



FINANCE POLICY

JDF

JIREH DOO FOUNDATION

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JIREH DOO FOUNDATION
ACCOUNTING MANUAL AND INTERNAL CONTROL PROCEDURES.

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1. INTRODUCTION

Jireh Doo Foundation is committed to improving the lives of single parents and their children, singles living with HIV and AIDS, Orphans and vulnerable children through the provision of care and support services such as scholarships, nutritional support, medical care, psychosocial support and more. Our interest also lies in providing relief assistance to those made vulnerable by human and natural disaster (IDPs).

BACKGROUND INFORMATION

Jireh Doo Foundation was founded in 2003 and became operational in the same year, JDF's uniqueness lies in her interventions for poor and excluded communities including services to single women and their children, orphans and vulnerable children with special considerations for those orphaned by HIV, Persons Living with HIV, displaced persons due to man-made or natural disaster/conflicts, Youth as well as advocating for favorable policies for these target groups.

We make particular effort to nurture partnerships with public institutions, non-governmental organizations and agencies towards improving the lives of women, children, young people and other marginalized populations through participation, service delivery, fund raising, capacity building and networking amongst others in the achievement of sustainable development.

Jireh Doo Foundation with 17 years of community implementation has consciously strived to reach the under reached and vulnerable populations in Nigeria. The Kwara, Nasarawa, Gombe and Borno field offices were established because of this drive. The cardinal objectives of the organization include improving the livelihoods of the marginalized and their communities, provision of a purposeful and transparent leadership in the management of resources, strengthening capacity of our stakeholders to respond to their socio-economic challenges, providing support for survivors of gender-based violence and or responding adequately to the needs of the distressed in our society. JDF has community presence in 42 Local Government Areas (LGAs) nationwide, Benue (13), Borno (6), Kwara (16) and Nasarawa (7) States respectively and is currently reaching out to vulnerable populations with various services.

1.1 Vision

Envisions a society where the poor and vulnerable have access to social justice and sustainable livelihood.

1.2 Mission

JDF is committed to enhancing social justice of the underserved for a healthier society through creating access to sustainable livelihoods, basic health information, inclusive governance, gender equity and improved response to emergencies.

1.3 Cores Values

JDF upholds the following values

- Respect for human rights and social inclusion
- Integrity

- Teamwork
- Innovation
- Accountability
- Effective and efficient Service Delivery

JDF Slogan/Motto: *Voice for the voiceless*

JDF target Group/Beneficiaries

Single women and their children, orphans and vulnerable children with special considerations for those orphaned by HIV, Persons Living with HIV, displaced persons due to man-made or natural disaster/conflicts and youths.

Accounting manual and Internal control procedures

This manual of accounting procedures set out the step-by-step approach to be followed in recording and control of financial transactions of Jireh Doo foundation.

THE PURPOSE

The purpose of an accounting manual can be summarized as follows:

- i. To describe the accounting procedures to be followed in each area of operation in an organization namely the documentation, the authorization and approach required.
- ii. To explain the accounting principles adopted by Jireh Doo Foundation.
- iii. To ensure uniformity in the procedure adopted in treating similar transaction and the principles involved throughout the organization.
- iv. To aid the installation of uniform internal control procedures
- v. To provide the basis for reference for the staff and officers when rendering management information report.
- vi. To provide the basis for induction and training of officers and staff of the organization
- vii. Existence of accounting manual portrays the management of the organization in good light before regulatory agencies and other business partners.

2. ACCOUNTING ADMINISTRATION

This spell out the procedure for establishing accounting responsibilities. It includes the organizational structure of JDF.

THE MANAGEMENT

The National office is under the general direction of a management with the National coordinator as the Head.

The National coordinator is the Chief Executive and oversees the day-to-day running and operations of the organization.

Seven departments report directly to the administrative secretariat namely:

- External Relations and Communication
- Training and Research

- Administration and Human Resources
- Knowledge and information management
- Programmes
- Advocacy and Human Rights
- Finance and Resource Mobilization
- Internal Audit

The Head of each department is responsible for the functions of the department. The Head of dept. must ensure that the procedures outlined in this manual as it concerns the department are followed.

2.6 DESCRIPTION OF THE ACCOUNTING SYSTEM

THE COMPUTERISED ACCOUNTING SYSTEM

1. Accounting Systems

The organization's resources are administered through a computerized accounting system using QuickBooks Accounting software to capture all transactions (expenditure and income). The computerized accounting system of QuickBooks accounting software is used to capture and report all transactions. The Chart of accounts (or list of account codes) set up in the QuickBooks is used to record and analyze raw financial information.

The QuickBooks allows the user to operate different companies in the accounting software, which summarizes the financial affairs of an organization. It contains details of the Assets, liabilities, capital, income and expenditure of the organization.

It must be emphasized that the computerized accounting system had eliminated all seemingly cumbersome procedures associated with manual accounting system.

Recording

All transactions must be posted into the QuickBooks on daily basis. By this procedure, there is assurance of early and timely imputing of financial data.

Each posted document must be stamped or endorsed "**posted**" with the date and the signature of the posting officer well inscribed on the document. The reconciliation of the balances shown in the general ledger in the software must be carried out monthly by the accountant and all differences must be promptly investigated.

Every transaction passed through the QuickBooks is processed by the software using the double entry accounting system.

2.8 OBJECTIVES OF THE ACCOUNTING SYSTEM

The main objectives of the accounting system are:

2.8.1 Record assets, Liabilities, Income and Expenditure of the organization to comply with the requirements of international accounting Standards (IAS).

2.8.2 Provide timely information to management for the efficient running of the activities of the organization.

2.8.3 Offer a suitable financial framework for planning the organization's future activities through Annual Budgets and long-term Rolling plans.

