the two receipts, one is for the employee and one is for the Account Department in form of a first copy these amounts must be banked on the day of receipting or the following day.

**18.5** The fuel must be sold to the employee at the market rates. The Executive Director must approve the unit price.

**18.6** Proceeds from the fuel sale must be recorded as income, and not set off against the fuel expenses. Entries must be posted into pastel. The Executive Director must make a decision every month on how the fuel proceeds are to be utilized

**18.7** At the end of every month, the Finance and Administration Manager must perform a reconciliation of fuel used.

## **19. SUNDRY MATTERS**

### **TAX**

**19.1** The Finance and Administration Manager must ensure that invoices rose against the organisation has a VAT charge.

### **Journals**

**19.2** A journal book in form of a hard book shall be maintained by the Finance and Administration Manager.

**19.3** The Finance and Administration Manager must prepare journals, and these must be authorized by the Executive Director.

**19.4** All journals must be pre-numbered

**19.5** The Finance and Administration Manager must review all journal posting.

### **FILING**

**19. 6** All documents must be filed in sequential order.

**19.7** Separate file must be kept for various source documents in use i.e. cheques, receipts etc.

**19.8** Preferably, all files and disks must be clearly labeled showing the sequence of documents in the file and the months to which the documents relate.

**19.9** Documents names must be consistent on all file labels.

**19.10** The Finance Administration Manager must review the filing method, and explanation obtained for any break in the sequence.

**19.11** Important report must be printed and all filed in sequential or date order.

**19.12** Records must be kept for all monthly transactions, current month files must not be prepared by over-riding the prior month records.

## **GUIDE LINES FOR UPKEEP OF ACCURATE BOOKS OF ACCOUNTS**

**19.13** Make regular back up of account. A minimum daily back up shall be done on site. The frequency of backups shall depend on a number of issues including volume of transactions, physical environment, and disaster recovery plan.

**19.14** Make regular print out of the cash book, ledger etc.

**19.15** At the end of the year, files should be kept as per FACE archiving policy.

**19.16** Accounting records should always be labeled. This helps in identifying the period to which the records belong. Labels should contain the type of accounting record (e.g. cash book) and the period to which it belongs.

## **20 CORPORATE GOVERNANCE**

### **Board Composition**

**20.1** Board composition shall be as spelt out in the constitution.

### **Board Meetings**

**20.2** Board meetings shall be held at least every quarter.

### **Management meetings**

**20.3** Management meetings shall be held in the first week of each month.

### **External Audits**

**20.4** External Audits shall be conducted by a qualified independent external auditor.

### **Internal Audit function**

**20.5** The internal audit function shall be put in place at time the Board considers it appropriate.



THIS ADMINISTRATIVE MANUAL IS PROVED BY THE BOARD OF TRUSTEES

..... (Signed)

L.KULISEWA  
BOARD CHAIRPERSON

DATE.....

CONDITIONS APPROVED BY

## Financial Guidelines for FACE (procurement) AMMENDED

### 6.4 Supporting Documents

Every financial transaction should have a number of supporting documents which include the following:

- Bank requisitions and Bank vouchers
- Cash requisitions and cash payment vouchers
- Quotation: please NOTE: As a minimum FACE needs to source three quotes for all transactions over k150, 000.
- Bids Analysis: where the collect quotes are analyzed and the best bidder is selected
- Goods in Document/Delivery notes.
- Certificate of completion(for service performed)
- Invoices
- Receipts

These documents provide evidence that specific transaction has taken place.

### Ordering

6.5 The Finance and Administration Manager must prepare a pre-numbered purchase order to be submitted to the successful supplier.

### THRESHOLD

These are the approval limits where by one can authorize.

1. Finance Manager :01 Tambala.....k51,000
2. Project Manager :k51,000.....k100,000
3. Executive Director: k101, 000..... K1,500,000
4. Board of Trustees : Above k1,500,000

Updated on 01/01/2017

Gizex Gizai