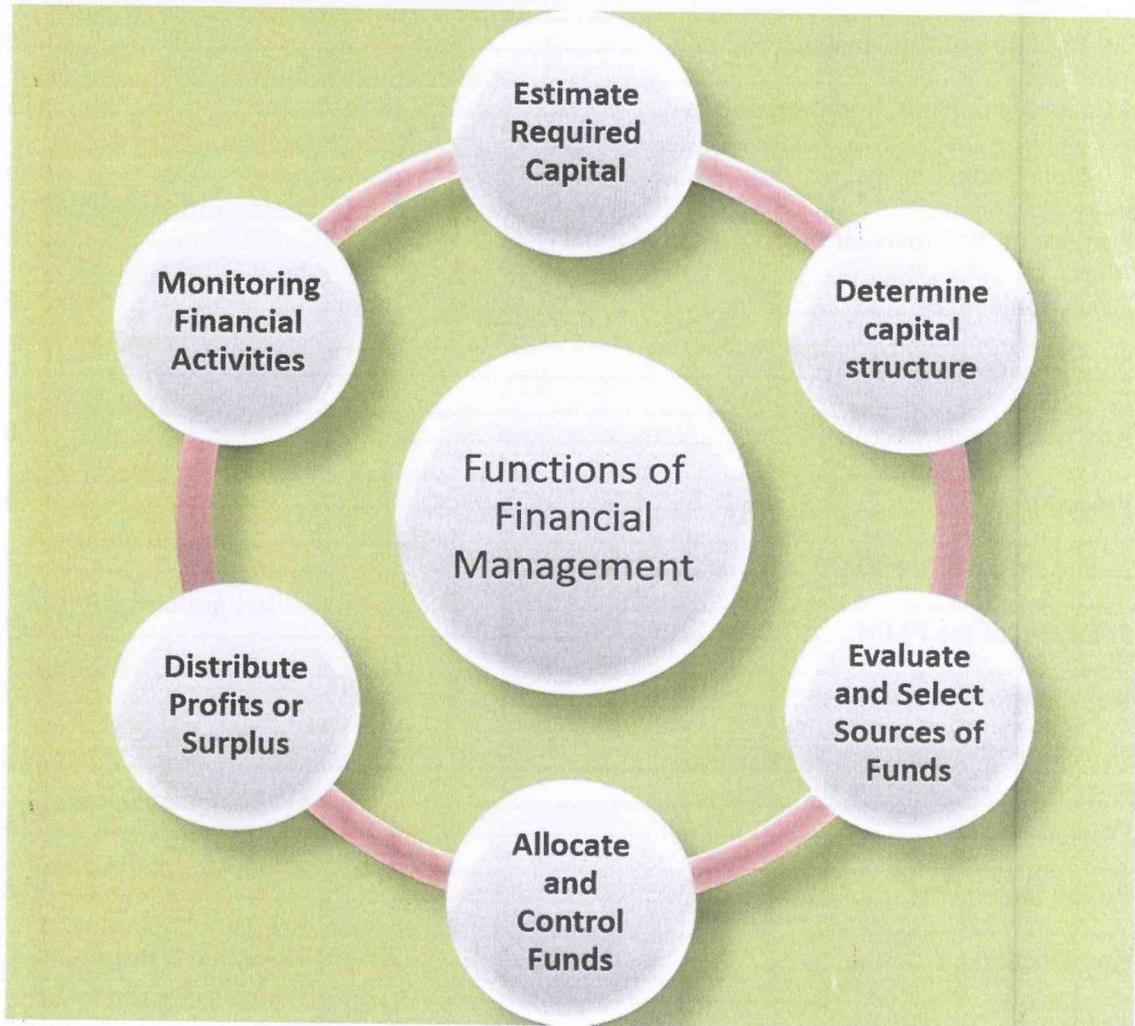




WEST NILE PRIVATE SECTOR DEVELOPMENT PROMOTION CENTRE LTD (WENIPS)

Promoting the Private Sector for Sustainable Development

FINANCIAL MANAGEMENT POLICY



Effective January 1, 2021



WEST NILE PRIVATE SECTOR DEVELOPMENT PROMOTION CENTRE LTD (WENIPS)

Promoting the Private Sector for Sustainable Development

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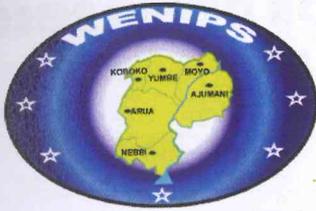
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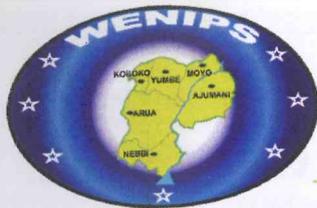
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HOD - Head of Department

HRAM - Human Resource and Administration Manager

CEO - Chief Executive Officer

NSSF - National Social Security Fund

PAYE - Pay As You Earn



WEST NILE PRIVATE SECTOR DEVELOPMENT PROMOTION CENTRE LTD (WENIPS)

Promoting the Private Sector for Sustainable Development

A WORD FROM THE CHAIRMAN BOARD OF DIRECTORS



The overarching aim of this policy is to affirm the Board's commitment to excellence and to communicate to Staff the importance of resource management to effective delivery of our work. The document is intended to be a one-stop resource where WENIPS staff are able to access all the information and guide they need to safeguard company resources.

This document is a great milestone especially as we enter our new Strategic Period 2021 – 2023. Used together with other policies, it will help WENIPS to achieve its vision of *“An empowered, healthy and prosperous communities in Uganda”* and the mission of *“Working with communities to improve livelihood, conserve the environment and promote human rights”*.

I therefore call upon the Finance and Audit Committee of the Board and Management to operationalize this policy in order to modify behavior and streamline operations at WENIPS.

Thank you.

DR. OKWIR ANTHONY

CHAIRPERSON, BOARD OF DIRECTORS

WEST NILE PRIVATE SECTOR DEVELOPMENT PROMOTION CENTER LTD



WEST NILE PRIVATE SECTOR DEVELOPMENT PROMOTION CENTRE LTD (WENIPS)

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A WORD FROM THE CHIEF EXECUTIVE OFFICER



This Financial Management Policy document provides policies and procedures which are an essential part of WENIPS financial management function. This document clarifies the roles, authority, and responsibilities for essential financial management activities and decisions at WENIPS ensuring the Board, management and employees do not operate under a set of assumptions that may or may not be accurate or productive. The policies and procedures contained herein provide a roadmap for day-to-day operations and is critical in that it sets out employer and employee expectations; holds management accountable; ensures compliance with WENIPS Memorandum and Articles of Association, labour laws and regulations of Uganda; guides management in decision-making; and streamlines internal processes and clarifies roles and responsibilities thus ensuring checks and balance without compromising on the need for, and use, of team work; can help to defend employees and lets employee know where to turn for help. Executed effectively, it will provide a basis for good financial management characterised by consistency, timeliness, justification, documentation, and certification.

An effective operationalization of the FMP in tandem with other relevant policies, regulations and laws of Uganda will, ultimately, enable the organization to serve its beneficiaries and clients in a manner that fosters the principles and practice of strategic partnering, service excellence, operational Excellence, and engaged workforce for development effectiveness and impacts.

Finally, I call upon all management staff to ensure they read and internalize the policies for effective application.

For God and my Country!

Onegi P. Jenaro

Chief Executive office/Company Secretary



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1. Background (About WENIPS)

History

WENIPS is a non-government organization operating in West Nile Sub-region of Northern Uganda. The organization was first inaugurated as Nebbi District Private Sector Development Promotion Centre on December 8, 1997 with a mandate to promote private sector led growth and development under the first joint GOU/UNPC Country Cooperation Framework (CCF1: 1997 – 2000). Under GOU/UNPC CCF2 (2001-2004), the organization was reprofiled and registered on April 8, 2004 as a company limited by guarantee without share capital (Registration Number 63373) under section 16(1) of the Companies Act. In compliance with the NGO Act 2016, WENIPS was registered as a national NGO on November 28, 2019 (Registration No. 4204, Permit No. 4555). WENIPS was also registered as Non-Deposit Taking Financial Institution (Registration No. XXX) to operate a money lender business in West Nile under Tier 4 Microfinance Institutions and Money Lending Act, 2016.

In addition, WENIPS is a service provider with International Labour Organization for Start and Improve Your Business (ILO-SIYB), a member of National NGO Forum, National Humanitarian Platform, West Nile Humanitarian Platform, West Nile Development Association, Business Service Providers Network and a member of other local and national networks.

Since its inception in 1997, WENIPS has provided demand-driven business development, microfinance for inclusion, agriculture and agribusiness development, community-based education, humanitarian action, solar (PICO lights) for community lighting, and other services to the communities in West Nile. WENIPS has over the years worked with individuals, MSMEs, groups, cooperatives, etc. in West Nile.

Vision

An empowered, healthy and prosperous communities in Uganda.

Mission

WENIPS works with communities to improve livelihoods, conserve the environment and promote human rights

Core values

Concern for the poor, teamwork, integrity, commitment to excellence, openness and; creativity and innovation.

2.0. Scope

The main coverage of this *Financial Management Manual* includes financial policies and procedures that are: applicable to all the employees and/or agents of WENIPS. Reference is



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made in this FMM, to other related policies and procedures that have already been developed such as the *Procurement Manual* and *Human Resources Policy Manual*. Included in the appendices, where necessary, are formats and templates of the several documents referred to in this FMM which should be used to comply with the policies and procedures herein.

3.0 Structure of the Manual

The FMM has been structured in a manner that eases reference and amendment as and when required. Each section of this manual is stand-alone although amendments to the sections shall be tracked centrally in *A6: Version Control Procedure*. Every main section of the manual has the following structure:

- a) Policy Objectives: - This states the main aim of the policies in that section.
- b) Policy Statements: - This shows the key guiding rules and principles relating to that section.
- c) Key Documents: - These are the main documents that need to be referred to or filled in when carrying out the procedures in that section.
- d) Procedures: - These are the step by step actions taken in fulfilling the requirements of the policy statements.
- e) Key Control Processes: - These are the main controls which, if operating effectively, should give assurance that the policy statements have been complied with.
- f) Responsibility Matrix: - Where necessary, this is included to give a tabular view of the roles and responsibilities of different individuals.

4.0 Application and Interpretation

The financial policies and procedures in this FMM are issued with the authority and approval of the BOD of WENIPS and shall therefore apply to all the employees of WENIPS and shall be interpreted and administered by the Management of WENIPS or their authorized agents. The policies and procedures should reflect effective and efficient internal control and accounting practices, which leave no doubt that WENIPS financial resources are managed adequately in the furtherance of WENIPS's objectives.

The FMM shall also be interpreted in light of WENIPS's *Memorandum and Articles of Association* and in case of conflict; the requirements contained within the *Memorandum and*



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Articles of Association shall supersede the application and interpretation of this FMM. Further, regarding the donor projects, in case of conflict between the policies and procedures in this FMM and the financial management guidelines and regulations of the relevant donors, the latter shall take precedence.

5.0 Non-Compliance

Compliance with the policies and procedures contained in this FMM is mandatory for all WENIPS employees, with effect from the compliance date of the current version of a particular section. Any non-compliance with this FMM shall be dealt with in accordance with the measures laid down in WENIPS's *Human Resources Policy Manual* and other relevant policies in place.

Purpose of the Financial Management Manual (Ref: A5)

Policy Objectives

To ensure that:

- a) The objectives of the FMM are explained adequately to the staff; and
- b) The financial operations of WENIPS are carried out in accordance with policies and procedures approved by the **BOD**.

Policy Statements

- a) All staff of WENIPS shall follow the financial policies and procedures as prescribed in this FMM.

Key Documents

- *WENIPS FMM*

Procedures

1. The objectives of the FMM are:
 - a) To provide both existing and new staff with guidance as to how they are to conduct the financial operations of WENIPS, including but not limited to: recording all financial transactions; monitoring and controlling expenditure; ensuring timely and accurate financial and management reporting; and satisfying statutory requirements;
 - b) To describe the controls which have to be put in place to ensure that the assets and employees of WENIPS are properly safeguarded;



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- c) To ensure that the operational and business processes of WENIPS are adequately described to ensure continuity of operations is possible when personnel responsible for particular tasks are changed or are unavailable for work;
- d) To ensure that the financial policies and procedures of WENIPS are applied consistently in managing WENIPS's resources; and
- e) To provide reference tool for auditors, consultants and other stakeholders who wish to understand and evaluate WENIPS's financial controls.

2. The nature of the FMM:

- a) Given that the operations of WENIPS may continuously change in order to reflect the way it interacts with a changing environment, sections of this FMM will have to be periodically updated in order to ensure that it remains relevant;
- b) It is the responsibility of all **users** to ensure that the policies and procedures in the FMM correctly describe their operations, and ensure that adequate controls are in place;
- c) The relevant staff who have a responsibility to coordinate the updating of existing procedures and adding of new procedures to the FMM have been identified in section "**A6: Version Control Procedure**";
- d) All changes to this FMM shall be carried out in line with the procedures laid out under "**A6: Version Control Procedure**"; and
- e) The FMM shall be a dynamic document and all members of staff and Management of WENIPS who are responsible for its conduct and financial processes shall ensure that the processes are adequately documented in the FMM.

3. Layout of the FMM:

- a) The structure of the FMM is clearly laid out in "**A2: Contents**" and "**A4: Introduction**".

Key Control Processes

1. The **CEO** (Accounting Officer), **Management** and **Staff** of WENIPS shall refer to the FMM when conducting transactions that are likely to have a financial implication on the Company.



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2. The FAM shall recommend reviews, preferably annually, for onward approval by the board to ensure that the procedures remain relevant to the operations of WENIPS.

Task	FAM	CEO	BOD
Overall responsibility to oversee preparation of FMM		X	
Approval of FMM and policy amendments			X
Preparation and recommendation of reviews of FMM	X		

Sample Control Procedure (Ref: A6)

Policy Objectives

To ensure that:

- a) All parties are aware of the policies and procedures that have been issued;
- b) All parties refer to the same version of the documents issued; and
- c) All policies and procedures are updated in a prescribed manner.

Policy Statements

- a) All staff of WENIPS shall follow the policies and procedures as prescribed in the most up to date and approved versions of the FMM.
- b) The FMM shall be reviewed continuously to ensure that it is up to date with prevailing circumstances and necessary amendments effected.

Section A: Distribution

1. The Master copy of the FMM in use should be under the custody of the **FAM**. Other controlled copies shall be issued to the **BOD**, **CEO** and **HODs**.
2. The soft copy of the FMM shall be saved on a central server accessible to all staff as "read only". The **FAM** shall retain the password required to edit any of the sections of the FMM.

Section B: Review and Update of the FMM

3. Amendments to the manual may be identified by any user of the manual who should submit a *written request* through their **HOD** for review and submission to the **FAM**. Amendment of the FMM may be due to any of the following trigger factors:

- a) Omissions of key policies and procedures during preparation;



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b) A change in the working environment and structures of WENIPS requiring addition or deletion of policies and procedures; and

c) Recommendation of consultants and auditors for improvement of controls;

d) Any other adjustments as recommended by the BODs

4. The *written request* should include the following minimum information:

a) The section to be amended;

b) The proposed amendments;

c) The purpose/ reason for the proposed amendment; and

d) The signature of the preparer and reviewer.

5. The CEO should determine whether or not the proposed amendment should be submitted for approval.

6. All proposed **procedural** amendments should then be submitted to *Management* for review. All proposed **policy** amendments should be submitted to the **BOD** for approval.

7. On approval of the amendments, the **FAM** shall update the relevant sections of the FMM, the *Summary of FMM Changes (Appendix 1)* and "*A6: Version Control Procedure*".

8. The **FAM** shall distribute the new approved sections to the appropriate people (see distribution list above) and retain the Master Copy of the same. The **FAM** shall also retrieve the old versions of the **FMM** from individuals holding them.

Key Control Processes

1. This document or specific section shall be updated and re-issued when any policy and procedure is introduced or amended.

2. Every user shall refer to this document to ensure that they are using the most recent version of the FMM. To identify the specific changes in each section, users shall refer to the *Summary of FMM Changes*.