2.9 RESPONSIBILITIES OF THE ACCOUNTS DEPARTMENT

The responsibilities of accounts department shall include:

- 2.9.1 To maintain proper books of accounts and other record of accounting transactions of the organization.
- 2.9.2 To operate satisfactory accounting/internal control over the organization's Assets and Liabilities.
- 2.9.3 Monitoring the effectiveness of the installed system of accounting and controls.
- 2.9.4 To provide management information as required by management, to assist in planning and controlling the activities of the organization.
- 2.9.5 To initiate amendment and extension of the accounting principles and procedures in the light of changing circumstances.
- 2.9.6 To prepare the annual budget for the organization.
- 2.9.7 To guide other departments/divisions on technical matters relating to the organization's accounts and finance.
- 2.9.8 Manages payroll of the organization and to ensure compliance with Government laws and Statutory requirements on matters of financial reporting.
- 2.9.9 To prepare and manage funding from donors.

The responsibility of Staff/persons in the accounts departments

Finance and Administrative manager (FAM)

- Review and approve financial statements, business activity reports, and financial forecasts.
- Ensure that the organization's financial records and recordkeeping methods are in compliance with applicable standards and regulations.
- Manage Finance employees and contractors who are responsible for financial reporting.
- Periodically review the organization's financial reports and identify opportunities for cost reduction.
- Analyze data and advise top management on how to maximize profits.
- Analyze market trends and identify opportunities for growth/expansion.
- Oversee organization's investments.
- Review all finance transaction before payments are made

Job descriptions and further information on Job role will be domicile with the HR

Finance officers (FO)

- Create and implement financial policies to guarantee operational efficiency.
- Oversee the preparation and planning of budgets.
- Maintain records and receipts for all daily transactions.
- Ensure financial records are kept up-to-date with the latest transactions and changes.
- Contribute to financial audits.
- Monitor all bank deposits and payments.
- Perform periodic financial analysis to detect and resolve problems.
- Prepare balance sheets and invoices

Finance coordinators (FC)

- Support in reviewing and preparing staff Payroll and remittance of statutory returns (PAYE, NSSF, Withholding Tax and Local Service Tax) and ensure compliance with statutory regulations.
- Support in reviewing all financial reports based on existing finance management system.
- Planning, implementation and control of operational and supplementary budgets.
- Supporting Finance and Admin team in proper asset management.
- Proper execution of requisitions, expenditure and accountability of organizational resources.
- Support in ensuring timely and accurate donor and management reports, and budget proposals that includes being responsive to donor conditions.
- Reconciliation and filing of bank statements on a monthly basis with appropriate approval.
- The procurement process and ensure compliance to prudent financial principles and value for money.
- Any other responsibilities which may be related to prudent resource management, statutory compliance or assigned by the Director commensurate with the role of a senior staff at Raising Voices.

Finance Assistant

- Process and prepare financial and business forms for the purpose of checking account balances, facilitating purchases, etc.
- Perform routine calculations to produce analyses and reports as requested by the finance director
- Help oversee and manage individual accounts
- Create, send, and follow up on invoices
- Review and adhere to department budgets
- Collect and enter data for various financial spreadsheets

- Review and audit financial statements and reports, ensure all calculations and data entries are correct
- Reconcile any discrepancies or errors identified by conversing with employees and/or clients
- Report any troubling discoveries or suspicion of wrongdoing to the proper authorities
- Collect information for and prepare payroll payments for employees
- Assist the financial director in creating financial reports on a regular basis
- Adhere to the company's or organization's financial policies and procedures
- Answers question and provide assistance to stakeholders, customers, and clients as needed
- Attend finance department and company-wide meetings, sometimes assisting with financial reporting to managers and senior executives
- Suggest changes or improvements to increase accuracy, efficiency, and cost reductions.

BANKING OPERATIONS:

1. Project bank accounts:

- a. Dedicated project accounts are opened for new projects in the name of the organization.
- b. The account is maintained solely for the project until it closes out.
- c. Current accounts are maintained for projects in bank that are certified by the CBN for safety of donor funds.
- d. There must be at least three signatories to the account out of which 2 are authorized to sign; one must be the Finance/Admin Manager, National Coordinator or the Program manager Jireh Doo Foundation.

2. Bank Accounts:

- a. Operations accounts are maintained by the organization for it's funds
- b. Current accounts are maintained for JDF operation in banks that are certified by the CBN for safety of the organization's funds.
- c. There are at least three signatories to the account out of which 2 are authorized to sign for every transaction, one must be the Finance/Admin Manager, National Coordinator or the Program Manager

3. Foreign currency Domiciliary account operation

- i. Foreign currency domiciliary accounts should be maintained for the organization at reputable banks where exchange to local currencies is promptly done with proper documentation.
- ii. Funds can be sent to the account by Donors through telegraphic/wire transfer or cheque can be given.
- iii. Where cheque is received, it will be paid into the account. This will take a minimum of 3 days to clear.
- iv. When fund is received in the account, the bank officials will write a credit advice on the fund received for the organization

- v. To process grant for exchange into naira, a letter of request for approval to effect the transaction is sent to the executives.
- vi. A formal letter duly signed by the signatories is then submitted to the bank stating the amount to be exchanged.
- vii. The bank officials will provide the exchange rate of the dollar or pounds sterling to the naira.
- viii. The naira value will then be provided in the name of the organization through bank draft or transfer the value to the local currency account number provided.
- ix. The bank will then provide debit advice for the exchange transactions stating the amount of currency exchanged the rate of exchange and the amount of naira paid.

3.0 RESOURCE MOBILIZATION

This section describes the system and procedures employed and the documentations used in accounting for revenue.

a. Financial Business continuity plan

To ensure organizational continuity as recommended and approved by the BOT, JDF will re- program project gains received from fund exchange and or funds left on budget lines (Due to uncertainties or late recruitments) to meet the following needs

- **Fund organizational core programme areas**
- **To fund projects with prospects, in such situations JDF will develop an elaborate exit strategy and funds utilized to meet the needs, In such cases a no cost extension will be requested putting into consideration the social and economic situation in Nigeria.**
- **Fund institutional capacity strengthening**

SOURCES OF INCOME

The major incomes accruable to JDF would consist mainly of the following:

- a. Capital injection: this may be injection of capital by Board of Trustees if there is any need for it. This can be done after notices of fund raising have been communicated to them.
- b. Donations: JDF shall ask for and receive donations from individuals, organizations and corporate bodies when necessary.
- c. Grants from Donor /Partners
- d. Income from Investment: based on accurate cash flow and forecasting, the management shall invest from time to time the surplus funds of the organization in profitable and safe investment portfolio. Investment could be in shares, bond, and fixed/Time deposit.
- e. Income from business ventures and IGAs
- f. Consultancy Services
- g. Other Incomes

3.2 INCOME

3.2.1 GENERAL RECEIPT PROCEDURE:

The organization shall receive both cash and cheque for their various revenue transactions. All in-coming cheque(s) must be entered in the cheque register. The Finance/Admin Assistant shall receive the cheque(s) with the accompanying documents, acknowledge the receipt and then cross the cheque(s) "Account payee only" with the cheque crossing –stamp (where the payer has not crossed it).

Please find below specific procedures for the receipt and lodgment of cash and cheques

3.2.2 CASH AND CHEQUE RECEIPTS

The organization shall not receive cash for payments for services of the sum that is above #50,000.00 (fifty thousand naira only). Where it becomes necessary that such payment be received in cash, the Finance/Admin Manager shall so authorize.

3.3 PAYMENT PROCEDURE

There shall be three types of payments namely:

- Cheque payment
- Cash payment
- Online Bank transfer

3.3.1 Cheque Payments

- i. Cheques are drawn only after approval of request which has been duly audited by the Finance and admin officer or manager.
- ii. The vouchers with the supporting documents and the cheque should be passed to the authorized signatories to sign.
- iii. All cheque payment vouchers should be posted to payment cash book
- iv. All cancelled cheques must be kept intact.
- v. A cheque register (note book) should be maintained to record the dispatch of all cheques (Appendix 2)
- vi. A Bank Reconciliation statement shall be prepared at the end of every month by the Finance officer. This is to ensure that JDF's funds with the bank are intact and that there are no outstanding items requiring clearance.
- viii. Request for cheque payments should be with a payment request.

3.3.2 Cash Payments/Imprest

JDF shall maintain an **imprest** account of fifty thousand naira (N60, 000) through the finance and admin assistant. The imprest limit to next withdrawal shall be ten thousand naira (N10, 000) and any fund request made above twenty thousand naira (N20, 000) shall be paid by cheque/transfer.

There should be a petty cash imprest form where cash payments request will be made for the day to day running of the office.

Request for cash payment shall be on a “payment request form” with necessary supporting documents and duly approved by the line manager of the staff before payment is made with petty cash voucher.

For expenses that the actual amount has not been determined a cash advance form should be used to collect money and retired promptly after the transaction before the petty cash voucher will be raised for the actual amount spent

Imprest should be drawn from the bank and reconciliation shall be made before reimbursement. The petty cash vouchers are posted in the petty cash book and the QuickBooks which will also be stamped and signed “**posted**”.

FUND REQUEST:

1. General fund request procedure:

- a. The request for fund by a staff shall be forwarded through Departmental or Unit head through the finance unit to the National coordinator.
- b. The request is passed to finance unit for advice on sources of fund to meet the request.
- c. The finance will then pass it to the Internal Auditor/Finance Coordinator for appropriate checking and vetting.
- d. The internal auditor/Finance coordinator will pass it to the finance unit and the finance will advice on the source of funding the request.
- e. The admin will now recommend the request for approval and pass it to either the programme manager or national coordinator.
- f. Request for funds above N1,000,000.00 shall be recommended by the Programme manager to the National coordinator for approval, and any request below the above will be approved by the programme manager

e. payment voucher preparation process

- a. The finance department prepares vouchers only for approved requests.
- b. The voucher will be registered in the appropriate register and reference number will be written on the voucher.
- c. The officer that prepares the voucher will sign it, and then pass it for review by Admin Officer/coordinators/program manager before Approval by Program manager/National coordinator.
- d. Finance officer in charge will sign the certified column for every voucher.

f. Approvals

- There are at least three signatories to the organizations accounts namely: The National Coordinator, the Program Manager, Finance/Admin Manager and any other staff designated by the senior management team.
- Signatories are responsible for approving all transactions of the organization. For each Transaction, this approval is documented by printed voucher signed

and dated by the National Coordinator or other Approved signatory. Transactions are not entered in the financial records without prior approval of the voucher by the National Coordinator or his/her designee.

- Unless the National Coordinator is out of office, he/she shall be responsible for approving all financial transactions of projects. This responsibility shall be delegated to his/her designee when the National Coordinator is unavailable.
- Individuals who are not employees shall not be signatories on the bank account.

Payment process

- a. Online transfer/Cheques are written for the exact amount on the signed voucher in either the name of the requesting officer, the cashier or the contractor.
- b. Payments due to contractors are carried out base on recommendations from the procurement committee, donor or managing partner, LPO
- c. The written cheques are forwarded to the signatories for their signatures.
- d. The signed cheques are then registered before issuance

iii. Disbursement of signed cheques to beneficiary:

- a. Signed cheques are paid to beneficiary after preparing the payment vouchers to acknowledge.
- b. The cheque register will also be signed.
- c. The receipt will also be issued for the amount of cheque collected.
- d. The voucher will be stamped **paid** and **RETIRED**.

The voucher will then be filed in appropriate payment voucher jacket serially.

2. Fund Request for purchases/procurement

- a. At least two quotations should be collected and attached to the fund request letter.
- b. The procurement committee will review quotations submitted and recommend to requesting officer.
- c. The finance/Admin department prepares Local Purchase Order (LPO) only for approved vendor and forwards same to the supplier
- d. Upon supply of the goods procured or service delivered, cheque is written for the exact amount on the signed LPO or for the value of goods or service delivered; and voucher is prepared either in the name of the supplier/contractor or the requesting officer as written on the cheque. Where the supplier does not have a functional bank account in the name of her firm, he/she shall authorize in writing that the cheque be written in his personal name or the name of his employee

- e. The written cheque(s) are forwarded to signatories for signing.
- f. Signed cheque(s) are dispatched to beneficiaries following the procedure listed above.