Responsibility Matrix

Task	User	FAM	CEO	BOD
Control over document issue		X		



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Identifying proposed amendments of FMM	X			
Preparation of proposed amendment of FMM		X		
Review of FMM procedural amendments			X	
Approval of FMM and policy amendments				X

Financial Management Roles and Responsibilities (Ref: B1)

Policy Objectives

To ensure that:

1. The roles and responsibilities of the key personnel with regard to financial management are explained adequately; and
2. The activities in the finance department at WENIPS are carried out in accordance with the outlined roles and responsibilities.

Policy Statements

- a) All WENIPS staff shall carry out financial operations according to their roles and responsibilities.

Key Documents

- WENIPS FMM
- Job descriptions

Financial Roles and Responsibilities

1. Board of Directors

The **BOD** is the forum for approval of: all WENIPS's financial policies; consolidated annual master budgets; significant capital expenditure; and audited financial statements. The **BOD** has ultimate legal responsibility over WENIPS's finances and may delegate the authority to the **CEO** for execution.

2. Chief Executive Officer

As the Chief Accounting Officer of WENIPS, the **CEO** is responsible for the overall financial management of WENIPS. The **CEO** should organise and supervise the preparation of Company planning documents and periodical management reports. The **CEO** is also a signatory to WENIPS bank accounts and is responsible for approving expenditure. The **CEO**



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is also responsible for proper and accurate maintenance of accounting records and books of account. He/she reports to the **BOD**.

3. Director Finance and Administration

The **FAM** is the head of the finance and administration department of WENIPS and is responsible for the establishment of sound internal control procedures for financial management and control. The **FAM** shall support the **CEO** in maintaining accurate, reliable books of account and providing accurate and timely reports to stakeholders. The **FAM** shall ensure a sound cash flow position to enable the Company meet its legal and operational obligations. The **FAM** shall liaise with internal and external auditors, financial consultants and tax authorities on behalf of WENIPS. The **FAM** shall be assisted by the **FM**, **Accountants**, and **Accounts Assistants** of WENIPS.

4. Heads of Department

HODs are responsible for the preparation and monitoring of departmental budgets. They shall authorise payment requisitions from their departments and review accountabilities submitted by staff in their departments.

5. All employees (their roles and responsibilities)

Key Control Processes

1. The **CEO** and all staff of WENIPS shall continuously refer to the FMM when conducting their financial management roles for WENIPS; and
2. The **CEO** and all staff of WENIPS shall refer to the *job descriptions* and responsibilities as outlined in their contracts and appointment letters.

Accounting Policies (Ref: B2)

Policy Objectives

To ensure that:

- a) WENIPS's *Accounting Policies* are approved by the **BOD** and are in line with the requirements of donors, International Financial Reporting Standards (IFRS) and applicable laws and regulations; and
- b) Staff are aware of the policies that are applicable to the preparation of financial statements for WENIPS;



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Policy Statements

- a) The *Accounting Policies* of WENIPS shall be applied consistently throughout the year; and;
- b) The *Accounting Policies* of WENIPS shall be approved by the **BOD**.

Key Documents

- Annual and Periodic Financial Statements
- International Financial Reporting Standards
- Financial Guidelines from Donors
- Companies Act (Cap 110) Laws of Uganda

Procedures

Key Accounting Policies

1. Accounting Concepts and Conventions

WENIPS will observe accounting concepts and conventions that are aimed at preparation and presentation of *Financial Statements* that give a “*true and fair view*” of the business activities of the Company. For WENIPS’s *Financial statements* to be regarded as useful to the users they shall, as a minimum, be: understandable; relevant; comparable; reliable; and objective. Further, the following accounting concepts and conventions shall be adopted and applied consistently throughout the year in preparation and presentation of WENIPS’s *Financial Statements*:

- a) **Historical cost:** - Assets shall be recorded in the books of account at the price at which they were initially acquired and not necessarily their “value” in subsequent periods;
- b) **Monetary concept:** - Only transactions and events that can be quantified in monetary terms shall be recorded in the books of account;
- c) **Separate entity:** - Private transactions relating to the staff and members of WENIPS shall be separated from the transactions that relate to WENIPS;
- d) **Materiality:** - Given that preparation of books of account may involve a high degree of judgement, a transaction shall be considered to be of material importance if its omission or



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misstatement would have a significant impact on a decision made by the user of the *Financial Statements*. All material transactions shall therefore be reflected in the *Financial Statements*;

e) **Realization:** - Transactions shall be recognised in the books of account at the point of transfer of services and products- rather than just when cash actually changes hands;

f) **Accruals/Matching:-** Transactions shall be recorded in the accounting period when they occur;

g) **Going concern:** - Unless there is evidence to the contrary, transactions and events shall be recorded in the books of account with the assumption that WENIPS shall continue in business for the foreseeable future (one accounting year).

h) **Double entry:** - Every transaction shall be recorded as a “debit” with an equivalent corresponding “credit”.

i) **Consistency:** - WENIPS will use the same *Accounting Policies* and treat similar transactions in the same way from year to year. Any changes to the accounting policies shall be disclosed in the *Financial Statements* and the impact of the change.

j) **Prudence/Conservatism:** - WENIPS will provide for all foreseeable expenditure or obligations in the *Financial Statements* and only recognise revenue that will be earned with reasonable certainty or on receipt.

k) **Disclosure:** - Disclosure shall be full and fair. All information that is relevant for users of *Financial Statements* to take prudent decisions should be disclosed in the *Financial Statements*.

2. General

The *Financial Statements* should be prepared in accordance with, and comply with IFRS and respective donor requirements.

3. Reporting Currency

The reporting currency is the Uganda Shillings (UGX)

4. Accounting Period



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The reporting year for the preparation of WENIPS's Financial Statements runs from 1st January to 31st December of the same calendar year.

5. Revenue Recognition

Program revenue represents amounts received from donors for implementation of WENIPS programs. Other revenue may include income earned from: bank interest; disposal of fixed assets; discounts received; investments among others. All revenues shall be recognised on an accrual basis to include both income received and receivable. Sales revenue represents the net invoice value of goods and services offered by WENIPS.

6. Expenditure Recognition

Expenditure comprises of costs incurred directly for the activities of WENIPS and should be recognised on an accrual basis. Only expenses that are budgeted for and adequately supported shall be recognised in the Financial Statements.

7. Working Advances

Advances to staff of WENIPS to carry out various WENIPS activities shall be recorded in the books of accounts as claims on the respective staff until adequate and appropriate accountability has been submitted and accepted as complete.

8. Foreign Currency Transactions

Transactions denominated in foreign currencies are translated at the exchange rate ruling on the date of transfer of funds; gains/(losses) resulting from these transactions shall be recognised in the income and expenditure account. Monetary assets and liabilities denominated in foreign currency at the year end are translated at the closing rate with the resulting unrealised exchange gains/(losses) dealt with through the income and expenditure account.

9. Capital Expenditure

Fixed assets shall be recorded in the Financial Statements at cost adjusted for depreciation. The cost of an asset shall include the purchase price and all directly attributable costs incurred in bringing the asset to the present location. Depreciation shall be charged annually on a straight-line basis. For assets purchased during the year, depreciation rates shall be



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applied pro rata. The following rates shall be applied to the different categories of fixed assets:

- *Furniture and Fittings*- 12.5%
- *Motor Vehicles*- 20%
- *Office Equipment*- 20%
- *Computer and accessories* - 33.3%
- *Buildings*- 5%

10. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents shall comprise cash in hand, deposits held at call with banks.

11. Incomes receivables

Incomes receivables shall be carried at original historical cost less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end.

14. Bad and Doubtful debts

Bad debts shall be written off, on approval of the **BOD**, when all reasonable steps to recover such debts have been taken without success. Specific provision for bad debts is made for any debts that appear irrecoverable. Recovery of debts should be assessed on an individual debtor basis.

16. Conflict between FMM and IFRS

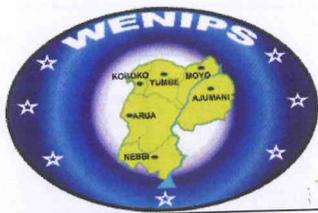
In case of a conflict between the above policies and IFRS, IFRS will take precedence.

Key Control Processes

1. An annual review of the financial and accounting policies of WENIPS will be conducted by the **FAM** and approved by the **BOD**.

Responsibility Matrix

Task	FAM	CEO	BOD
------	-----	-----	-----



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Preparing FMM for review	X		
Review of accounting policies		X	
Approval of amended accounting policies			X

Authority Levels (Ref: B3)

Policy Objectives

To ensure that *Authority Levels*:

- a) Exist in all working areas of WENIPS;
- b) Are adhered to by all employees; and
- c) Are reviewed and updated on a regular basis.

Policy Statements

- a) For purposes of this FMM, authorization refers to the signing of a document to signify approval to commit the organisation. The signature verifies that the signatory has reviewed the document and is in agreement with the contents. Under no circumstance shall a WENIPS staff give verbal authorization until ratified in writing.
- b) No person shall authorise a transaction or an event on behalf of WENIPS for which he/she has no authority or delegation of authority.
- c) If a signatory is uncertain in a material part of a transaction or an event, the person shall seek and obtain adequate and proper explanation before signing off.
- d) Delegation of authority at all levels in WENIPS shall be conducted in writing with a copy to the immediate supervisor of the person delegating the authority.
- e) Splitting of expenditures for purposes of lowering *Authority Levels* of which the total value would otherwise exceed the authority limit of the staff is strictly prohibited and is a matter of gross misconduct.
- f) In order to avoid conflict of interest, with the exception of salaries, a signatory should never authorise the payment of items in respect of which he/she is the beneficiary, for example personal expense claims, personal allowances, periodic salary increments, bonus payments.



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g) Where there is a potential conflict of interest in a transaction, the person should declare it and decline participation in the decision making process regarding that particular transaction.

Procedures

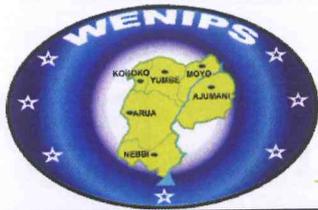
1. The *Authority Levels* shall be reviewed at least annually.
2. From time to time, the *CEO* shall determine the appropriate *Authority Levels*, after consultation with the *Management Team*.
3. The *BOD* shall confirm that the *Authority Levels*, proposed by the *Management Team* are reasonable in relation to:
 - a) The current financial position of WENIPS;
 - b) Existing budgets;
 - c) Prior experience regarding transaction flows;
 - d) The level of risk WENIPS exposed to;
 - e) The organizational structure and segregation of duties; and
 - f) Future prospects of WENIPS.
4. The *BOD* shall authorise the new *Authority Levels* and communicate them to all staff through the *CEO*.

B3-1: WENIPS Approvals Framework

Key:

A:	Final approval
B:	Must agree/ Approve
C:	Must be consulted (before)
D:	Must be informed (after)
E:	Originates

Transaction/ Event	BOD	CEO	Mgt	FAM	PCF	PC	DSMC	HOD	HR/AM	Proc. Mgr	Prog Mgr
Grant Agreements											
Grant agreements with Donors	A	B		C		E	E				
Sub-grant agreements		A		B		C	C				E
Planning											



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Annual Work Plans and Budgets	A	B	B	E				E			E
Strategic Plans	A	B/E	B	E		E		E			E
Asset transfers within WENIPS		A		B				C			
Asset Scraping/Disposals											
Assets up to UGX 18M	D	A	B	C				E		D	
Assets > UGX 18M	A	B	B	C				E		D	
Consultant Contracting	D	A	B	B				E		C	
Borrowings	A	B	B	E							
Capital Expenditure											
Budgeted capital expenditure											
< = UGX18M	D	A	B	E				E			
> UGX 18M	A	B	B	E				E			C
Unbudgeted capital expenditure											
< = UGX18M	D	A	B	E				E			
> UGX 18M	A	B	B	E				E			
Financial Reporting											
Sub-grantee financial reports				A		B					
Management financial reports	D	B	D	E				D	D	D	D
WENIPS Audited financial reports	A	B		E				D	D	D	D
Insurance		A	B	C					E		
Litigation	A	B/E	B	C/E				C/E			
Purchase tenders											
Purchase orders < OR = UGX 18 M		A		B				B		C	
Personnel											
Staff appointment & termination		A		C/D				C/D			
Management appointment & termination	A	E, B									
Overall annual salary increments	A	B		C				C	C		
Staff loans		A	B	B							
Expense Claims											
FAM		A		E							
HODs		A		B				E			
CEO	A	E									



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Accounting Records (Ref: B5)

Policy Objectives

To ensure that:

- a) WENIPS maintains all the *Accounting Records* required to satisfy donor and legal regulations as well as management information needs; and
- b) Official *Accounting Records* of WENIPS are monitored and controlled and only used for their intended purpose in carrying out WENIPS activities.

Policy Statements

- a) *Accounting Records* used by WENIPS shall be retained for a minimum of 7 years in order to satisfy legal requirements.
- b) All unused *Accounting Records* shall be kept in safe custody and only accessed by the authorized personnel during implementation of WENIPS activities.

Key Documents

- Documents described in this section

Procedures

The following *Accounting Records* shall be maintained by WENIPS and shall all possess WENIPS Logo.

1. Receipts

A *Receipt* shall be raised whenever WENIPS receives money whether by cash, Cheque or electronic funds transfer. A *Receipt* shall have the following features:

- a) Pre-printed sequential number
- b) Date of raising receipt
- c) Name of payer
- d) Reasons for receipt
- e) Amount received in words
- f) Amount received in figures
- g) Signature of recipient



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h) Cheque number and respective bank account

2. Cheque Payment Voucher (CPV)

The CPV shall be used for all Cheque payments and EFTs made by WENIPS (serially numbered electronic payment vouchers) . The form shall have the following details.

- a) Pre-printed sequential number
- b) Date of raising the CPV
- c) Purpose of the payment
- d) Amount paid in words
- e) Amount paid in figures
- f) Currency of the payment
- g) Cheque number
- h) Name of payee
- i) Budget code
- j) Signatures of the preparer, reviewer, and approver
- k) Signature of the payee

3. Petty Cash Voucher (PCV)

The PCV form shall be used for all petty payments. This form shall have the following details:

- a) Sequential pre-printed number
- b) Date of raising PCV
- c) Purpose of payment
- d) Amount paid in words
- e) Amount paid in figures
- f) Currency of the payment
- g) Name of payee



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- h) Budget code
- i) Signatures of the preparer, budget holder, reviewer, and approver
- j) Signature of the payee

4. Cash Count Certificate (CCC)

The CCC form shall be used for all periodical cash counts carried out by WENIPS. This form shall have the following details:

- a) Date of the count
- b) The currencies in the different denominations
- c) The amount counted and the amount per the records
- d) Reconciling items if any and explanations
- e) The amount in figures and words
- f) The preparer, reviewer and approver and their corresponding signatories

5. Cheque Delivery Book (CDB)

The CDB shall be used when delivering Cheques to payees. It shall contain following details:

- a) Date of delivery
- b) The Payee
- c) The Cheque number
- d) The amount
- e) The deliverer and signature
- f) The recipient and signature

6. Asset Transfer Form (ATF)

For assets physically moved from one department and/or location to another, the ATF shall be used. It shall be filled and signed by the transferring and receiving Manager/HOD. A copy shall be maintained at the receiving department, another at the transferring department and the final one sent to the FAM to authorise appropriate adjustments in the *Fixed Asset Register*.



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The ATF will contain the following details:

- a) Name of the transferring department
- b) Name of the receiving department
- c) Asset name including the identifier number
- d) Serial number of the asset
- e) Terms of transfer (permanent or temporary transfer)
- f) Signature of receiving staff
- g) Signature of transferring staff
- h) Approving signature of Administration Manager and Director Finance and Administration.

7. Fixed Asset Register (FAR)

A FAR shall be maintained for all the company's fixed assets. The register shall have the following details:

- a) Date of purchase
- b) Description
- c) Cost
- d) Location
- e) Asset number/serial number
- f) Depreciation
- g) Net book value
- h) Insurance Status
- i) Condition
- j) Comments

8. Stock Cards (SC)

A Stock Card shall be maintained for each stock item. The SC shall record the following details for each stock item;



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- a) Name of the stock item
- b) Stock code number
- c) Date of transaction
- d) Description
- e) Opening balance
- f) Quantity received
- g) Quantity issued
- h) Running balance
- i) Reference number
- j) Signature of issuer and recipient

9. Store Requisition Form (SRF)

The SRF shall be completed when an item is required from the stores for consumable items.