3. Traveling advance request:

This involves those advances collected while traveling outside office and it incorporates accommodation, feeding, per-diem, transportation, local running etc

- a. The rate requested for the travels shall be as follows:
 - i. Accommodation: 8,000 naira to 50,000 naira depending on the location, however in situations that demands expenditure above the threshold, the requesting officer shall seek for approval from designate person depending on the total amount.
 - ii. Per-diem: N8000 within Nigeria and N17,500 (\$50) outside the Country
 - iii. Transportation: N30 per KM within Nigeria and the rate determine by the air line for international trip
 - iv. Feeding: N4,000. Feeding is however paid only when per-diem is not included in the trip
- b. The request for travel advance should be passed through the Department Unit head to the Finance Unit to the Programme Manager or National Coordinator for approval at least one weeks before the trip (however in situation of emergency, staff shall state via email to get approval from the programme manager or National coordinator depending on the cost to facilitate the process and request made immediately).
- c. The advance will be released to the beneficiary a day before the trip. However, in situation of emergency the officer shall state so via email to get approval from the programme manager or National Coordinator depending on the cost to facilitate the process with a cheque/bank transfer.

4. Procedure of Payment to Contractors

- a. At least three (3) contractors should be invited to quote for the job and submits the quotations to the office of the Procurement Committee through a sealed envelope or via email.
- b. The Procurement committee will open the quotations/email and review/analyze the financial bid
- c. Follow up can be done with the contractors on need basis to ensure JDF gets the best value.
- d. The job will then be awarded to the contractor that the committee believes has the understanding of the job and also quote reasonably.
- e. The National Coordinator or Programme Manager will sign the contract agreement.
- f. The signed contract agreement together with a request letter will be forwarded through the finance/Admin unit to the National Coordinator.
- g. A payment voucher will then be prepared following the usual procedures outlined earlier.
- h. The prepared voucher will be forwarded for signing.
- i. Cheque will be paid prepared, signed and registered or payment prepared and approved by the National coordinator

- j. At most 40% advanced will be paid while the 60% balance will be paid after completion of the contract. (This can be changed based on the advisory of the procurement committee or programme manager, putting into consideration the nature of contract, this advisory will be made via email)
- k. The 60% balance will only be released by the finance/Admin unit after certifying that the Job has been duly completed.

RETIREMENT OF ADVANCE

In retiring advances, particular attention should be made to the following:

- a. Advance retirement form should be filled when retiring advances.
- b. Advance collected for the purpose of office supplies should be retired latest by the next working day attaching original receipts of expenditure. Photocopy or duplicate copies are not acceptable.
- c. Advance collected for workshops, conference, seminars and trainings should be retired not later than seven days after the completion of the activity/program attaching all receipts and relevant documents.
- d. Travel advance collected should be retired to the receiving finance officer not later than five days after returning to the office from the trip.
- e. Where the travel is done by air, the stamp of the Air ticket should be submitted, otherwise the transportation cost will be calculated using kilometer rate and the officer will have to refund the difference to the organization.
- f. Where there is refund on the advance collected, this should be paid to the Finance/Admin Assistant who should issue receipt for the amount and register it in the appropriate register.
- g. The Finance/Admin Officer shall deposit the amount refunded to the bank same day without further delay.
- h. If after the internal Auditor's scrutiny, the amount expended exceeds advance collected, the affected officer will complete and submit the reimbursement claim form for the amount overspent.
- i. The claim form will then be forwarded through the usual procedure for approval after which the requesting officer will be reimbursed to the amount approved.
- j. Failure to comply with the above shall result to stoppage of salary of the staff concerned.

Staff can only take advance for activities less than 1,000,000.00 naira, however there must be a clear mail approval to indicate why staff must take such advance. This request can be reviewed by the finance officer on the project and approved by the Programme manager under the advisory of the finance and Admin Manager.

General Control and Procedure on Payments and Financial Records.

We maintain financial records that are well organized and transparent and that accurately reflect the use of Donor financial and physical resources. These records are organized in accordance with our financial policies. The following are some of the general procedures in documenting our transaction.

- a. Separate set of records is maintained for each bank account. This is done with a separate company set up for the individual project in the Quick Books software file
-
- b. A voucher is completed and the support document attached by the Finance/Admin Officer before the voucher is submitted to the Finance/Admin manager for review after which it is forwarded to the National Co-coordinator for approval
- c. All cheques are used in numeric order.
- d. All transactions are entered into the QuickBooks software and is automatically treated as a double entry financial record (i.e. each transaction having both a debit and a credit record) using the correct account codes from our chart of Accounts set up by the Finance/Admin Officer.
- e. All vouchers are supported by the appropriate original documentation which evidences the data, amount, and nature of the transaction, as well as the parties involved
- f. Once the National Coordinator approves the voucher, the Finance/Admin Officer enters the transaction into the registers. To reduce errors and facilitate prompt sending of reports at month-end or as the case may be, transactions are posted on a daily basis by the Finance/Admin Officer
- g. Financial records is maintained either electronically or in permanent ink. Usage of pencils is not approved for any transaction or documentation
- h. In the event that an error is written on any financial document, the error should be marked with a single line across it. Errors should not be obliterated, nor should "white-out" be used.
- i. Voided transactions are documented and reflected on a voucher and approved, as would any other transaction. Voided vouchers, checks, and support documents are not discarded.
- j. Unused booklets of checks and vouchers are kept in a locked cabinet/safe under the care of the Finance/Admin Manager

PROCUREMENT AND STOCK (INVENTORY) CONTROL

- i. Standard purchase/services requisition form should be used for purchase requisition by staff.
- ii. There should be proper separation of duties between requisition, procurements, receiving and maintenance of accounts payable for goods and services procured
- iii. The user department raises the purchase to purchase requisition form to obtain approval to purchase
- iv. A local purchase order is raised after considering at least three (3) suppliers quotations. The purchase order is to be signed by the National Coordinator, Finance/Admin Manager, and Program Manager
- v. The stores officer receives the goods/items on arrival and issues Goods received Note (GRN) to be signed by him/her user dept and confirmed by Internal Auditor or staff delegated
- vi. Payment shall be made using original copies of supplier's invoices, LPO and the GRN.
- vii. Access to stores shall be by authorized staff

viii. There should be periodic stock taking.