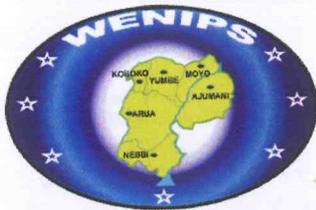
The SRF shall record the following details;

- a) Date of requisition
- b) Name of applicant
- c) Quantities and units of items required
- d) Description of items required.
- e) Specifications of items required
- f) Authorizing signature
- g) Signature of staff issuing
- h) Signature of recipient.

10. Delivery Notes (DN)

The DN shall be raised as the support document for issue of products to customers. The DN shall contain the following:

- a) Date of delivery



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- b) Customer name
- c) Name and signature of deliverer
- d) Name and signature of recipient
- e) Quantities, units and description of items

11. Goods Received Notes (GRN)

The GRN shall be prepared when goods are received. The GRN shall record the following details:

- a) Date of receipt
- b) Order reference
- c) Description of the goods received
- d) Supplier name
- e) Quantity received
- f) Condition of the goods received
- g) Name and signature of the recipient
- h) Stock code number

12. Local Purchase Order (LPO)

The LPO shall be prepared and issued on placing an order for goods and services. The LPO shall record the following details:

- a) Date of preparation
- b) Address of supplier
- c) Description and specification of items required
- d) Unit price
- e) Quantity required
- f) Delivery date
- g) Currency



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- h) Total amount
- i) Terms of payment
- j) Preparer, reviewer and approver and their corresponding signatures.

13. Consultant Fees Support Form (CFSF)

The CFSF shall be completed by the consultant on completion of work. This form is a claim for services provided by the consultant. It shall be used by consultants that do not issue invoices. It shall record the following information:

- a) Name of Consultant
- b) Address
- c) The date(s) of service
- d) The number of days for preparation, report writing and field work
- e) Description of the services rendered
- f) Signature of Consultant
- g) Approval to confirm that services have been provided
- h) Authorization for payment.

14. Purchase/Payment Requisition Form (PRF)

The PRF shall be completed to request approval for goods or services to be procured. The PRF shall record the following details.

- a) Description of the goods or services
- b) Date
- c) Unit price, quantity and estimated cost
- d) Budget code
- e) Requisition approval
- f) Approval signatories (Budget holder, FAM, CEO)



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15. Advance Request Form (ARF)

The ARF shall be completed to seek approval for taking a working advance. The ARF shall record the following details:

- a) Name of person taking the advance
- b) Date
- c) Purpose of the advance
- d) Mode of transport
- e) Costs expected to be incurred
- f) Itinerary
- g) Signature of approval

16. Advance Accountability Form (AAF)

The AAF shall be used for accounting for funds advanced. The AAF shall have the following details:

- a) Date of accountability
- b) Name of person accounting for the funds
- c) Purpose for which the funds were advanced
- d) Descriptions and amounts for the expenses incurred
- e) Amounts due to WENIPS or the staff accounting
- f) Budget code
- g) Approval for receipt of the funds not used.

*** OTHERS IN USE*****

Key Control Processes

1. The *FAM* or his/her designate shall have overall responsibility over availability, maintenance and custody of all WENIPS *Accounting Records*;
2. Control documents shall be maintained to monitor and control the printing, issue and retrieval of *Accounting Documents* in use.



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Accounting system (Ref: B6)

Policy Objectives

To ensure:

- a) WENIPS captures financial data accurately in order to provide reliable information for decision making;
- b) Availability of WENIPS financial information as and when required;
- c) Safety and security of WENIPS financial information;
- d) Smooth and effective change over whenever the need arises to change or introduce a new *Accounting System*.

Policy Statements

- a) All WENIPS financial transaction shall be processed and recorded in the Accounting System in use at the time.

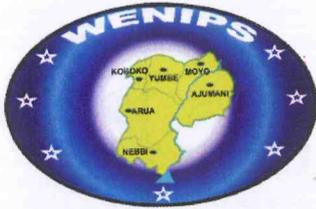
Key Documents

- *Chart of Accounts*
- *Procurement Manual*
- *Project Plan, strategic plan, Business Plan, workplan and Budget*

Procedures

Section A: User rights

1. Based on the financial management roles of staff and on the tenet of segregation of duties, the *FAM* shall assign to various *WENIPS staff*: data entry rights; authorization rights and viewing rights in the Accounting System.
2. The *FAM/FM* may change the user rights in the Accounting System where authority has been temporarily delegated to another staff member or where there have been changes in financial management roles.
3. Where a *WENIPS staff* member with rights in the Accounting System leaves the organisation, the *FAM* shall rescind all the rights they have to the Accounting System.



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Section B: Passwords

4. Every *WENIPS staff* member with a financial management role to play in the Accounting System shall have a password and the Accounting System should be set up to require a password for access.

5. Passwords to the Accounting System should be fairly complex but memorable to the owner, preferably with a mixture of numbers, letters and characters.

6. Passwords to the Accounting System should never be shared with workmates or written on a place that is accessible to other people. They should be memorized.

7. Passwords should be changed regularly, at least every two months. In case one becomes aware that their password has been accidentally accessed by another person, they should change it immediately since any entries in the Accounting System using one's username and password will make them liable for the information entered.

Section C: Back-Ups

8. The information in the Accounting System shall be backed up on a daily basis onsite on the server and weekly back-ups should be kept offsite with the *ICT Section*.

9. After the weekly back-up, restoration tests shall be done to check that the data is retrievable.

Section D: Changing Accounting Systems

10. Changes in the financial management reporting needs or changes in the operations of WENIPS may necessitate a change in Accounting Systems. The following steps shall be followed in such cases:

a) The *FAM* shall appoint a *Project Manager* within the finance department who will develop a *Project Plan* and lead the change management team;

b) The team shall identify and document the justification for a change or upgrade in Accounting System ensuring that the cost (including opportunity cost) of retaining the current system outweighs the cost of procuring a new one. The justification shall be presented to the *FAM* for review and to the *CEO* for approval before continuing with the project;

c) The team will identify requirements of an ideal Accounting System from both current and potential users in the organisation including those in other departments;



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- d) Vender selection shall be carried out following guidelines set out in the *Procurement Manual*. Major aspects to consider may include: the cost of new or upgraded system; available support; compatibility with existing systems; flexibility for customization; and testimonies from other organisations currently using the proposed Accounting System;
- e) Users should be prepared for the transition given that there is a likelihood of disruptions and resistance during the change over from one Accounting System to another;
- f) Users should be trained in the use of the new Accounting System and given support to ensure that they acclimatize to the new Accounting System;
- g) Both the old and new Accounting System should be run parallel to each other for some months to ensure that there is no loss of information or that if the new system fails, there is continuity.

Key Control Processes

1. The *FAM* shall assign rights to different users depending on their financial management roles and they each shall have a confidential password for accessing the Accounting System;
2. Information in the Accounting System shall be backed up daily and weekly to ensure continuity in case of loss of information;
3. *FAM* shall appoint a Project Manager to ensure that the entire management of a change over from one Accounting System to another is done smoothly, efficiently and effectively.

Responsibility Matrix

TASK	BOD	CEO	FAM	ICT Mgr	Proj Mgr	Staff
Assigning rights to WENIPS staff in Accounting System			x			
Proper maintenance of Accounting System passwords						x
Custodian of off-site back-up				x		
Appointment of Project Manager for Accounting System change		x				
Coordinating Accounting System change					x	
Approval of justification for Accounting System change		x				
Approval for adoption of a new accounting system	x					



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Planning and Budgeting (Ref: B7)

Policy Objectives

To ensure:

- a) Development of realistic financial plans to facilitate the allocation of resources according to WENIPS's priorities;
- b) Budgetary control and discipline in the management of all funds of WENIPS;
- c) Goal congruence across the departments of WENIPS;
- d) Timely and accurate preparation of work plans and budgets;
- e) Regular monitoring of budget performance; and
- f) Timely preparation of budget information and monitoring reports.

Policy Statements

- a) *Departmental budgets* shall be prepared and submitted in accordance with WENIPS's budget timetable;
- b) WENIPS's *Annual Master Budget* shall be approved and authorized by the **BOD** before implementation; and
- c) *Budget performance reports* shall be prepared and submitted on time to enhance timely decision making.

Key Documents

- *WENIPS Strategic Plan*
- *Budgeting Guidelines of Funding Partners*
- *Annual Master Budget*
- *Departmental Budget*
- *Budget Preparation Guidelines*
- *Chart of Accounts*
- *Annual work plans*
- *Budget performance reports*



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Procedures

Section A: Factors to consider while budgeting

1. Budgets shall be prepared based on the planned activities for the year that should be aligned to the overall objectives of WENIPS as documented in the Strategic Plan;
2. To enhance budget monitoring and control, the budgets shall be prepared and mapped to the *Chart of Accounts*;
3. Actual amounts in the previous year's budget may be considered for transactions not expected to change significantly;
4. Economic factors such as expected inflation rates, tax rates, foreign exchange rates, interest rates, should be considered in as far as they are expected to affect the operations of WENIPS; and
5. During the preparation of the *Annual Budget*, the capital expenditure budgets shall be separated from the operational expenditure budgets.

Section B: Budget Preparation Process

6. To commence the budget process, the *CEO* shall obtain key information such as budget ceilings, to be considered in the *Annual Budget* and forward this to the *FAM*;
7. The *FAM* shall then prepare and circulate *Budget Preparation Guidelines* to the various *HODs* at least 2 months before the start of the next financial year (1st week of August);
8. The *HODs*, along with staff in their respective departments, shall prepare their *Departmental Budgets* based on the annual departmental goals, strategies and work plans. The *Departmental Budgets* shall clearly state the justification and key assumptions considered during preparation. The *HODs* shall submit their respective *Departmental Budgets* to the *FAM* by the end of the 2nd week of August;
9. During the 3rd week of August, a Budget and Work Plan workshop shall be held with the *CEO*, *HODs* and *Middle Level managers*. The purpose of this workshop shall be to ensure that the *Departmental Budgets*:
 - a) Are prepared in accordance with the set parameters and work plans;
 - b) Capture all the priority expenses in accordance with the planned activities and potentially available resources;



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- c) Are clear and justifiable;
- d) Do not exceed the available resources; and
- e) Are consistent with the factors in *Section A* above

10. By the end of the 3rd week of August, based on the output from the workshop, the **HODs** shall amend their *Departmental Budgets* and forward them to the **FAM** for consolidation.

11. The **FAM** shall then consolidate the *Departmental Budgets and Work Plan*, other *Operational and Capital Expenditure* budgets into the *Master Budget* and submit to the **CEO** for review by the end of 4th week of August.

12. The **CEO** will then submit the *Master Budget & Work plan* to the **BOD** for final approval during the 1st week of September.

13. The *Master Budget & Work Plan* approved by the **BOD** shall be submitted to the relevant Funding Partners by the end of the 1st week of September.

14. The *Master Budget* shall be entered in the *Accounting System* by the **FAM** or his/her designate.

15. The **CEO** shall communicate the approved *Master Budget & Work Plan* to the WENIPS staff during the 2nd week of September for implementation.

16. The above processes and timelines may not apply in the case of donors.

Section C: Budget Revisions

16. Subject to guidelines from Funding Partners, where applicable, the **Budget Holders (HODs)** may propose to the CEO approval for reallocations of funds within the core activities in their *Departmental Budgets* for amounts up to 10% of the entire activity budget. Approval of the **BOD** shall be required to reallocate amounts above these limits.

17. Any major expenditure, not previously budgeted for, shall only be included in the budget during the mid-year budget review meeting;

18. On a half year basis (in June), a budgetary review meeting shall be held by **Management** and any major budget revision proposals made before submission to the **BOD** for approval.



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The review will be based on whether there are significant justifiable changes in the assumptions made during budget preparation.

19. On approval by the **BOD**, the revised budget shall be communicated to the **HODs** by the **FAM/CEO** and shall take immediate effect.

20. The **FAM** or his/her designate will then update the Accounting System with the amended *Master Budget*.

Section D: Budget Monitoring and Reporting

21. Budget Monitoring shall be done at two stages i.e. Pre and Post spending Budget Monitoring. *Pre-spending budget monitoring* shall be done for every single transaction before it is approved and it shall involve checking to ensure that the funds are still available on that budget line. *Post-spending budget monitoring* shall be done on a quarterly basis for a series of transactions over a given period of time,.

22. By the 5th day of the month subsequent to the quarter end, the **FM** shall generate *Budget Performance Reports* for each department showing: the budget, actual and variance amounts for the period; and the cumulative budget, actual and variance amounts.

23. The *Accounting staff* shall submit the *Budget Performance Reports* to the **FAM** for budget monitoring and evaluation who will then submit to the **HODs**. In case of any errors, the **HODs** will communicate to the **FM** for correction;

24. The **HODs** will hold departmental meetings to discuss the reports with their staff. Explanations for the performance shall be obtained and key action points suggested;

25. **Management**, in their monthly meetings after the end of each quarter, will then discuss the reports as well as the suggested action points to correct any budget variances. The **HODs** will have the responsibility of sharing the final agreed actions with the staff in their respective departments.

Section D: Budget Timetable

The following Budget Timetable shall be followed by WENIPS: Date	Activity	Responsible
1st week August	CEO to obtain and communicate to FAM the departmental budget ceilings	CEO
1st week August	FAM to issue <i>Budget Preparation Guidelines</i> to HODs	FAM
2nd week August	HODs submit <i>Departmental Budgets</i> to FAM	HODs



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3rd week August	Budget and Work Plan Workshop held	CEO
3rd week August	HODs submit revised budgets to FAM	FAM
4th week August	FAM consolidates budgets and submits to CEO	FAM
1st week	Submission of the <i>Master Budget</i> to BOD for approval	CEO
September		
1st week September	Submission of the <i>Master Budget</i> to Funding Partners	CEO
2nd week September	Entry of <i>Master Budget</i> in Accounting System	FAM
2nd week September	Communication of approved budget to staff	CEO

Key Control Processes

1. Every **HOD** shall have the responsibility of ensuring that their *Departmental budget* is prepared and submitted in time for inclusion in WENIPS's *Annual Master Budget*;
2. The **FAM** shall ensure that the **FM** prepares and circulates the *Budget Performance Reports* to all **HODs** and the **CEO**;
3. The *Annual Master Budget* and subsequent mid-year amendments shall be approved by the **BOD** and no expenditure may be made before budget approval;

Responsibility Matrix

Task	BOD	CEO	HOD	FAM	Mgt	FM
Communication of Budget Ceilings		X				
Preparation of Budget Preparation Guidelines				X		
Preparation of Departmental Budgets /Work Plans			X			
Preparation of Master Budget / Work plan				X		
Review of Master Budget		X				
Approval of Master Budget and revised Budget	X					
Communication of Approved Master budget to staff		X				
Approval of 10% budget line reallocation		X				
Preparation of Budget Performance Reports						X
Review of Budget Performance Reports			X		X	
Circulation of Budget monitoring reports				X		
Approval of >10% budget line reallocation	X					

Revenue (Ref: B8)

Policy Objectives

To ensure that:

- a) All revenue is recognized at the amount received or receivable as a consequence of a transaction between WENIPS and a third party;



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- b) Revenue recognized is recorded accurately in WENIPS's books of account; and
- c) There is timely recognition of revenues from various sources.

Policy Statements

- a) Revenue shall be recognised when it is realised or realisable with certainty
- b) Credit Sales shall only be made to authorized clients.

Key Documents

- *Sales Invoice*
- *Sales Order*
- *Credit Note*
- *Bank Statements*

Procedures

Section A: Revenue streams

WENIPS has various revenue streams including some of the following:

- a) Membership fees. Include fees paid by members in accordance with Memorandum and Articles of Association
- b) Community contributions to projects. This is subject to MOUs with partners.
- b) Donor/Partner Income:- This includes income received from various donors to accomplish key programme objectives as agreed upon with the donors;
- c) Sales Income: This includes income earned from selling WENIPS products
- e) Other Income: - This includes all other income not highlighted above and may include interest income, income from disposal of fixed assets, consultancies etc.

Section B: Donor Income recognition

1. The financial terms in the signed agreements between WENIPS and the donors shall be followed regarding the income expected to be received from the donors. This income shall be realised in the books of WENIPS once received or when the activity is done, in the case of donor activities implemented before remittances of funds to that effect.



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2. Procedures in “B16: Receipts Management” shall be followed once the income has been received by WENIPS.

Section C: Sales Order Processing

3. Customers that need to purchase goods from WENIPS shall fill in *Sales Order* forms and either fax, email, hand deliver or pass them on to WENIPS *Sales Team* to deliver to WENIPS.

4. For cash customers:

- a) The *Sales Order* shall be passed on to the *Accountant* to prepare a *Sales Invoice* which shall be approved by the *BDM*;
- b) The *Sales Invoice* shall be passed on to the client for payment and procedures under “B16: Receipts Management” shall be followed once payment is received from the customer; and
- c) Procedures under “B17: Inventory Management” to issue the inventory to the customer.

5. For credit customers:

- a) Procedures under “B9: Debtor Management” shall be followed to ensure that credit is only issued to clients that qualify;
- b) The *BDM* shall authorise *Sales Orders* below UGX10,000,000, while the *FAM* shall authorise *Sales Orders* below UGX 20,000,000 and CEO, below 50,000,000 and above 50,000,000 by the BOD.
- c) On approval of the *Sales Order*, it shall be passed on to the *Accountant* to prepare a *Sales Invoice* which shall be approved by the *BDM*.
- d) Procedures under “B17: Inventory Management” to issue the inventory to the customer shall be followed.

Section D: Credit Notes

7. A *Credit Note* shall be raised in case the customer has been over-invoiced, either in error or due to WENIPS delivery of less acceptable products than indicated on the *Sales Invoice*.

8. On receipt of the client communication regarding the shortfall, the *Accountant* will raise the *Credit Note* in the Accounting System in duplicate; attach the *Sales Invoice* in question as



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well as a memo explaining the need for the *Credit Note* and forward these to the *BDM* for approval.

9. On approval, the *Accountant* shall send the original copy to the client and file one copy.

10. At the end of each month, the *FM* shall review the *Sales Invoices* and *Credit Notes* raised during the month to ensure that they were accurately recorded in the Accounting System.

Section E: Other Income recognition

11. Regarding interest income, at the end of each month, during the process of bank reconciliation statement preparation, the bank interest income shall be recognised with the *bank statement* as evidence.

12. Any other income shall be recognised on receipt or when there is certainty of receipt.

Key Control Processes

1. All credit sales shall be authorized either by *BDM*, *FAM*, *CEO* or *BOD* depending on the amount.

2. No *Sales Invoice* or *Credit Note* shall be dispatched to the client without approval.

3. The *FM* shall on a monthly basis review the *Sales Invoices* and *Credit Notes* raised during the month to ensure that they are accurately recorded.

4. Sequential numbering on the *Sales Invoices* and *Credit Notes* shall be maintained as a key tool in monitoring the completeness of income recorded.

Responsibility Matrix

Task	BOD	CEO	FAM	BDM	FM	Acct
Preparation of <i>Sales Invoice</i> and <i>Credit Note</i>						x
Approval of <i>Sales Invoice</i> and <i>Credit Note</i>				X		
Authorization of credit <i>Sales Orders</i>	x	x	x	x		
Monthly review of <i>Credit Notes</i> and <i>Sales Invoices</i>					x	

Creditor Management (Ref: B10)

Policy Objectives

a) For effective working capital management, to maximize the time from when WENIPS receives products and services from suppliers to when they are paid, without damaging the supplier relationship;



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- b) To ensure that WENIPS maintains an average creditor repayment period that is greater than the average debtor collection period; and
- c) To ensure that all creditors are correctly identified, recorded and paid on a timely basis.

Policy Statements

- a) As far as possible, WENIPS shall agree a 30 day credit period with suppliers before accepting their products and services;

Key Documents

- *Creditors' Aged Listing*
- *Supplier Invoices*
- *Weekly Cash Flow Forecasts*

Procedures

Section A: Factors to consider in managing creditors

Managing creditors is one of the main processes in effective working capital management and shall be cautiously managed by WENIPS. The following factors/principles shall be considered in managing creditors:

1. Exceeding the credit period agreed upon with a supplier without timely communication may be destructive to WENIPS's relationship with the supplier and may lead to WENIPS's integrity and character being questioned;
2. Legally, a supplier/creditor has a right to charge interest on any outstanding payments beyond the agreed credit period;
3. There is need to identify and prioritize suppliers/creditors that are critical to WENIPS's success/survival and ensure that they are at the top of the payment preference list.
4. WENIPS staff shall not avoid phone calls, letters or any other communication from suppliers/creditors regarding outstanding payments to them, but shall receive them and respond accordingly in honesty.

Section B: Monitoring creditors

5. At the point of agreeing terms and conditions for the supply of products and services, the *WENIPS staff* engaging the supplier shall clearly define the credit period and ensure that it is understood and agreed to by the supplier.



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6. When *Supplier invoices* are received, the *Accountant* should immediately record them in the Accounting System, clearly noting the due date of payment. Reminders for the repayment date shall be updated in the Accounting System.
7. During the preparation of the *Weekly Cash Flow Forecasts*, the *Accountant* shall include all the payables due for that week and submit to the *FM* for review, prioritization and approval.
8. When payment is likely to exceed the agreed date, the *Accountant* should approach the supplier/creditor with a clear payment plan and ensure that WENIPS sticks to it.
9. During the monthly *Management* meeting, the *average creditor repayment period* shall be analyzed against the *average debtor collection period*, the target, past performance and the norms in the industry.

Key Control Processes

1. The *FM* shall, in consultation with the *Accountant*, review and prioritise the creditors/suppliers to be paid on a weekly basis during cash flow planning; and
2. The *Management* shall on a monthly basis review the working capital position of WENIPS to ensure that it is healthy.

Responsibility Matrix

Task	CEO	Mgt	FM	Acct.
Recording Supplier invoices in Accounting System				X
Preparation of <i>Weekly Cash Flow Forecasts</i>				X
Review and prioritization of <i>Weekly Cash Flow Forecasts</i>			X	
Review of <i>average creditor repayment period</i>		X		
Approve of credits	X			

Payments (Ref: B11)

Policy Objectives

To ensure that:

- a) All payments are duly authorized by responsible persons in compliance with their authority;



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- b) All payments are fully supported by valid documentation;
- c) All payments comply with negotiated terms and their due dates; and
- d) Payments are processed and recorded on a timely basis.

Policy Statements

All WENIPS staff shall comply with the following general principles:

- a) All payments are for the benefit of WENIPS and there is value for money;
- b) All payments shall be duly authorized by the responsible personnel of WENIPS;
- c) All payments must only be approved on the basis of proper supporting documentation;
- d) All payments shall be made against availability of funds from approved budget lines.

Key Documents

- *Payment Requisition Form*
- *Local Purchase Orders*
- *Goods Received Notes*
- *Payment Vouchers*
- *Delivery Notes*
- *Contracts*
- *Petty Cash Replenishment Schedule*
- *Certificate of Completion*
- *Cheque Register*
- *WENIPS Procurement Manual*

Procedures

1. The procedures below are for payments including:

- Payments for products
- *Payment for non-consumable goods and services (e.g. stationery, repairs, computer accessories)*
- *Payment for consultants and professional services*



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- *Payment for office running costs (e.g. rent, utilities)*
- *Petty cash replenishments*
- *Payments to statutory bodies (e.g. URA , NSSF)*

Excluding:

- *Petty cash payments (Ref B12: Petty Cash Management)*
2. The staff member responsible for the implementation of the activity or the purchase or incurring the expense shall prepare a *Payment Requisition Form*.
 3. The *Payment Requisition Form* along with the relevant supporting documents shall be forwarded to the relevant *HOD* or *Budget Holder* for approval. Where the *HOD* is the requisitioner, another *HOD* certifies and CEO approves. In case of the CEO, another *HOD* or Accountant certifies and PM approves.
 4. Before approval, the *HOD* will check to ensure that the items on the *Payment Requisition Form* are on the budget and have the appropriate budget code.
 5. The *Payment Requisition Form* shall then be forwarded to the FAM for review and budget tracking
 6. The payment requisition shall then be forwarded to the CEO for approval..
 7. All payments including repetitive payments such as utilities shall require a payment requisition form for budget tracking purposes. Once the supplier invoice is received, it is stamped and passed on to the finance department to process.
 8. The procedures documented in the WENIPS *Procurement Manual* shall thereafter be followed.
 9. Once the products or services have been received, the supporting documents that may include *Delivery Notes, Supplier Invoices, Goods Received Notes, Certificates of Completion, Petty Cash Replenishment, and Consultancy Fees Support Forms etc.* shall be forwarded to the *FM*.
 10. The *FM* shall perform a number of checks including:
 - a) Reconciliation of quantities, values and descriptions on LPO, GRN, DN and Invoice;



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b) Arithmetic accuracy, purchase price and VAT amount;

c) All required supporting documents available are original documents and not photocopies;

11. Where there are no anomalies, the *Accountant* shall post the invoices in the Accounting System pending payment as further described under “B10: Creditor Management”. The invoices and supporting documents shall temporarily be filed in the “*pending file*”.

12. Once the payments are due, in accordance with the *Weekly Cash Flow Forecasts*, the *Accountant* shall forward the documents to the *Accounts Assistant* to prepare a *Payment Voucher* as well as write the *Cheque* or prepare an *electronic funds transfer*.

13. All the supporting documents are attached to the *Payment Voucher* and *Cheque/electronic funds transfer* and forwarded to the appropriate signatories.

14. The signatories shall ensure that the amounts on the *Cheque/ electronic funds transfer* agree to the supporting documentations and where there are no errors, they shall sign the *Payment Voucher, Cheque* and the *electronic funds transfer* before forwarding to the *Accountant*.

15. The *Accountant* shall ensure that the signed *Cheque* and *electronic funds transfer* are photocopied and attached to the *Payment Voucher* as evidence of payment.

16. Where payment is by *electronic funds transfer*, on confirmation of receipt of file by the bank, the *Accountant* shall call or e-mail the payee requesting them to prepare and send an acknowledgement of receipt in writing.

17. Where payment is by *Cheque*, the payee shall be called to pick it and asked to either present a receipt or in case of individuals, to append their name, signature and telephone number on the *Payment Voucher*. The details of the person picking the *Cheque* shall be recorded on the *Payment Voucher* including his/her name and signature. That person shall be required to present their identification to WENIPS for verification.

18. Where payment is by cash, which should be in special rare circumstances, the *Bank agent* should cash the *Cheque* on assurance that the payee shall pick the cash on that very day.

19. The *Accountant* shall stamp the *Payment Voucher* and all the supporting documents “PAID” to prevent duplicate payments for the same transaction.



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20. A transaction shall only be completely accounted for when an acknowledgement of receipt from the payee has been received.
21. The *Accountant* shall immediately post the transaction in the Accounting System and file the documents accordingly following the *Payment Voucher* serial numbers.
22. The *FM* shall review the transactions posted in the Accounting System to ensure that they are accurate.
23. Any exceptions to the above procedures shall require express approval from the *FAM*.

Key Control Processes

1. All payments shall be released promptly to the bona fide beneficiaries and acknowledgement of receipts obtained immediately.
2. All payments shall be made based on duly approved and appropriately supported *Payment Vouchers*.
3. Preparation and review of bank reconciliation statements for all WENIPS bank accounts immediately after month end to identify any errors or fraud.

Responsibility Matrix

Task	FAM	HOD	FM	Acct.	Acct. Asst.	CEO
Approval of <i>Payment Requisition Form</i>		x				
Approval of PRF	x					x
Review of <i>Payment Requisition Form</i> and supporting documents			x			
Posting invoices in the Accounting System				x		
Preparation of <i>Payment Voucher</i>					x	
Certification of <i>Payment Voucher</i>			x			
Approval of <i>Payment Voucher</i>						x
Photocopying of EFT /Cheque				x		
Communication to supplier to pick payment				x		
Stamping supporting documents "PAID"				x		
Posting transaction in the Accounting System				x		
Review of transactions posted in the Accounting System			x			
Approval of exceptions to the procedures						x

Petty Cash Management (Ref: B12)

Policy Objectives

To ensure that:



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- a) All petty cash payments are duly authorized by responsible persons;
- b) Petty cash is utilised for the intended purpose, recorded and accounted for properly;
- c) All petty cash payments are promptly processed and accurately recorded;
- d) Petty cash is replenished appropriately and in a timely manner.

Policy Statements

- a) Petty cash shall be maintained on an imprest system to meet immediate needs requiring small cash purchases and service payments which will be predefined.
- b) Petty cash payments shall only be made on approval by the appropriate personnel.
- c) For Head Office a petty cash float of UGX 2,000,000 shall be established, with a replenishment limit of UGX 500,000 and maximum payment out of petty cash of UGX 100,000 per voucher
- d) For Product facility, a petty cash float of UGX 1,000,000 shall be established, with a replenishment limit of UGX 300,000 and maximum payment out of petty cash of UGX 75,000 per voucher.
- e) For field offices, a petty cash float of UGX 500,000 shall be established, with a replenishment limit of UGX 150,000 and a maximum payment out of petty cash of UGX 50,000 per voucher.
- f) Other cash floats shall be approved by management as deemed necessary from time to time.
- g) Staff shall not split a transaction exceeding the maximum payment limit into small amounts as a way of accessing petty cash payments.
- h) Under no circumstances shall cash be borrowed from other cash resources in WENIPS to replenish petty cash except under the normal replenishment procedure from the bank.

Key Documents

- *Petty Cash Voucher*
- *Petty Cash Reconciliation*
- *Cash Count Certificates*
- *Petty Cash Requisition*



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- *Payment Voucher*

Procedures

Section A: Petty cash payments

1. The *staff* in need of the cash shall prepare a *Petty Cash Requisition* clearly stating the amount and reason for the claim and attaching the appropriate supporting documentation, and submit to the *HOD* for approval.
2. The approved *Petty Cash Requisition* is submitted to the *Accounts Assistant* to prepare a *Petty Cash Voucher*.
3. The *Petty Cash Voucher* along with the attachments shall be submitted to the *Accountant* for authorization, and budget tracking before returning to the *Accounts Assistant*.
4. The *Accounts Assistant* shall disburse the cash to the *staff*, stamp the supporting documentation "PAID".
5. Where the payment is a re-imburement, the *Accounts Assistant* shall record it in the Accounting System as an expense, where it is an advance, it shall be recorded on the *staff advance account* pending accountability in accordance with "B13: Working Advances".
6. At the end of each day, the *Accounts Assistant* shall count the cash and reconcile it to the balance per petty cash account in the Accounting System.
7. At the end of each month, the *Accounts Assistant*, under the supervision of the *Accountant*, shall carry out a petty cash count, document the results in the *Cash Count Certificate* and file them.
8. Surprise cash counts may be carried out by the *Accountant* or *FM* at any time during the month to ensure that the amounts as per the petty cash account in the Accounting System agree with the physical cash.
9. In the event that there are differences between the counts and the physical cash, these shall be investigated and reported to the *FM* for further follow up and appropriate action.
10. Monthly *Petty Cash Reconciliation* statements (showing cash brought forward from previous months, cash received during the month, cash paid out and cash at hand) shall be



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prepared by the *Accounts Assistant* and submitted to the *Accountant* for review and approval by the 5th of the subsequent month.

11. In exceptional cases, where a petty cash payment above the limit is required, authorization shall be obtained from the *CEO*.

Section B: Petty Cash Replenishment

12. Once the petty cash gets to the replenishment limit, the *Accounts Assistant* shall print out the petty cash account in the Accounting System. All the supporting documents for the payments shall be attached before submission to the *Accountant* for review.

13. During the review, the *Accountant* shall check to ensure that all the petty cash payments were well coded and not beyond the authorized limits.

14. After review, the *Accountant* shall forward the documents to the *FAM* for approval before returning them to the *Accounts Assistant* for preparation of a *Payment Voucher*.

15. The payments procedures under “*B11: Payments*” shall be followed for Cheque preparation.

Key Control Processes

1. Daily, monthly and spot cash counts shall be carried out and reconciliation made to the petty cash account in the Accounting System. Any differences shall be followed up and reported to the *FM*.

2. Monthly Petty Cash Reconciliation statements shall be carried out by the *Accounts Assistant* and submitted to the *Accountant* for review by the 5th day of the subsequent month.