- a. Stock should be issued with stores requisition) duly approved by the Finance and Admin Manager

Every store item should have a bin card to (Appendix 6) record movement of stock.

PAYROLL (SALARIES & WAGES)

- a. **Duty forms** e.g. Assumption of duty forms and discharge forms shall be produced and issued to all new employees and those who left the service respectively.

Adequate records should be maintained by Admin for all employees e. C.V, certificates, referees, salary, period engaged e t c

- b. **Consolidated salary structure**

Jireh Doo foundation shall maintain a consolidated salary structure on **grade level 1 to 14 and steps 1 to 6 for each grade**. The salary structure shall be:

- c. **Pension**

Jireh Doo Foundation shall maintain the payment of pension

- d. **Payment Slip**

A payment slip showing details of salary payments and allowances and deductions shall be prepare and issued to every employee in duplicate copy. The employee shall check and sign the payment slip and returned the duplicate copy to the Finance officer

- e. **PAYE (Tax)**

The organization shall deduct the PAYE tax for all her staff and remit same to the Board of Internal Revenue Services (BIRS). The rate for this deduction shall be determined by BIRS from time to time.

Pay Roll General Control

All rates or pay fixing and amendments shall be in writing and made available to the finance department.

All staff shall be paid through bank account. The organization through the Finance and Admin Manager shall direct all new employed staff to open salary account with the designated bank.

The finance and Admin officer shall prepare payment schedule base on **time spent on the organization's job (Time sheet: Appendix 8)** on monthly basis for all staff and cheque(s) shall be drawn for the net amount in the payroll.

Each signatory to the organizations account should sight the authorized payroll summary at the time of signing the cheque(s).

There should be individual employee pay records in Finance department showing details of salary and changes.

There should be payroll time table for prompt payment of salaries.

Salaries cheques should be lodged with bank at least 5 days before end of the month being paid for.

Payroll summary should be drawn monthly after salary payment to reconcile payable with actual payment through the bank.

FIXED ASSETS

Acquisition of Fixed Assets

The acquisition of fixed assets must be included under capital expenditure in the yearly budget. The Board of Directors must have approved it.

Acquisition of Fixed Assets shall be by the authority of the Board of Trustees especially if such acquisitions are in excess of #100,000,000.00 The National Coordinator however authorizes acquisitions of #100,000,000.00 and below.

Procedures for the acquisition of Non Current Assets

1. User Department or Management makes a request for an acquisition based on need and/or necessity.
2. Request is forwarded to the Finance/Admin Manger who assesses the request based on the following criteria:
 - a. Use/need for acquisition
 - b. Cost/benefit analysis including incidental cost of maintaining the assets
 - c. Reasonableness, with special focus on alternative way of achieving the objectives of buying.
3. The Finance/Admin Manger writes a brief report on the benefits and costs associated with the proposed acquisition (including those that may arise as a consequence of the purchase); and his opening.
4. The request, together with the assessment of the request by the Finance Manager is sent to the National Coordinator who takes action on the request, based on the Finance Manager's report, his own judgment and the resources at the disposal of the organization.

If the acquisition exceeds the approval limit, such request should be forwarded to the Board of Trustees for final approval, especially if it is outside the scope of the budget earlier prepared in the year.

5. Upon approval by the relevant authority, the normal procurement procedures will be followed.

Accounting Policy on Non Current Assets

1. Accounting Convention

Accounts should be prepared under the historic cost convention and/or as modified by the revaluation of fixed assets.

To this end, assets should be initially brought into the books at their historical costs which, for this purpose, shall be the invoice value of the assets together with all incidental cost incurred in putting the assets in a useable state.

2. Depreciation

Depreciation should be charged on a straight line basis and at a rate necessary to write off the cost/valuation (in case of assets revalued) of the

fixed assets over their useful life span. Depreciation should be computed with effect from the month of acquisition, and on monthly bases.

3. Depreciation Rate

Depreciation rates charged shall be on the original costs of such assets or on the valuation placed on the assets by professional valuers. Depreciation rates shall be realistically chosen to ensure that they would fully write off the assets over their estimated useful life. Rates so chosen should be consistently followed and applied

The following rates are to be used:

Building	5%
Plant and Machinery	25%
Office furniture and fittings	10%
Equipment	25%
Motor Vehicle	20%

Method of Depreciation

The method of depreciation shall be straight line method

Valuation

Professional values could revalue fixed assets which book values do not represent their true worth. Such asset in the case of upward revaluation must still be functional and be capable of rendering at least two more years of useful services. Assets that have significantly lost value should also be revalued. Valuation/revaluation of asset must not proceed without the approval of the Board of directors.

The revaluation surplus is the difference between the valuation a value and the Net Book value of the asset. If, in extreme cases, the revaluation produces a deficit, the above entries should be reversed.

Depreciation on the revalued assets should be calculated by reference to the estimated useful life of the asset revalued and applied on the new valuation placed on the asset as follows:

Non Current Assets Register

A fixed Asset register should be open for each asset acquired. The asset register should show the following details.

1. Asset Number
2. Date of purchase
3. Description of Asset
4. Location of Asset
5. Accounts ref (P.V. number)

6. Currency
7. Purchase price
8. Accounts code
9. Notes which explain the current condition of the asset
10. Date of last verification

The register must also be reconciled with the general ledger at the end of every month.

Assets Number

All Assets must have a number, which shall be engraved, printed or painted on the assets. Assets must be numbered in such a way that by looking at the assets number, one should be able to classify into type, year of purchase, location of assets and serial number of assets. A typical number may be thus: JDF/FU/09/042

All fixed assets must be properly insured to guard against total loss in event of any hazard, theft or fire.

CASH AND BANK MANAGEMENT: Currency exchange management will closely align with the Central Bank of Nigeria exchange rate for each month.

COST SHARING: As appropriate and relevant provision for cost sharing with stakeholders will be made in budgeting and management of cost allocation and expenditure.