Responsibility Matrix

Task	CEO	HOD	FM	Acct.	Acct. Asst
Authorization of <i>Petty Cash Requisition</i>		x			
Preparation of <i>Petty Cash Voucher</i>					x
Authorization of <i>Petty Cash Voucher</i>				x	
Disbursement of cash to staff					x
Recording of petty cash in Accounting System					x
Daily petty cash count					x
Supervision of monthly petty cash count				x	
Surprise petty cash count			x	x	
Follow up of shortages in petty cash			x		
Preparation of monthly <i>Petty Cash Reconciliation</i>					x
Review of monthly <i>Petty Cash Reconciliation</i>				x	



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Review of petty cash replenishment				X	
Approval of petty cash replenishment	X				

Working Advances (Ref: B13)

Policy Objectives

To ensure that:

- a) Advances are properly processed, accurately recorded and promptly accounted for; and
- b) Advances are given for WENIPS business purposes only.

Policy Statements

- a) No new advances shall be issued to individuals that have not fully accounted for prior advances, except for justified reason that must be documented and approved by the *HOD or the CEO* in the case of heads of departments/branch offices;
- b) As far as possible, payments shall be made directly to suppliers to reduce the amount of money issued as working advances to staff;
- c) Advances shall be given for WENIPS operations only. Disciplinary action will be invoked as per the *WENIPS Human Resources Policy Manual* in the event that staff use WENIPS advances for personal gain;
- d) WENIPS Staff shall not take working advances for operations exceeding 2 weeks.
- e) All working advances shall be accounted for within 2 weeks.
- f) WENIPS staff shall account for working advances honestly.

Key Documents

- *Advance Request Form*
- *Advance Accountability Form*
- *Outstanding Accountability Report*
- *Staff Current Account*
- *Payment Voucher*
- *Journal Vouchers*



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Procedures

Section A: Advance Requisition

1. Advances shall be drawn for expenditure to be incurred by *WENIPS staff* going out for business related activities. These may include *per diem*, accommodation, meals, mileage etc.

2. Advances shall be drawn against an *Advance Request Form* to which the relevant supporting documents shall be attached before being submitted for approval by the *HOD*. If the advance relates to a *HOD*, it shall be approved by the *CEO*. If it relates to the *CEO*, *PC* or *PM* shall approve.

3. The *Advance Request Form* and the attachments shall be forwarded to the *FM* who will carry out the following:

a) Check the *Staff Advance Account* of the individual requesting for the advance to ensure that he/she does not have an outstanding advance;

b) Ensure that the *Advance Request Form* is approved by the relevant approval officer.

c) Confirm that the amount requested does not include funds for items paid for directly to suppliers. If these are included, the request should be adjusted accordingly;

d) Confirm availability of funds for the proposed activities.

4. On approval of the *Advance Request Form*, this along with the supporting documentation shall be forwarded to the *Accountant* for preparation of the *Payment Voucher*.

5. The procedures for payments under "*B11: Payments*" shall then be followed.

6. Once the *Cheque* and *Payment Voucher* have been signed, the *Accountant* shall post the transaction in the Accounting System on the *Staff Advance Account* of the individual taking the advance.

Section B: Advance Accountability

7. On return, the staff shall fill in an *Advance Accountability Form* and attach all the supporting documentation e.g. receipts.

8. Cash that has not been spent shall be banked immediately and the bank slip together with other receipts shall form part of the accountability for the advance.



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9. Authority shall be sought before incurring any expenses in excess of the cash advance reimbursed, claimed and reimbursed.

10. The *HOD* or specific person that approved the advance shall review the *Advance Accountability Form* along with the supporting documentation to ensure that the purpose for the advance was achieved. The reviewer should indicate whether he/she is satisfied with the accountability before submitting the documentation to the *Accountant*.

11. The *Accountant* shall verify and check arithmetical accuracy of the submitted accountability as well as the coding of the transactions and prepare a *Journal Voucher* for recognition of the accountability and submit them to the *FM* for approval.

12. On approval, the *FM* shall return the *Journal Voucher* and the attached accountabilities to the *Accountant* for posting in the Accounting System to expense the amount and release it from the *Staff Advance Account* of the staff member.

Section C: Failure to submit Accountability

13. No more funds will be advanced to an officer who has not accounted for previously advanced monies adequately and completely. If an officer fails to account for previously advanced funds after one month, such advances shall be deducted from their salaries.

14. Monthly *Outstanding Accountability Reports* shall be reviewed during the *Management* meetings and appropriate action taken.

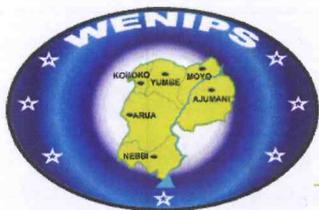
Key Control Processes

1. A *Staff Advance Account* shall be kept for each WENIPS staff member where amounts advanced to them shall be recorded until accounted for.

2. The person who draws the advance is personally liable to account for the advance within the stipulated time and the accountability should be reviewed by the *HOD* first before being sent to Finance.

3. Monthly *Outstanding Accountability Report* shall be presented to *Management* for review during the monthly meetings.

4. Violations of these procedures shall be brought to the attention of the *FAM* and *CEO* for action.



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Responsibility Matrix

Task	CEO	Acct. Asst.	Acct.	FM	HOD	Staff
Request for working advance						X
Initial approval of Advance Request Form					X	
Reviewing the Advance Request Form				X		
Preparation of payment voucher for advance			X			
Posting transaction in Accounting System			X			
Preparation of accountability						X
Programmatic review of accountability					X	
Financial review of accountability			X			
Banking of unspent cash						X
Preparation of accountability journal voucher			X			
Approval of accountability journal voucher	X					
Posting of accountability journal voucher			X			

Payroll management (Ref: B14)

Policy Objectives

To ensure that:

- a) Payroll is only prepared for bona fide employees of WENIPS;
- b) Payroll data is accurate, reliable, and all salary deductions are computed properly and accurately;
- c) The payroll is approved and authorized by the responsible staff of WENIPS before payments are affected;
- d) All payroll statutory deductions are remitted to the appropriate authorities (URA and NSSF) in time; and
- e) All staff benefits are made in line with the approved *Human Resources Policy Manual* of WENIPS.

Policy Statements

- a) Payment of salaries, allowances and benefits shall be made to bona fide employees of WENIPS in accordance with their appointment letters and/or contracts;
- b) Salaries, allowances and benefits shall be processed through the payroll in compliance with the *Income Tax Act, CAP 340, Laws of Uganda* and approved in accordance with *WENIPS Human Resource Manual*;



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c) Payment of salaries, allowances and benefits shall be made through bank accounts indicated by employees in writing;

Key Documents

- *Income Tax Act, CAP 340, Laws of Uganda*
- *NSSF Act*
- *Payroll*
- *Payroll Reconciliation*
- *Appointment Letter*
- *Employment Contract*
- *Pay slips/Salary Acknowledgement Form*
- *NSSF Schedule*
- *PAYE Schedule*
- *LST Schedule*
- *Payment Voucher*
- *Bank Transfer List*

Procedures

1. In case of salary changes for staff, the *CEO* shall communicate instructions to the *HR/AM* to effect changes in the payroll and copy in the *FAM*. Some of these changes may relate to appointments, dismissals, resignations, salary reviews, promotions and transfers.
2. The *HR/AM* shall prepare *payroll and payslips* by the 25th day of the month, print, sign and submit them to the *FM* for review along with all the supporting documents of the changes in the *payroll*.
3. During the review, the *FM* shall check for the following:
 - a) Accuracy of computation of *NSSF, PAYE and LST* in accordance with the relevant *Statutes*;
 - b) Ensure that payroll totals are correct;
 - c) Ensure that all the changes from the previous month are authentic, well supported and authorized;
 - d) All the required non-statutory deductions are computed accurately;



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4. After *FM*'s review and signature, the payroll shall be submitted to the *FAM* and later *CEO* for approval.
5. The approved payroll shall then be returned to the *HR/AM* who will then send mail to the *Accountant* to process the EFT of salaries to the individual accounts of the staff.
6. Salaries of individuals that may not have accounted fully for advances shall be deducted at this stage.
7. The *HR/AM* shall make a copy of the signed payroll and send the original copy to the Finance department along with all the other payroll supporting documents for filing.
8. Once payment has been made, *HR/AM* shall ensure that staff sign 2 copies of the *payslips/Salary Acknowledgement Form*. One copy shall be taken by the staff member while the other shall be filed under the *payroll* file along with the other payroll supporting documents for the month.
9. Any complaints regarding the *payslips* shall be forwarded to the *FM* and addressed immediately.
10. The *Accountant* shall prepare *payroll journals* with the details of the *payroll* transactions and submit these to the *FM* for approval before posting them in the Accounting System.

Key Control Processes

1. All *payroll* changes shall be properly authorized.
2. The *FM* shall perform a monthly reconciliation of the *payroll* showing month to month movements.
3. The *payroll* shall be reviewed by the *FM*.
4. Staff shall confirm amount received with amounts on payroll by signing *payslips/Salary Acknowledgement Form*

Responsibility Matrix

Task	BOD	CEO	FAM	FM	HR/AM	Acct.
Approval of salary changes	X					
Communication of salary changes to staff		X				
Preparation of payroll and pay slips,					X	
Review of payroll and pay slips				X		



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Approval of payroll		X	X			
Processing EFT for salaries to staff bank accounts						X
Coordination of pay slip signing					X	
Preparation of payroll journals						X
Approval of payroll journals				X		

Bank Accounts Management (Ref: B15)

Policy Objectives

To ensure that:

- Opening and closure of WENIPS's bank accounts is appropriately authorized;
- WENIPS's resources in the bank accounts are safeguarded;
- Recording of transactions in the cashbook is accurate and timely; and
- WENIPS has adequate controls to prevent and detect fraud or error on bank accounts.

Policy Statements

- A separate *cashbook* shall be maintained in the Accounting System for each WENIPS bank account.
- Monthly *bank reconciliation statements* shall be prepared and reviewed for each WENIPS bank account at the end of each month.
- All non-reconciling items during bank reconciliation shall be identified, investigated and properly adjusted in the books of account.
- Opening and closure of bank accounts shall be authorized by the *BOD*.
- Bank signatories shall be authorized by the *BOD* in a resolution.

Key Documents

- *Bank Reconciliation Statement*
- *Bank Statement*
- *Cashbooks*
- *Board Resolution*
- *Bank Mandate*



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Procedures

Section A: Types of Bank Accounts

1. WENIPS shall maintain bank accounts for different purposes which may include:

a) *General bank accounts:* These are the main operational accounts from which most of the operational payments shall be made.

b) *Product Facility bank accounts:* These shall be held specifically for collecting funds relating to the sale of Non-WENIPS branded products and to make payments for the purchase of these products.

c) *Return to Project bank accounts:* Funds collected from the sale of donor funded, WENIPS branded products shall be deposited to these accounts. Expenditure from these bank accounts shall only relate to authorized transfers to the General bank accounts to meet agreed expenses.

d) *Specific Donor bank accounts:* These shall be maintained for specific funds received from donors.

Section B: Opening and Closure of Bank Accounts

2. The *CEO* shall submit a request to the *BOD* for opening or closure of a bank account. The request shall indicate the following information:

a) Reason for opening or closing the bank account;

b) Proposed bank signatories;

c) The name and branch of the bank;

d) The nature of the account; and

e) The proposed account title

3. Upon approval by the *BOD*, the *CEO* shall forward a copy of the *board resolution* and copies of specimen signatures to the concerned bank to initiate the opening or closure of the bank account.

4. Details of the bank account shall be captured or deleted from the Accounting System as appropriate on Authorization of the *CEO*.



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Section C: Bank Reconciliation Statements

5. *Bank statements* shall be obtained for each bank account at the end of each month.
6. The *Accountants* shall, on a monthly basis, prepare *bank reconciliation statements* for all bank accounts by the 5th day after month end clearly showing Cheques drawn but not presented and deposits made but not recorded on *bank statement* as well as any errors or discrepancies.
7. The *Accountants* shall then submit to the *FM*, the printed *cash books*, *bank statements* and respective *bank reconciliation statements*, clearly highlighting any key issues for noting.
8. By the 7th day after month end, the *FM* shall review the *bank reconciliation statements* and as a minimum check for the following:
 - a) Ensure the arithmetic accuracy of the *bank reconciliation statements*;
 - b) Check that the balances as per *bank statement* and as per *cashbook* agree to the source documents;
 - c) Exchange rates used to transfer funds between WENIPS foreign and local currency accounts are as agreed;
 - d) Ensure investigation and reversal of stale Cheques;
 - e) Follow up any key issues raised by the *Accountant* during the preparation of the *bank reconciliation statements*.
9. In case of any errors on bank statements, the *Accountants* shall communicate to the bank in writing on approval of the *FM*. The errors will be followed up by the *Accountant* until they are corrected.
10. Both the *Accountant* and *FM* shall sign and date the *bank reconciliation statements* as evidence of preparation and review respectively.

Section D: Bank Account Signatories

11. The *BOD* shall approve all the authorized signatories to WENIPS's bank accounts and will consider the following:



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a) The number of authorized signatories shall be kept to a minimum albeit adequate to cater for absence or leave. The signatories shall be restricted to responsible senior staff of WENIPS;

b) Under all circumstances, Cheque withdrawals and electronic fund transfers must require a minimum of two signatories; and

c) Non-WENIPS staff or *BOD* members shall not be used as authorized signatories on Company bank accounts.

12. In the event that a signatory or bank agent is leaving WENIPS, the *CEO* or the Chairman Board shall immediately instruct all the banks where the signatory/agent was acting on behalf of WENIPS to strike him/her from the list of representatives.

13. Two signatories will be required to sign for any release of funds from WENIPS bank accounts. The *CEO* or his/her designate for practical reasons shall be the principal signatory to all bank accounts.

Section E: Cheque Book Security

14. The following precautions over the security of Cheque shall be taken:

a) On receipt of a new Cheque book, the Accountant must verify that all pages are present and then record it in the Cheque register. In case of a missing leaf, the *FAM* should be notified immediately to communicate to the bank;

b) Blank Cheques should NEVER be signed. Cheques should only be signed when the details of the payee and amount have been filled in and after signatories have reviewed the documents supporting the payment;

c) Cheques shall be used following their sequential numbers;

d) Cheques must be completed clearly in ink. No gaps should be left before or after the words and figures that would allow later falsification of the details;

e) For each bank account, only one Cheque book shall be in use at a time;

f) All unused Cheque books should be kept under lock and key by the *FM*;

g) After all the leaves of the Cheque book have been used, the stubs must be kept safely;



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- h) Cheque stubs should be completed with the details of the payment;
- i) In the event that a Cheque is to be cancelled, the word “cancelled” should be written across the Cheque and stub in ink and should be stuck to the *payment voucher* as part of the evidence for preparing a replacement Cheque;
- j) In the event that a Cheque remains un-presented to the bank for 6 months, it shall be regarded as stale. The *FAM* shall communicate with the bank in writing asking them not to honour the Cheque if presented at a later date. On approval of the *FAM*, the *Accountant* shall pass a *journal entry* to reverse the entry in the Accounting System. Efforts shall be made to follow up the payee, and if the transaction is still authentic, a new payment shall be processed.

Section F: Electronic Funds Transfer

15. The following precautions shall be maintained over the use of electronic transfer mode of payment:

- a) A minimum of two signatories shall authorise a payment through EFT process;
- b) The authorizing signatories shall have no writing rights to the payments;
- c) Passwords used by different persons shall never be shared between parties or with any other person in or outside WENIPS;
- d) Passwords used to conduct EFT transactions shall be memorized and not written anywhere for remembrance;
- e) Passwords must be changed regularly for control purposes.

Key Control Processes

1. All bank account opening and closure resolutions shall be authorized by the *BOD*.
2. The *FM* shall review *bank reconciliation statements* prepared on a monthly basis of each bank account.
3. Management shall provide an annual report to the *BOD* indicating the bank accounts held by WENIPS. The report shall also clearly indicate the bank accounts opened and closed during the year and the signatories and agents that were added or deleted from the list of representatives.



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4. Bank Agents: The Accountant and Accounts Assistant shall be agents to the Bank accounts.