CHART OF ACCOUNTS & ACCOUNTS CODE

The system of coding of the account of the organization is designed to allow for expansion in future. The organization's chart of accounts and account codes is represented below:

Account Description	Code	Comments
INCOME: DONOR		
- FHI360 (SIDHAS)	1010	For grants received from this donor
- ENCAP	1020	For grants received from this donor
- ENCAP CB	1030	For grants received from this donor
- PACT	1040	For grants received from this donor
- CIHP	1050	For grants received from this donor
- MAPS	1060	For grants received from this donor
- POP COUNCIL	1070	For grants received from this donor
- HAF	1080	For grants received from this donor
- PPFN	1090	For grants received from this donor
- USAID MARKETS	1100	For grants received from this donor
INCOME: GENERAL		
- Internally Generated	1210	Salary & cost share remissions, rentals, workshop

Income		savings, prudent fund mgt, charity boxes, programme sales, gifts/donations & consultancy receivable
- Membership Dues	1220	Dues from members
- Bank interest	1230	Interest received from bank
EXPENDITURE: ADMINISTRATION		
- Professional fees	2010	Audit fees, other accountancy expenses, Legal fees, consulting
- Bank Service Charges	2020	Service fees, interest charged on OD balances
- Meeting Expenses	2030	Hall hire, refreshments, participants transport, workshop materials, equipment rental, photographs
- Depreciation	2040	Cost of depreciation of fixed assets
- Communication Expenses	2050	Internet subscription, telephone recharge, postage and delivery
- Rent	2060	Office rent, house rent, land acquisition, insurance
- Utilities	2070	Generator fuelling & lubricant, water, electricity, paint
- Repairs & renewals	2080	Servicing, small items of equipment, office repairs, labour
- Printing & reproduction	2090	Typing & printing, Scanning & photocopy, printing of shirts & books
- Loan repayment & interest expense	3010	Interest on loan, loan repayment
EXPENDITURE: PERSONNEL		
- In-service training	4010	Course fees, meals & accommodation
- Recruitment	4020	Recruitment advertising costs, interview expenses
- Salaries & benefits	4030	Gross salaries, housing, medical aid and pensions
- Travel & subsistence	4040	Per diem, meal and overnight allowances, bus fares, communication
EXPENDITURE: VEHICLE RUNNING		
- Fuel	5010	Petrol, diesel and oil costs
- Vehicle insurance/tax	5020	Vehicle Insurance premiums and road tax, registration/renewal
- Vehicle maintenance	5030	Service, repairs, tyres, spare parts, car wash
EXPENDITURE: TRAINING		
- Fees & honoraria	6010	Guest speakers' & external trainers' fees/expenses
Food & accommodation	6020	Room hire, food for trainees
Training materials	6030	Tools, jotters, markers, papers, pens, flip chart, Etc
FIXED ASSETS:		
- Office Equipment	0110	Computers, printers, scanners, camcorder, projector, fans, photocopiers etc
- Furniture & fittings	0120	Tables, chairs, rug/carpet
- Automobiles	0130	Vehicles, motorcycles

CURRENT ASSETS:		
- GTB Account	0210	GTB Main account, GTB CIHP Project account
- STANBIC IBTC Bank Account	0220	IBTC Main account, IBTC SIDHAS Project account, IBTC PACT Project account, IBTC ENCAP Project account
- First Bank Account	0230	ENCAP CB Project account
- Petty Cash	0240	For adjustments to the petty cash Imprest float
- Debtors & prepayments	0250	Money owed to us (eg monies used for donor activity which reimbursement is expected) or prepaid amounts for goods/services not yet received
- Advances	0255	Staff loans and working advances
- Grants receivable	0260	Grants due for this year but not yet received from donor
- Stock/Inventory	0270	Stock of goods purchased in store
LIABILITIES:		
- Creditors & accruals	0510	Unpaid suppliers' invoices and accrued expenses
- Grants In advance	0520	Donor funds received for future activities
- Reserves	0530	Funds designated for use in future years
- Loan	0540	Bank loans, monies borrowed from individuals
- Payroll liabilities	0550	Staff salaries, PAYE, Pension scheme payable
EQUITY:		
- Beginning balance	0610	Beginning balance brought forward
- Retained earnings	0620	Excess income over expenditure reinvested for growth

MANAGEMENT INFORMATION REPORT

The Purpose

The purpose of this aspect of the manual is to state the principal financial management information on reports that are required on quarterly basis.

This is to provide the National Coordinator and the Board of Trustee information required to control the activities of the organization.

It is the responsibility of the Finance/Admin Officer to prepare the financial aspect of the quarterly report which includes the following:

- ❖ Statement of Income and Expenditure
- ❖ Statement of Financial position
- ❖ Cash Flow Statement
- ❖ Notes to the accounts

The Statement of income and expenditure account will show the various incomes e.g. donor grants, general income, as well as the project expenditure and other expenditure incurred in running the day to day activities of the organization during the period under review.

INTERNAL CONTROL

Internal control includes measures to safeguard and to check the accuracy and reliability of the accounting records. The purpose of internal financial control is to minimize the possibility of theft, fraud or financial error and to facilitate early financial error and to facilitate early detection if they should occur.

1. General Control

The following control measures are to be observed in the work process

- a. All documents and transaction should be authorized and approved by appropriate personnel
- b. Change in salaries must be authorized by the National Coordinator
- c. The recruitment and termination of all employees must be properly authorized by the National coordinator
- d. The Finance/Admin Manager shall carry out unscheduled test on both the Finance/Admin Officer and the Finance/Admin Assistants to ensure that re-imbursements are in line with the organization's financial policies.
- e. Every effort should be made to assign responsibilities in such a manner that a single individual should not be in control of all aspect of a transaction.
- f. In the light of the above, every transaction must be requested by one individual, checked by another officer in the finance unit, recommended for approval by the Program Manager, approved by the National Coordinator and recommended for final payment once retirement is completed by the finance and admin manager. **In a situation where the request made is above one hundred million, (N100,000,000.00) it shall be recommended for approval by the National Coordinator and approved by the Board of Trustee. The programme manager authorizes transactions below 1,000,000.00 naira.**
- g. Each employee's responsibility, duties and accountability should be established so that if financial irregularities should occur it would be easier to detect at what point in the sequence of transactions.
- h. The number of employees with responsibilities and access to cash should be limited to a reasonable extent
- i. All funds receipted should be deposited into the bank account and at most within 24 hours of receipt
- j. Bank transactions require at least two signatories. One of whom should be national coordinator
- k. Timely and detailed financial reports with detailed financial transactions should be prepared on monthly basis
- l. Ensure that accounting entries are supported by appropriate documentation that can be readily traced to the original.