Responsibility Matrix

Task	BOD	CEO	FM	Acct.
Requesting for bank account opening and closure		X		
Authorization of opening and closure of bank accounts	X			
Authorization of bank signatories	X			
Authorization of creation/deletion of bank account in Accounting System		X		
Preparation of bank reconciliation statements				X
Certifying bank reconciliation statements			X	
Approval of bank reconciliation statements		X		
Preparation of communication to bank in case of errors in bank statement				X
Approval of communication to bank in case of errors in bank statement			X	
Communication to bank in case of departure of signatory/agent		X		
Safe custody of unused Cheques			X	
Preparation of journal entries to reverse stale Cheques				X
Authorization of journal entries to reverse stale Cheques			X	
Bank agents				X

Receipts Management (Ref: B16)

Policy Objectives

To ensure that all funds received:

- Are complete and accurate;
- Are received and recorded correctly;
- Are banked intact and on a timely basis; and
- Are kept in safe custody.

Policy Statements

- All cash, Cheques and direct transfers received from customers or staff and partners shall be properly receipted and recorded accurately on a timely basis;
- All cash received shall be banked promptly and intact. The cash collected should NEVER be used to make any payments nor be transferred to or mixed with petty cash;

Key Documents

- Receipts



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- *Bank deposits slips*
- *Journal Voucher*

Procedures

Section A: Receiving and recording cash and Cheques

Cash and Cheques may be received from various sources including: staff returning working advances; customers making payments for WENIPS products; individuals purchasing items disposed of by WENIPS and other partner grants etc. The following procedures shall be applied to receiving such cash and Cheques.

1. On receipt of the cash, the *Accounts Assistant or authorized staff/agent* shall count and verify the authenticity of the money using a detector in the presence of the customer/staff paying.
2. In case of a Cheque, the *Accounts Assistant or authorized staff/agent* shall verify that: the date is correct; the amount in figures and in words match; the Cheque was issued by the payer to WENIPS and that it was signed.
3. For both cash and Cheques, the *Accounts Assistant or authorized staff/agent* shall raise a *receipt* in triplicate and sign it. The original copy shall be passed on to the customer/staff paying the cash, the duplicate copy attached to the supporting documents and the triplicate copy retained in the *receipt book*.
4. The customer/staff shall confirm the accuracy of the *receipt* before departing from the *Accounts Assistant or authorized staff/agent*. There shall be a visible notice at the *Accounts Assistant's or authorized staff/agent's* desk requesting the customer/staff paying to check the accuracy of the receipts as errors may not be corrected after leaving.
5. The *Accounts Assistant* shall record the cash received in the Accounting System in the *cash-in-transit account* while the Cheques shall be recorded in the respective bank account. The corresponding entry shall go to the respective income account to offset an invoice or to the *staff advance account* to offset the working advance.
6. At the end of each day, the *Accounts Assistant* shall prepare a summary indicating: the cash and Cheques received during the day; the respective chronological receipt numbers; and name of the paying customer/staff.



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7. The *Accountant* shall count the physical cash in the presence of the *Accounts Assistant* and reconcile it to the summary.

Section B: Receiving and recording direct transfers

Some customers, sales personnel, funding partners and staff may send funds directly to WENIPS bank accounts. The following procedures shall be followed in receiving such cash and Cheques.

8. The *Accounts Assistant* shall seek for the purpose and evidence of direct deposit to WENIPS bank account from the customer, sales person, staff or funding partner that may have carried out a direct deposit.

9. On the basis of the evidence, the *Accounts Assistant* shall raise a receipt in accordance with paragraph 3 above.

Section C: Banking cash and Cheques

10. When banking is due, separate *bank deposit slips* shall be prepared by the *Accounts Assistant* for all the cash and Cheques due for banking.

11. After banking, the stamped *bank deposit slips* shall be returned and used as a basis for passing an entry from the *cash-in-transit account* to the respective bank account after review and approval by the *Accountant*.

12. The *cash-in-transit account* should clear to "0" after banking, indicating that all the cash has been banked. The *Accountant* should review this account regularly to ensure that it always clears after banking and that the receipt numbers recorded are sequential. Any anomalies should be investigated and reported to the *FM* for remedial action.

Section D: Other controls over cash and Cheques received

13. As far as possible, WENIPS offices shall strive to keep cash held at the office at a minimum to reduce the risk of loss.

14. The *FAM* shall arrange to ensure that appropriate insurance policies are taken to cover the risks of holding and transferring cash from one office to another or to the field.

15. The cash and Cheques received shall be kept in a cash box until it is ready for banking. Petty cash shall be kept in a separate cash box from cash collected. For each of the cash



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boxes, the *Accounts Assistant* shall be the custodian of one of the keys and the *FM* the custodian of the other.

16. All cash boxes shall be kept in the safe under lock and key. The safe shall have two keys. One will be kept by the *FAM* and the other by the *CEO*. In case of a safe with a combination of numbers, similar controls shall apply as for key custody.

17. All field offices shall also have a safe each and separate cash boxes for petty cash and cash collected.

18. The *receipt books* that are still in use shall be kept by the *Accounts Assistant* in the cash box at the end of each business day. Unused *receipt books* shall be kept with the *Finance Manager* who will issue them to the *Accounts Assistant* as and when needed in sequential order.

19. *WENIPS staff* members holding WENIPS money that would need storage overnight shall utilize the *Accounts Assistant* for safe custody.

20. In the event of a robbery, staff members must act in such a way as to minimize risks to life even at the expense of loss of WENIPS assets. The staff concerned should immediately report to the police and thereafter notify management.

21. *Accounts Assistants/Authorized staff/agent* must NEVER keep their personal money together with WENIPS money. They shall not use or lend out the organization's funds for personal use.

22. The year-end cash count shall be witnessed by an independent auditor prior to the financial audit.

Responsibility Matrix

Task	CEO	FM	Acct./Agent	Petty Cash Holder	Acct. Asst./Authorized staff
Receiving cash/Cheque and raising receipt					X
Recording cash/Cheque in Accounting System					X
Preparation of daily summary of cash and Cheques					X
Review of daily cash summary of cash and Cheques			X		



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Preparation of bank deposit slips					X
Review of stamped bank deposit slips			X		
Review of cash-in-transit account			X		
Follow up of anomalies on cash-in-transit account		X			
Ensuring cash insurance policy in place	X				
Custodians of petty cash box keys				X	
Custodians of petty case safe keys			X		
Custodian of receipt books in use					X
Custodian of receipt books not in use		X			

Inventory Management (Ref: B17)

Policy Objectives

To ensure that:

- a) The right quantity and right quality of goods ordered by WENIPS are received;
- b) That inventory records are kept up to date and accurate after every receipt or issue and reflect the position of inventories in the stores;
- c) WENIPS neither runs out of key stock items nor holds too much stock beyond its working capital capacity;
- d) All inventory issues be authorized and adequately supported with documentation;
- e) Inventory items are safe guarded against theft, misuse, damage and obsolescence.

Policy Statements

- a) All inventory movements, including receipts and issues must be authorized, accurately recorded in a timely manner, and the balances thereof should agree with the physical inventories;
- b) Optimal inventory levels shall be set to ensure that there is adequate inventory to meet customer needs but not too much to hold excessive resources in inventory unnecessarily; and
- c) Staff in charge of inventory shall take all possible actions within this document to ensure that WENIPS inventory is safeguarded from loss.

Key Documents

- *Local Purchase Orders*
- *Procurement Manual*



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- *Delivery Notes*
- *Goods Received Notes (GRN)*
- *Pick List*
- *Inventory Count Sheets*
- *Stock Card*
- *Purchase Invoice*
- *Sales Invoice*
- *Inventory Register*

Inventory Variance Report

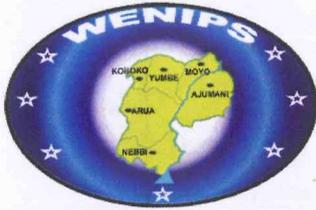
- *Credit Note*
- *Inventory Management Policy*

Procedures

The following procedures relate to inventory received or purchased by WENIPS for sale.

Section A: Procedures for receiving inventory

1. The procurement procedures to be followed in purchasing inventory are documented in the *Procurement Manual*.
2. On receipt of the inventory, the *Stores Assistant* shall check the description and quantity of goods on the supplier's *DN* against the *LPO* to ensure that the goods delivered were actually ordered for.
3. The *Stores Assistant* shall then inspect the goods for expiry dates, quality, quantity, condition, batches and check these to the *DN* in the presence of the supplier or heir representative.
4. Where the delivered goods that meet WENIPS's expectations are less than the record on the *DN*, the supplier's representative shall communicate to the supplier to deliver the balance before the signing of the *DN*. If no more deliveries are expected, the *DN* shall be adjusted with the accepted items and signed and stamped by the *Stores Assistant* and the supplier's



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representative. The adjustments shall be countersigned by both parties. A *Credit Note* shall be requested from the supplier in such cases.

5. Where the delivered goods exceed the quantities on the *LPO*, the *Stores Assistant* shall only accept the quantities ordered for, adjust the *DN* accordingly, sign and stamp it. The adjustments shall be countersigned by both parties

6. The *Stores Assistant* shall then raise a *GRN* in triplicate sign it and have it reviewed by the *FAM*. The first copy shall be issued to the supplier, the second copy submitted to the finance department and the third copy shall be maintained in the stores files.

7. The *Stores Assistant* shall immediately update the *Stock Cards* for each stock item received with the details of batch numbers, quantity, expiry dates etc

8. All products shall be stored in an orderly manner so that it is easily accessible on a FEFO (First Expiry First Out) basis.

9. Once the *GRN*, *DN* and *Purchase Invoice* have been passed on to the *Accountant*, she/he will update the *Inventory Register* in the Accounting System.

10. The payment procedures under “*B11: Payments*” of this *FMM* shall then be followed to process the payment.

11. All the steps above shall be performed immediately on receipt of the goods.

Section B: Procedures for issuing inventory to customers

13. Once an order from a customer or sales staff has been approved following procedures under “*B8: Revenue*” and “*B9: Debtor Management*”, the *FAM* shall prepare and sign a *Pick List* in duplicate clearly showing the description of the product, quantity, batch, that should be issued to the customer.

14. One copy of the *Pick List* shall be forwarded to the *Accountant* to raise a *Sales Invoice* in duplicate and the other shall be sent to the *Stores Assistant* to prepare the products for loading.

15. The *Stores Assistant* shall prepare, sign and stamp a *DN* in duplicate with the details of the products loaded and update the respective *Stock Cards* with the items issued and the *Pick List* number.



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16. Where a customer has picked the products, they will sign the 2 copies of the *DN* and *Sales Invoice* and leave one copy each with WENIPS.

17. Where WENIPS is delivering products to the customer, the 2 copies of the *DN* and *Sales Invoice* shall be taken by the driver and a copy each returned to WENIPS after they have been signed by the client.

18. The *Accountant* shall then use the details on the *DN* to update the Accounting System.

Section C: Procedures of inventory counts

28. On a daily basis, the *Stores Assistant* shall carry out cycle counts of each product that has had movement during that day and compare to the details on the *Stock Cards*.

29. At the end of each month, the *FM* shall coordinate a physical inventory count and ensure that all the instructions are adhered to.

30. The inventory count shall be attended by personnel from the finance and administration department and personnel in charge of the inventory.

31. During the inventory count, the following cut off procedures must be considered:

- a. All goods received prior to the inventory count must be included in the count;
- b. All goods received during the inventory count must be excluded from the count;
- c. All goods issued out before the inventory count must be excluded from the count; and
- d. There shall be no movement of inventory into or out of stores during the stock count.

32. The *Stores Assistant* shall be present to assist in the identification of records and inventory items but shall not carry out the physical count.

33. Inventory shall be neatly arranged prior to the count.

34. *Inventory Count Sheets* shall be prepared and used during the count.

35. Damaged and obsolete inventory shall be identified and the condition of the inventory items recorded on the *Inventory Count Sheets*.

36. The counters must sign and date the *Inventory Count Sheets* and any alterations must be specifically initialled.



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37. An *Inventory Variance Report* shall be prepared by the Team showing the inventory as per the Accounting System, the *Stock Cards* and physical count as well as any variance between the inventory records and counted quantities.

38. Any variances shall be explained by the *Stores Assistant* and incorporated in the report.

39. The *FAM* shall review and sign the *Inventory Variance Report* and take appropriate action on any major issues ensuing.

40. The *FAM/FM* may call for any spot checks for selected stock items at any time and compare the physical stock to the records.

Section D: Procedures for obsolete and damaged inventory

42. During the periodic inventory counts, inventory shall be inspected to determine whether they are in good condition.

43. Any inventory identified as obsolete or damaged shall be physically separated from the good inventory and considered for writing off.

44. Obsolete or damaged stock shall be disposed off after authorization for write-off by the *FAM* and approval obtained from the *CEO*.

45. Where damaged inventory is to be destroyed, methods that are environmentally friendly and approved by the relevant national regulations shall be followed.

46. The *Stores Assistant* shall immediately adjust the *Stock Cards* with the new inventory levels and the *Accountant* shall clearly record the write off in the Accounting System.

Section E: Procedures for inward returns of inventory

47. The procedures for handling return inwards of inventory shall vary depending on whether the inventory is WENIPS branded or non-WENIPS branded products.

48. WENIPS branded products returned due to expiry shall be accepted and replaced with good products. The *PCF* shall authorise the acceptance of returns and the replacement.

49. Non-WENIPS Products may only be accepted on return where:

a. There was an over delivery of inventory;



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b. Inventory is delivered by WENIPS and is damaged during transportation to clients' premises;

c. Inventory delivered varies from the product specifications that had been ordered for by the client;

50. Where the return is as a result of damage or wrong specification, on receipt of the damaged or wrong products, WENIPS will replace them with the appropriate products or a *Credit Note* will be raised for the customer in case replacements are not readily available.

51. For either case above, a *Goods Returns Inwards* note will be filled in on receipt of the products and approved by the *PCF* and *FAM* before updates are made on the *Stock Cards* and Accounting System.

Section H: Procedures for managing stock holding and stock outs

52. The *FAM* shall set re-order levels for each item of stock based on the following:

- a. A study of the historical sales trends of each product so as to establish the average units sold for each item over a given period of time;
- b. The minimum order quantity required by suppliers for a successful order;
- c. The supplier lead time from ordering to delivery; and
- d. The storage space available for each of the items in the store;

53. The Accounting System shall be set up to give reminders once inventory items have reached the re-order levels to trigger off the procurement process in accordance with the *Procurement Manual*.

Section I: Other key controls over inventory

54. WENIPS branded inventory shall be stored separately from non-WENIPS branded inventory. Obsolete and damaged inventory shall be separated from the good inventory.

55. The *FAM* shall coordinate the procurement insurance services for inventory held at the store to minimize risk of loss by theft or fire.

56. The store shall be under the supervision of the *Logistics and Procurement Specialist/FAM* and will be kept locked when there are no deliveries/dispatches being made.



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57. Burglary and fire alarms shall be installed and regularly tested to mitigate risk of loss by burglary or fire.

Key Control Processes

1. Before inventory is received, it shall be checked to the accompanying documents as well as the order documents to ensure that they tally.
2. Inventory shall only be issued based on an authorized *Pick List*.
3. Inventory counts shall be carried out on a daily, monthly, quarterly and annual basis and comparison done to the records to ensure no error or fraud in stock recording. This shall be reported accordingly.
4. Damaged and obsolete stock shall only be written off and destroyed on approval of authorized persons.
5. Access to the store items should only be restricted to authorized persons.

Responsibility Matrix

Task	CEO	FM	Stores Officer	Acct.	St. Ass
Checking and acknowledging goods received to supporting documents					X
Review of GRN			X		
Update of <i>Stock Cards</i> on issue and receipts					X
Update of Accounting System on issue and receipt				X	
Preparation of <i>Pick List</i>			X		
Preparation of <i>Sales Invoice</i>				X	
Preparation of <i>DN</i>					X
Coordination of inventory count		X			
Review of <i>Inventory Variance Report</i>		X			
Authorization of stock write off	X				
Authorization of acceptance and replacement of returns inwards		X			
Setting of re-order levels		X			

Fixed Asset Management (Ref: B18)

Policy Objectives

To ensure that:

- a) There are adequate controls and procedures in place to safeguard Company assets;
- b) All fixed asset acquisitions and disposals are accurately recorded; and



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c) All tangible assets are individually identified and accounted for.

Policy Statements

a) A *fixed asset register* shall be maintained and promptly updated with all acquisitions, transfers and disposals.

b) All items whose useful life exceeds one year and whose purchase price exceeds US\$ 500 shall be categorized as fixed assets otherwise they shall be expensed. Items below this amount but reasonably expected to last more than a year shall also be included in the *fixed assets register*; and

c) All staff shall ensure that WENIPS's assets are safeguarded and are efficiently utilised for Company operations.

d) All fixed assets shall be engraved for identification using a unique identification number.

e) All fixed asset acquisitions, transfers and disposals shall be appropriately approved in accordance with "B3: Authority Limits".

f) A cost benefit analysis shall be carried out and insurance policies taken on assets against losses or damage.

g) A detailed Fixed Assets Management Policy shall define specific issues not expressly covered in this policy regarding management, use, fines and penalties.

Key Documents

- *Fixed Asset Register*
- *Fixed Asset Disposal Form*
- *Fixed Asset Count Sheet*
- *Fixed Asset Verification Report*
- *Procurement Manual*
- *Annual Budget*
- *Fixed Assets Management Policy*



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Procedures

Section A: Acquisition of fixed assets

1. A plan for procurement of fixed assets shall be incorporated in the *Annual Budget* and the procedures for acquisition of fixed assets shall be in accordance with the *Procurement Manual*, received in accordance with “*B17: Stores Management*” and paid for in accordance with “*B11: Payments*”.
2. The *Accountant* shall record the fixed assets in the Accounting System on acquisition.
3. The *FAM* or his/her designate shall arrange for all assets, as far as possible to be engraved with a unique asset identification number which shall be physically marked on the asset and also recorded in the *Fixed Asset Register*.

Section B: Maintenance of Fixed Asset Register (FAR)

4. A *Fixed Asset Register* shall be maintained by the *Administrative Assistant*. The FAR shall contain the following fields: asset number; asset description; date of acquisition; original cost; accumulated depreciation; depreciation rate; current year depreciation charge; net book value; date of sale; proceeds on sale; condition of asset; location of asset; and source of funding.
5. A physical verification of all assets shall be performed annually by an independent verification team designated by the *FAM* to confirm their existence, location, usefulness and condition.
6. *Fixed asset count sheets* shall be used in this verification.
7. At the end of the verification, a *fixed asset verification report* shall be prepared by the verification team and shall highlight the listing of assets verified and any exceptions.
8. The *fixed asset verification report* shall be submitted to the *FAM* who shall decide on the appropriate action for any exceptions. Such action may include:
 - a) Investigation of any unexplained discrepancies;
 - b) Approving adjusting entries; and
 - c) Write off of non- existent assets on approval of the *BOD*.
 - d) Disposal of assets in poor condition on approval of the *BOD*.



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Section C: Security and insurance of fixed assets

9. All assets of the company shall be kept in secure locations.
10. The *FAM* shall oversee a cost benefit analysis on WENIPS assets to ensure that appropriate insurance cover is obtained against loss or damage.
11. The procurement of insurance services shall follow WENIPS's prescribed procurement procedures described in WENIPS's *Procurement Manual*.
12. In case of damage or loss to the asset of WENIPS, the *staff* responsible for the asset shall report to the *FAM* informing him/her of the details of the loss or damage to the asset. Investigations shall be made to ascertain the genuineness of the assertion made by the *staff*.
13. The *FAM* shall promptly inform the insurance company of the loss or damage to the fixed asset. He/she will make timely claims and comply with the formalities required by the insurance contract in order not to prejudice the Company's rights and interests.
14. The *FAM* shall arrange timely renewal of the insurance policies to ensure that they are current and that the company's property is fully protected at all times.
15. The original titles of ownership of company assets shall be kept securely in a safe.

Section D: Depreciation

16. The *Accountant* shall ensure that the depreciation policy is followed consistently in accordance with "*B2: Accounting Policies*".
17. Where donor guidelines require that fixed assets are expensed, the assets will be fully depreciated in the year of purchase.

Section E: Disposal of fixed assets

18. Major disposals of fixed assets shall be identified and planned for during the budget process. The need to dispose of a fixed asset shall be identified by *staff* in charge of the asset and discussed with the respective *HOD*.
19. An inspection by technical personnel shall be commissioned by the *HOD* for all assets identified for disposal.
20. When the need for disposal has been verified by the technical personnel, the *HOD* shall raise a *fixed asset disposal form*.



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21. The *fixed asset disposal form* shall be forwarded to the *CEO* for review and later to *BOD* to obtain the required approvals.
22. The disposal of assets shall take into account the contractual obligations governing disposal of assets for example disposal of assets purchased with donor funds should be accompanied by evidence that the donor has approved the transaction.
23. For authorized disposals, an independent valuer (where necessary) shall determine the value of the asset and set the minimum price and afterwards, determine the criteria to be used for disposing of the asset.
24. First priority for the purchase of the asset shall be given to *WENIPS staff* before the open public is invited through a cost effective medium to inspect and bid for the assets on sale.
25. The bids or offers shall be evaluated and successful buyer(s) selected by the *Evaluation Committee*. The *CEO or his/her designate* shall inform the successful bidder(s) of the results of the bid/offer evaluation.
26. A sale agreement shall be signed after the terms and conditions of sale have been agreed with the buyer(s). The items on disposal shall not be released to the buyer until full payment has been received.
27. The *fixed assets register* shall be updated with the disposal details only after payment has been received for the asset. The *FAM* shall sanction this update by signing the *fixed asset disposal form*.

Key Control Processes

1. The *FAM* or his/her designate shall ensure the *fixed assets register* is updated on a monthly basis so as to take into account any additions and disposals during the month.
2. Adequate and complete documentation shall be submitted and reviewed by the *FAM*, *Evaluation Committee*, *CEO* and *BOD* before approving any asset addition or disposal.
3. Insurance policies shall be taken where it makes economic sense to cover *WENIPS* fixed assets.
4. A physical verification of all assets shall be performed annually and reconciled to the *fixed assets register* and the Accounting System.



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Responsibility Matrix

Task	BOD	CEO	FAM	HR/AM	Acct.	Adm. Asst
Recording fixed assets in Accounting System					x	
Engraving of fixed assets				x		
Maintaining <i>fixed asset register</i>						x
Designation of fixed asset verification			x			
Approval of fixed asset disposals and write offs		X				
Cost benefit analysis for insurance				X		
Reporting loss/damage to insurance				X		
Renewal of asset insurance				X		
Depreciation of assets					x	
Review of <i>fixed asset disposal forms</i>		x				
Sanction update of FAR on disposal			x			

Tax Management (Ref: B19)

Policy Objectives

To ensure that:

- a) WENIPS abides by all tax requirements as per the Ugandan tax laws and regulations.

Policy Statements

- a) WENIPS shall always ensure full compliance to the tax laws, regulations and guidelines of Uganda.
- b) At the earliest recognition of gross non-compliance, WENIPS shall procure the services of tax consultants for professional advice.

Key Documents

- *Income Tax Act, Capt 340, Laws of Uganda*
- *Value Added Tax Act, Cap 349, Laws of Uganda*
- *Withholding Tax Certificate*
- *PAYE Control Account*
- *WHT Control Account*
- *VAT Control Account*

Procedures

Section A: Pay As You Earn (PAYE)

PAYE is income tax that an employer is required to withhold on behalf of the employees and remit to URA on a monthly basis.



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1. Every month, during payroll preparation, the *HR & Admin Mgr* shall ensure that all the taxable benefits of each employee are included in the chargeable income as required by the Income Tax Act.
2. Measures to ensure that the PAYE computations are accurate are documented under “*B14: Payroll Management*”.
3. The *Accountant* shall maintain a *PAYE Control Account* which shall be reconciled on a monthly basis and reviewed by the *FM* before ascertaining the PAYE amount due to URA.
4. The *Accountant* shall ensure that the tax rate applied is in compliance with the Income Tax Act, Cap.340, Laws of Uganda.
5. The *Accountant* shall ensure that PAYE is remitted to URA by the 15th day after the end of month it relates to.

Section B: Withholding Tax

6. WENIPS shall withhold tax from professionals in accordance with Section 119A, Income Tax Act and remit it to URA by the 15th day subsequent to the month-end when the payment was made.
7. The *Accountant* shall maintain a *WHT Control Account* which shall be reconciled on a monthly basis and reviewed by the *FM* before ascertaining the WHT amount due to URA.
8. The *Accountant* shall ensure that the tax rate applied is in compliance with the Income Tax Act, Cap.340, Laws of Uganda.
9. Within a month of submission of the Withholding Tax to URA, the *Accountant* shall ensure that a *Withholding Tax Certificate* is collected from URA and passed on to the person from whom the tax is withheld.

Section C: Value Added Tax

10. Whenever tax invoices are received from suppliers, the VAT component shall be tracked in the *VAT Refund Account* in the Accounting System.
11. The *Accounts Assistant* shall reconcile the *VAT Refund Account* on a quarterly basis and after review by the *FM*, submit the VAT claims to USAID.



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Key Control Processes

1. The *FAM* shall ensure that WENIPS always has a copy of the updated version of the relevant tax laws and that this *FMM* shall be amended accordingly with any changes in the tax law.
2. WENIPS shall procure the services of tax consultants as and when necessary to ensure compliance with the relevant tax Laws of Uganda.
3. The *FM* shall always review the *PAYE* and *WHT Control Accounts* on a monthly basis before the payment to URA is made to ensure accuracy.
4. The *FM* shall always review the *VAT Refund Account* on a quarterly basis before submission of the VAT claims to USAID.

Responsibility Matrix

Task	FAM	FM	HR & Admin Mgr	Acct.	Acct. Asst.
Ensure all taxable benefits included in computation of PAYE			X		
Ensure appropriate rates applied for PAYE & WHT				x	
Maintaining PAYE & WHT Control Accounts				X	
Maintaining VAT Refund Account					x
Reviewing PAYE, WHT & VAT Control Accounts		x			
Submission of PAYE & WHT on time				X	
Obtaining WHT Certificate from URA				X	
Ensure WENIPS has all the current relevant tax	x				

Financial Reporting (Ref: B20)

Policy Objectives

To ensure that:

- a) There is an effective mechanism for timely and reliable reporting to all stakeholders of WENIPS;
- b) The financial reports comply with applicable regulatory framework such as the IFRS and relevant Laws of Uganda; and
- c) The *BOD*, *CEO* and *Management* of WENIPS are furnished with timely financial information to enhance decision making.



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Policy Statements

- a) That the annual financial reporting period for WENIPS shall start from 1st October to 30th November of the subsequent calendar year;
- b) The *Financial Statements* shall be extracted from the accounting records or books of account of the WENIPS, and from such other sources as may be necessary;
- c) The *FAM* and the staff in the finance department shall ensure that all financial transactions are properly coded and recorded in the Accounting System to ensure accuracy in reporting;
- d) All transactions of WENIPS shall be recorded in the books of account using the approved *Chart of Accounts* in the Accounting System; and
- e) Periodic performance management reports (financial and non-financial) will be prepared and produced to guide management decisions.

Key Documents

- *Trial balance*
- *Financial Statements*
- *Chart of Accounts*
- *International Financial Reporting Standards;*
- *Companies Act, CAP 110, Laws of Uganda;*
- *General Ledger Reconciliation Checklist*
- *Monthly financial report*
- *Quarterly financial report*

Procedures

Section A: General Policy

1. WENIPS shall maintain its books of account in accordance with the established regulations, accounting policies in “B2: *Accounting Policies*” and the applicable regulatory framework. The financial statements shall be prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and specific donor guidelines.



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Section B: Reporting formats

2. The *monthly financial reports, quarterly management reports and annual reports* should be prepared in the prescribed formats as approved by the *Management Team* and as per the company needs. The NGO section shall prepare its financial reports separately from the Business section which will have to pay taxes on profits declared.

3. The *CEO* will require the *FAM* to produce comprehensive management financial reports for the company as a whole.

Section C: Monthly financial reports

4. At the completion of each month, and not later than the 10th day of the following month, the *FM* through the *Accountants* shall prepare *monthly financial reports* to facilitate the decision making process. These shall include:

- a) Departmental actual monthly and cumulative income and expenditure compared to budget including narrative explanations;
- b) Overall actual monthly and cumulative income and expenditure compared to budget;
- c) Aged outstanding working advances, as extracted from the *staff current accounts* in the Accounting System;
- d) Debtors' aged listing;
- e) Creditors' aged listing; and
- f) Bank reconciliation statements

Section D: Quarterly financial reports

5. At the completion of each quarter month, and not later than the 10th day of the following month, the *FM* through the *Accountants* shall prepare *quarterly financial reports* to facilitate the decision making process. These shall include:

- a) Departmental actual quarterly income and expenditure compared to budget including narrative explanations;
- b) Overall actual quarterly income and expenditure compared to budget;
- c) Balance Sheet;
- d) Profit and Loss account for the Business section



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- e) Debtors' aged listing;
- f) Cash flow statement; and
- g) Financial ratio analysis.

Section E: Annual financial reports

6. At the end of each year, and not later than 2 months after the year end, the *FAM* through the *FM* shall prepare *Annual financial statements* which shall be presented for external audit. These shall include:

- a) Income and expenditure statement;
- b) Balance sheet;
- c) Cash flow statement;
- d) Accompanying notes to the financial statements; and
- e) Financial ratio analysis.

Section F: Trial balance

7. The *FM* is responsible for reviewing the *trial balance* and that any other underlying schedules required have been completed, submitted and reviewed;

8. Once all the accounts have been closed and the above-mentioned review has been performed, the *trial balance* may be drawn up, and placed on the month-end file for review by the *FAM*. The review shall include:

- a) Checking to make sure that the *trial balance* generated by the Accounting System actually balances.
- b) Checking for any unusual/unexpected balances in the *trial balance* and investigating them.

Key Control Processes

1. The *FAM* through the *Accountant* shall produce the relevant financial reports (monthly, quarterly and annual) as required for submission to the *Management Team* and *BOD*.
2. All monthly and quarterly financial reports shall be produced by the responsible officers by the 10th day of the following month.
3. The *FAM* and *CEO* shall sign off the periodic and annual financial reports of WENIPS



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4. All other *HODs* shall produce monthly performance reports indicating at least the following:

- a) Linkage to the strategic plan of the company;
- b) Linkage to the departmental operational plan;
- c) Key highlights on performance of the department

Responsibility Matrix

Task	BOD	CEO	Mgt	FAM	FM	Acct.
Approval of periodical reporting formats	X	X				
Preparation of monthly financial reports					X	X
Review of monthly financial reports			X	X		
Preparation of quarterly financial reports					X	X
Review of quarterly financial reports	X	X	X	X		
Preparation of annual financial reports				X	X	
Review of annual financial reports	X	X				

Financial Management Guidelines for Sub-Grantees (Ref: B23)

Policy Objectives

To ensure that:

- a) Sub-grantees manage efficiently and effectively the funds disbursed to them;
- b) Funds spend through Sub-grantees are spent in line with the agreements signed between WENIPS and the Funding Partners.

Policy Statements

- a) No funds shall be released to a Sub-grantee without an agreement between WENIPS and the Sub-grantee;
- b) WENIPS shall ensure that the Sub-grantees have the capacity to spend and report on funds received accurately before releasing funds to them.
- c) No further instalments shall be issued to Sub-grantees before accountability of the outstanding advances.

Procedures

Section A: Selection of Sub-grantees

1. Organisations shall be selected on a competitive basis



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2. Organisations working with WENIPS's target population with objectives aligned to WENIPS objectives shall be invited to apply for funds from WENIPS.
3. The potential Sub-grantees shall apply for the funds using formats and provided by WENIPS e.g. details of the project description, purpose, detailed work plan, budgets and how the project shall contribute to the wellbeing of the intended/ target group etc. The applications shall be addressed to the *CEO*.
4. The *CEO* shall assemble an *Evaluation Team* to review the applications. This team should include the *PC* and the *Programme Officers* as well as a representative from the Finance Department. Any *Evaluation Team* member that is not independent from the Sub-grantees being evaluated shall disqualify himself or herself from the team with reasons stating the conflict of interest.
5. During the evaluation of the Sub-grantees a criteria for evaluation shall be developed and shall incorporate the following issues among others:
 - a) The Sub-grantee is registered with the NGO Board and district where they operate;
 - b) The Sub-grantee shall have at least 2 years of experience working with the target group for which they are applying for funds;
 - c) The Sub-grantee shall have a clear understanding of the dynamics of working in the environments of the WENIPS target populations and respect of rights for these populations;
 - d) The Sub-grantee shall propose innovative approaches for wider application in other communities;
 - e) The Sub-grantee shall have basic leadership and governance structures for the organisation; and
 - f) The Sub-grantee shall have proven financial management systems
6. The final list of successful Sub-grantees shall be submitted to the *CEO* for approval.
7. The *CEO* shall communicate to all the applicants regarding the results of the evaluation.