2. Control of cash

Cash is one of the most important assets of an organization, therefore, special attention and care must be taken when managing cash.

The following controls should be adhered to ensure that the organization's cash adequately are safeguarded.

- All payments above N20,000 shall be made by cheque
- Expenses below N20,000 shall be paid out of imp rest account and should be supported by appropriate documents
- If larger purchases or payment are necessary and requires cash, the required amount should be treated as cash advance and be given to the requesting officer or a reliable staff, who will be required to make payment and submit the receipts and excess cash (if any) for retirement and redeposit.
- The imp rest withdrawal limit shall be N60,000 (sixty thousand) naira only per withdrawal
- When the imp rest is used to the level of ten thousand naira (N10,000), the Finance/Admin Assistant shall make request for reimbursement
- All expenditure incurred from the petty cash should be supported by petty cash voucher.
- When cash advances are necessary to carry out project activities, and if staff situation permits, the Finance Officer handling the project shall not have record keeping (accounting) responsibilities other than recording and tracking advances made.

3. CONTROL OF EXPENSES

* All payments made with the organization or project funds shall be approved by the appropriate or designated authority.

- The finance officers shall review all request for funds submitted before approval.
- The internal Auditor shall check and certify all requests being forwarded for approval
- Signed receipt from payee should be received for all payments.
- Authority for the approval of purchase of goods and services must be clearly defined. The Finance/Admin Officer must ensure that approval is obtained prior to ordering of goods and services and also, that all procurements are in accordance with the project's budget and the terms and conditions of the contract.
- Cash payment should be distributed by a person different from the one who prepares the payroll.

4. CONTROL OF BUDGET.

- All requests for payment should be reviewed by the Finance/Admin Officer as per budget, prior to approval and payment.
- Approved budget of a project should be strictly adhered to.
- Over expenditure on any budget line of a project should not be more than 10% unless otherwise specified by donor Agencies.
- Financial reports should be prepared in a way to allow for comparison of budget to actual expenditure.

- Review of a project budget should only be embarked upon after a formal approval by the donor agency concerned.
- Financial review meeting must be held monthly with the Programme team.

BUDGETING AND BUDGETARY CONTROL

Budgeting:

A budget is defined as a proposed estimated income and expenditure prepared and approved prior to the period to which it relates showing the revenue to be generated and expenditure to be made. It is the summary of the projected financial state of affairs at the end of the budget period usually 12 months. The process of preparing and agreeing is a means of translating the overall objectives of the organization into detailed feasible plans of action. Therefore, the success lies with the full support of top management and cooperation of operational units within the system.

Preparation of the Budget

The overall responsibility shall lie on the budget committee; as an interim measure however, the accounting department shall continue to act in this capacity.

Budget Committee:

There shall be a budget committee which membership shall include:

The National Coordinator	Chairman
Finance/Admin Manager	Secretary
Programme Manager	Member
Finance/Admin Officer	Member

Others as may be determined by the National Coordinator and the Finance/Admin Manager.

Duties of the budget committee:

- Determine the short and long term financial objectives of the organization.
- Set out the parameters of the preparation of the annual budgets including the principal budget factor or factor for the relevant financial year.
- Direct and coordinate the preparation of and the approval of the annual and long range budgets on annual basis.
- Review the performance of the budget at the end of each month and make recommendations to departmental /divisional heads on control measures to improve their performance.

- Review the annual budget where the parameters set for the budget are no longer feasible or drastic changes in the actual performance compel revision.
- Monitor all capital project of the organization.
- Undertake any other assignments delegated to it by the Board.
- **Develop a structured financial business continuity plan that covers project initiation to project conclusions as well as clauses for a no-cost extension policy, exchange rate variations, asset management/disposal policy, timelines and logframes as well as appropriate checklists.**
-

THE BUDGETING PROCEDURES – GENERAL

- Three months to the end of the year the budget committee will request the Finance/Admin Manager to prepare and submit the budget for the coming year.
- Finance/Admin Manager shall request the programme heads to prepare and submit the budgets for their departments.
- The list of projects will be prepared indicating and forecasting the projects that are due for execution in the following year.
- The Finance/Admin Manager shall prepare the general and Administrative overhead budget.
- The proposal contained in the above estimates will be considered by the budget committee.
- The committee shall decide on the target based on the estimates submitted by the departmental heads and request them to prepare their cost budgets using the proved target. Also, the Finance/Admin Manager will be required to prepare the income budget based on operational targets. The assistance of the Finance/Admin Unit may be sought by the departmental heads.
- The office of the National Coordinator shall be treated as a department and necessary budget made accordingly.
- Finance/Admin Manager shall prepare the operating master budget using the guidelines and policies of the organization for the budget period in view. The directive and policies shall be as approved by the Board or Management of the organization.
- The Finance/Admin manager shall prepare the budget's balance sheet summarizing the organization's statement of affairs as at the end of the budget year.
- Also, the finance/Admin Manager shall require the Finance/Admin Officer to prepare for submission the cash budget.
- As part of the Master budget, the following supporting budgets shall be prepared:
 - The programmes budgets will be prepared by the program heads based on the projected level of activity of the respective departments.

- The personnel budget will be prepared by the Finance/Admin department to show the estimates in terms of money, number, grade of staff, direct and indirect personnel requirement for achieving the targets in the master budget.
- The operating budget and the supporting departmental budgets will be submitted to the budget committee for consideration and forwarded to the Board of Trustees for approval.
- National Coordinator shall direct the Finance/Admin Manager to circularize the various departments with the final budgets broken down into months.