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8. The selected Sub-grantees shall be trained, both by the Programs and Finance Departments to ensure that they use the funds for the purposes stipulated and that they account for them appropriately.

Section B: Contracting of the Sub-grantees

9. The contract agreement shall be signed between the Sub-grantee and WENIPS stipulating the terms and conditions of the grant extended to the Sub-grantee. The *CEO* shall sign on behalf of WENIPS.

10. The Sub-grantee shall be expected to fully comply with the terms and conditions of the Contract Agreement. Non-compliance could lead to termination of the agreement by WENIPS.

11. The Contract shall clearly stipulate the schedule of releasing funds to the Sub-grantee.

12. The 1st instalment of the funds shall then be passed on to the Sub-grantee. In the Accounting System, the amounts advanced to the Sub-grantees shall be held as Advances receivable from the specific Sub-grantees, pending accountability.

Section C: Monitoring of the Sub-grantees

13. WENIPS shall on a routine basis monitor the performance of the Sub-grantee in executing its mandate as stipulated in the Contract Agreement between WENIPS and the Sub-grantee.

14. On a quarterly basis, the Sub-grantees shall submit progress reports consisting of both financial and programmatic reports and other performance documents as required by the Contract Agreement.

15. The quarterly financial reports submitted shall be checked by the *FM* and approved by the *FAM*. The programmatic progress reports shall be checked by the relevant *Programme Officer* and approved by the *PC*.

16. Issues arising from the review of the reports shall be documented and forwarded to the *CEO* for appropriate action as required by the Contract Agreement.



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17. The *Programme Officer* in charge of the Sub-grantee as well as a representative from the Finance Department shall make routine visits to the field to assess the extent of implementation of the activities by the Sub-grantees as stipulated in the Contract Agreement.
18. A report on the visit shall be prepared, discussed with the Sub-grantee and forwarded to the *CEO* for appropriate action in accordance with the Contract Agreement.
19. A meeting between the sub-grantee and WENIPS shall be organised to discuss the report and actions that shall be undertaken by the Sub-grantees to correct any anomalies.
20. The *FAM* may sanction Internal Audits of the Sub-grantees as and when the need arises.

Section D: Accountability by the Sub-grantees

21. The sub grantees shall be required to account for funds received as shall be required by the Contract Agreement. The sub-grantee shall be expected to maintain proper books of accounts.
22. The accountabilities shall consist of original payment vouchers, original valid receipts and any other support documents that might be considered necessary to support the expenditure in the financial report.
23. Once the accountabilities are received, they shall be reviewed by the *Programme Officer* to ensure that they are in line with the activities in the Contract Agreement.
24. Once the *Programme Officer* is satisfied with the accountabilities, they shall be forwarded to the *FM* for financial review. Any anomalies shall be reported to the *CEO* through the *PC*.
25. The *Accountant* shall then expense the acceptable accountability in the Accounting System.

Section E: Closure of the Sub-grantees Agreement

26. At the end of the project or agreed time in the Contract Agreement, the Sub-grantee shall return all unspent funds.
27. A final report shall be prepared by the Sub-grantee including all the funds that were received during the grant and their utilisation. The report shall also clearly state the programme objectives achieved and the activities carried out.



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28. The final report shall be reviewed by the *PC* and *FAM* for the programme and financial components respectively and passed on to the CEO for approval.

29. The *CEO* shall convene a closure meeting with the heads of the Sub-grantee organisations and Contract Agreement closure letters shall be passed on to them.

Key Control Processes

1. The *Evaluation Team* shall follow a pre-set criterion to select Sub-grantees.
2. A Contract Agreement shall be signed between WENIPS and the Sub-grantee before funds are remitted to the Sub-grantee.
3. Before an instalment is accounted for fully, no further funds shall be remitted to the Sub-grantee.
4. Monitoring visits shall be made by the *PO* and Finance Department to the Sub-grantees to ensure that funds are being spent in accordance with the Agreement.

Responsibility Matrix

Task	CEO	PC	FAM	FM	PO	Acct
Assembly of Evaluation Team	x					
Approval of Sub-grantees	x					
Communication of results of evaluation to Sub-grantees		x				
Signing of Sub-grantee Agreement	x					
Checking quarterly Sub-grantee reports			x	x		
Approving quarterly Sub-grantee reports		x	x			
Actions on anomalies with Sub-grantees	x					
Checking Sub-grantee accountabilities			x	x		
Approving Sub-grantee accountabilities		x	x			
Expensing accountabilities						x
Reviewing final Sub-grantee reports		x	x			
Approving final Sub-grantee reports	x					



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APPENDICES

APPENDIX 1: SCHEDULE OF OFFENSES AND PENALTIES

SNO	NATURE OF OFFENCE	STAGES			
		1	2	3	4
1.	ABSENCE FROM DUTIES Absence without leave (AWOL). This includes tardiness and unauthorized delay in returning from lunch and break periods, or in returning after leaving work station on official business; unauthorized departure or absence from duty station <i>Late reporting to work (in the morning, during breaks or from the field)</i> <i>Absence for continuous periods of up to 2 working days</i> <i>Excessive absence for continuous periods between 3 - 9 working days</i> <i>Abscondment or absenteeism for 10 or more continuous working days</i> Failure to follow established leave procedures Failure to provide administratively acceptable documentation to support absence(s)/leave(s)	Verbal warning	Written warning	Final written warning	Dismissal
		Verbal warning	Written warning	Final written warning	Dismissal
		Written warning	Final written warning with salary deduction	Dismissal	N/A
		Dismissal	N/A	N/A	N/A
		Written warning	Written warning with salary deductions	Written warning with salary deductions	Dismissal
		Written warning	Written warning with salary deductions	Written warning with salary deductions	Dismissal
		Verbal warning	Verbal warning	Written warning	Written warning with up to 1 week's worth of salary deduction
		Verbal warning	Written warning	Final written warning	Dismissal
		Verbal warning/ performance based payments	Written warning/ performance based payments	Final warning/ performance based payments	Dismissal/ performance based payment
		Written warning	Written warning	Refund of fees paid by company	N/A
3.	INDISCIPLINE Failure to observe safety rules Reporting to or being on duty while "under the influence" of alcohol/drugs	Written warning	Final written warning	Dismissal	N/A
		Verbal warning	Final written warning, 7 days suspension with salary	Dismissal	N/A
2.	UNSATISFACTORY WORK PERFORMANCE <i>Failure to meet stipulated deadline</i> <i>Failure to meet performance target/outputs (quantity criteria)</i> <i>Failure to meet performance standards (quality criteria)</i> <i>Failure to meet performance based targets</i> Failure to take/complete officially-authorized/directed/sponsored training	Verbal warning	Verbal warning	Written warning	Written warning with up to 1 week's worth of salary deduction
		Verbal warning	Written warning	Final written warning	Dismissal
		Verbal warning/ performance based payments	Written warning/ performance based payments	Final written warning	Dismissal
		Written warning	Written warning	Final written warning	Dismissal
		Verbal warning	Verbal warning	Written warning	Written warning with up to 1 week's worth of salary deduction
		Verbal warning	Written warning	Final written warning	Dismissal
		Verbal warning/ performance based payments	Written warning/ performance based payments	Final warning/ performance based payments	Dismissal/ performance based payment
		Written warning	Written warning	Refund of fees paid by company	N/A
		Written warning	Final written warning	Dismissal	N/A
		Verbal warning	Final written warning, 7 days suspension with salary	Dismissal	N/A



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			deduction		
	Unauthorized use and/or possession of alcoholic beverages/drugs while on company premises (or vehicle).	Verbal warning	Final written warning, 7 days suspension with salary deduction	Dismissal	N/A
	Operating a company vehicle or motorcycle while "under the influence" of alcohol/drugs	Written warning	Final written warning, 7 days suspension with salary deduction	Dismissal	N/A
	Refusal or failure to provide a required specimen for alcohol/drug-testing by an authorized body/person	Written warning	Final written warning, 7 days suspension with salary deduction	Dismissal	N/A
	Refusal to carry out lawful and reasonable instructions	Written warning	Written warning with 7 days suspension with equivalent salary deduction	Dismissal	N/A
	Failure to follow established channels or procedures	Verbal warning	First written warning	Final written warning	Dismissal
	Misuse of organisational resources	Verbal warning, 7 days suspension with equivalent salary deduction	Final written warning	Dismissal	N/A
	Giving false evidence	Written warning	Written warning, 7 days suspension	Dismissal	N/A
	Inappropriate dressing, use of language etc.	Verbal warning	Written warning	Written warning	Dismissal
	Engaging in prohibited outside employment or private business activities.	Dismissal	N/A	N/A	N/A
	Failure to disclose conflict or potential conflict of interest	Written warning	Written warning	Dismissal	N/A
4.	SUPERSTITIOUS BEHAVIOUR				
	Performing of unauthorized spiritual, religious and cultural rituals, practices and ceremonies at work place	Dismissal	N/A	N/A	N/A
	Performing disruptive spiritual, religious and cultural prayers, activities etc. at work place	Dismissal	N/A	N/A	N/A
	Bringing to office premises unauthorized spiritual, religious and cultural relics	Dismissal	N/A	N/A	N/A
5.	DISORDERLY BEHAVIOR				
	Sleeping or loafing while on duty; inattention to duty; willful idleness while on duty.	Verbal warning	Written warning	Written warning	Dismissal
	Riotous behaviour	Dismissal	N/A	N/A	N/A
	Fighting or causing a fight at work	Dismissal	N/A	N/A	N/A



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Assault	Dismissal	N/A	N/A	N/A	N/A
Indulging in rough and unruly behaviour at work	Final written warning	Dismissal	Dismissal	N/A	N/A
Threatening violence	Final written warning	Dismissal	Dismissal	N/A	N/A
Use of abusive language	Written warning	Final written warning	Dismissal	Dismissal	N/A
Sexual harassment (Misconduct of a sexual nature that includes, but is not limited to, unwelcome sexual remarks, indecent comments/jokes, offensive sexual banter, unwanted sexual advances, or unwelcome physical touching.	Written warning	Dismissal	Dismissal	N/A	N/A
Unlawful discrimination against staff or clients	Written Warning	Final Written Warning	Dismissal	Dismissal	N/A
Issuing unauthorized press statements	Final written warning	Dismissal	N/A	N/A	N/A
Disclosure of Confidential information to unauthorized people	Final written warning	Dismissal	N/A	N/A	N/A
Sabotage of the property of the contracting authority	Dismissal	N/A	N/A	N/A	N/A
Falsification/misrepresentation of official records or documents including, but not limited to, time and attendance records, travel vouchers, job applications, performance appraisals, claims for benefits, and other employment-related documents.	Written warning or summary dismissal depending on severity of the offence	Written warning or summary dismissal depending on severity of the offence	N/A	N/A	N/A
6. MISUSE OF AUTHORITY, PROPERTY AND MISREPRESENTATION					
Prohibited/improper use of company property (e.g.: office equipment; supplies; facilities; credentials; records; communication resources; cellular phones; official time)	Written warning	Written warning	Written warning	Dismissal	
Improper/misuse of the Internet or electronic mail; using the Internet/electronic mail for unauthorized purposes.	Verbal warning	Written warning	Written warning	Written warning	Dismissal
Unauthorized possession/sale (actual or attempted) of company property	Dismissal	N/A	N/A	N/A	N/A
Negligence, loss or damage to company property	Final written warning	Dismissal with costs	Dismissal with costs	N/A	N/A
Willful damage to company property	Dismissal	N/A	N/A	N/A	N/A
Unauthorized removal of property from company premises (theft)	Dismissal	N/A	N/A	N/A	N/A
Misappropriation of property of company authority	Dismissal	N/A	N/A	N/A	N/A
Falsifying documents	Dismissal	N/A	N/A	N/A	N/A
Accepting bribes or commission	Dismissal	N/A	N/A	N/A	N/A
Defrauding (or attempt) the company or beneficiaries	Dismissal	N/A	N/A	N/A	N/A
Approving a transaction beyond one's authorized authority limit	Written warning/dissmissal depending on gravity of the offence	Written warning/dissmissal depending on gravity of the offence	Written warning/dissmissal depending on gravity of the offence	N/A	N/A



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7.	ILLEGAL INDUSTRIAL ACTION	Final written warning	Dismissal	N/A	N/A
	Strike action or incitement to strike	Final written warning	Dismissal	N/A	N/A
	Intimidation	Final written warning	Dismissal	N/A	N/A
8.	INFORMATION MANAGEMENT	Written warning	Final Written warning	Dismissal	N/A
	Improper or unauthorized release of sensitive and administratively-controlled information e.g. employee records; failure to safeguard classified material, unauthorized release of interview questions to potential applicants etc.	Written warning	Written warning	dismissal	
	Intentional release	Verbal warning	Written warning	Written warning	Dismissal
	Unintentional release	Verbal warning	Written warning	Written warning	Dismissal
9.	OTHERS	Dismissal in public interest	N/A	N/A	N/A
10.	SUPERVISORY MISCONDUCT	Written warning	Written warning	Dismissal	N/A
	Taking, directing others to take, recommending or approving any action which may be considered a "prohibited personnel practice" (e.g., reprisal against whistleblowers, discrimination based on race, color, gender, age, religion, national origin, marital status, political affiliation, sexual orientation or handicapping condition).	Written warning	Written warning	Dismissal	
	Taking reprisal action against an employee for exercising rights provided under labour laws of Uganda	Written warning	Written warning	Dismissal	
	Neglecting to recommend/take corrective action upon receipt of information regarding the job-related misconduct of a subordinate employee.	Verbal warning	Written warning	Written warning	Dismissal
	Failure to appropriately monitor employee use/misuse of company resources	Written warning	Written warning	Dismissal	N/A
	Misconduct of a sexual nature that includes, but is not limited to, unwelcome sexual remarks, indecent comments/jokes, offensive sexual banter, unwanted sexual advances, or unwelcome physical touching	Dismissal	N/A	N/A	N/A
	Engaging in prohibited partisan political activity (e.g., partisan campaigning, soliciting/receiving political contributions).	Written warning	Dismissal	N/A	N/A
	Willfully using or authorizing the use of a company vehicle for other than official purposes.	Written warning	Dismissal	N/A	N/A



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This Table provides a list of common infractions, along with a suggested range of penalties for each; it is intended to serve as a guide to discipline, not a rigid standard, and deviations are allowable for a variety of reasons. Greater or lesser penalties than suggested may be imposed as circumstances warrant, and based on a consideration of mitigating and aggravating factors. Management must exercise reasonable judgment and consider all relevant factors in determining the most appropriate corrective action for each situation. Any penalty determination outside the suggested range should be based upon a reasonable consideration of many factors and the rationale documented in the decision notice.

The use of this Table as a guide will help to ensure appropriateness of penalty in relation to the charge(s), as well as relative consistency in discipline throughout the company. The fact that a particular offense is not listed in the Table does not mean that the employee cannot be charged with that offense. In such instances, a reasonable penalty can be determined by a comparison to those offenses listed in the Table. Verbal warnings herein include oral warnings, counseling, and other corrective actions which may be more appropriate for correcting minor offenses. Progressively stronger corrective actions should be taken if an employee repeatedly engages in misconduct. When an employee receives corrective action for an offense which falls under one range of penalties, and later commits a different offense under the same or another category of offense, the latter is considered a second offense for progressive disciplinary purposes. For example, if an employee is charged with absence without leave (AWOL) and is issued a written warning letter, then is later charged with insubordination for subsequent misconduct, the appropriate penalty range for the insubordination charge is a second stage action. In addition to a management-initiated corrective action, an employee also may be subject to criminal prosecution when there is evidence of a possible statutory violation