BUDGETARY CONTROL

- At every month end, the Unit heads shall prepare a performance report for each unit of operation showing actual and estimated results. The report will highlight major variances and suggest corrective measures to be employed by the effected department or unit.
- The report shall be circulated to the National Coordinator and program heads latest on the 15th day of every month.
- The finance and admin unit led by the Finance and Admin Manager shall analyze the budget variances using **budget variance analyses tool** (Appendix 7) on quarterly basis and present the report to the management and all the unit heads. The report shall identify major variances, possible causes and suggest corrective measures for way forward.
- Where the analysis of the quaterly reports necessitates a revision of the master budget, the Finance/Admin Manager will recommend this to the budget committee for consideration.

BUDGET TIME TABLE

The budget committee shall meet early in the month of November to consider the preparation of budget for the next financial year commencing 1st January. The Finance/Admin Manager shall be directed to send relevant notices to all Unit heads to prepare and submit their budgets for collation not later than second week November of the current year.

The notice will show detailed information and guidelines to be followed in the preparation and submission of the various budgets latest by mid-November; the Finance/Admin Manager shall forward the Master budgets and supporting budgets to the Budget Committee for consideration and approval.

The National Coordinator shall forward the considered Budget to the Board of Trustees for final approval latest by second week of December every year.

After the final approval by the Board, the budget becomes an executive order and is published and circularized to all the Budget holders.

ANNUAL ACCOUNTING PROCEDURES

In this section we outline the routine to be observed in the preparation of the organization's accounts with a view to ensuring that the resulting management information is timely and correct.

At every month end, the Accounts Officers shall ensure that the organization's financial policies and other statutory requirements are complied with.

RETURNS FROM AREA OFFICES / PROJECT UNITS/SUB RECIPIENT /SUB GRANTEES.

The following reports shall be made at the end of every month, not later than 10th working day succeeding the relevant month:

- * Schedule of Bank and Cash Balances.
- * Original copy of the Bank statements.
- * Bank reconciliation statements.
- * Lodgment slips.
- * Statement of monthly receipts and payments.
- * Schedule of Creditors and Accruals.
- * Schedule of Debtors and Prepayments
- * Journal Vouchers.
- * Any other relevant documents for the preparation of its Monthly accounts.

SCHEDULE OF BANK AND CASH BALANCES

Separate schedules for the Bank and petty cash balances shall be prepared and sent at the end of every month.

BANK STATEMENT

The Finance/Admin Unit shall be responsible for collecting the bank statement. They shall keep photocopies in their files and send the original copies to Head Office.

BANK RECONCILIATION STATEMENTS

At the end of every month the Finance/Admin Officer shall prepare Bank reconciliation statements for all bank accounts.

LODGEMENT SLIPS:

All original copies of Lodgment slips shall be attached to the receipts from the saving of income.

STATEMENT OF MONTHLY RECEIPTS AND PAYMENT

The Finance/Admin Officer shall prepare the statement of receipts and payment and send to the Finance/Admin Manager every month end. When the statement gets to the Finance/Admin Manager he/she shall ensure that the:

- Administration in the statement are correct
- Opening balance for the month agrees with the closing balances of the preceding month.

- Statement of receipt and payments agree with the summary.
- Closing balance on the receipts and payment summary agree with the Bank and payment cash book balances in the reconciliation statement.

SCHEDULE OF CREDITORS AND ACCRUALS

Each area office shall prepare and send this to the office.

SCHEDULE OF DEBTORS AND PREPAYMENTS

This schedule shall also accompany the monthly returns to the head office from the area offices.

JOURNAL VOUCHERS /ANY OTHER DOCUMENTS:

The head office shall receive vouchers and any other relevant document for the monthly transactions for area office and project units.

GENERAL MONTHLY ACCOUNTING PROCEDURE

We describe accounting procedures to be adopted for the monthly management account of the organization.

JOURNAL VOUCHERS

The organization shall employ journal vouchers to post all financial transactions into the relevant accounts in the accounting software. Also journals shall be used to correct or effect amendments to the various accounts in the general Ledger.

The journal vouchers shall be pre-numbered and contain information relating to the entries to be posted as follows:

- Date of the transaction
- The code number and particulars of the account to be posted
- The amount to be posted to the relevant accounts is written in figures
- Narration or brief description of the transaction
- The date and signature of the officer who prepared it and the approving officer also, and that of the posting officer.

Posting into the QuickBooks are made from the journal vouchers and payment vouchers on a daily basis. At the year- end, month end or at any given period, the general ledger could be printed out.

TRIAL BALANCE

A trial balance shall be automatically generated through the report menu in the QuickBooks. If all posting are correct then the trial balance from the system could be relied on.

MONTHLY ACCOUNTING TIME TABLE

The following activities are to be undertaken in order to finalize the monthly financial reports:

- The trial balance is reviewed by the Finance/Admin Manager.
- Distribution of management accounts to the National Coordinator, departmental heads and other members of the management.
- Management meeting to discuss the reports.

ANNUAL ACCOUNTING PROCEDURES:

At the end of every financial year of the organization (i.e. 31st December) the following accounting procedures shall be carried out:

FINAL ACCOUNTS

At the end of the financial year, the Finance/Admin Manager shall ensure early availability of the Trial Balance together with supporting schedules properly referenced to the Trial Balance.

The statement of financial position would also be generated from the system following appropriate formats as designed by the Organization from time to time

The final accounts and the necessary schedules shall be ready, discussed and approved by Management/board before the external auditors are invited.

ANNUAL AUDIT

After the final account with the supporting schedules are prepared, the necessary discussions made and approval of the management/Board obtained, the Finance/Admin Manager shall call upon the **external Auditors for annual audit.**

AUDIT ARRANGEMENT

- JDF External auditor is invited through a letter at least a month after the year end.
- External auditor replies the invitation giving a date for the exercise. If the Auditor is engaged for the first time, he shall define his terms of engagement to the management through **an engagement letter.**
- Preparation for the audit by the Finance/Admin Unit and others for the exercise.
- All check lists are made ready for the audit.
- Finance team attends to the auditors and few questions are administered to the program persons by the auditors.
- Findings /weaknesses are discussed with the management.
- Financial statements is generated and submitted to the management for onward transmission to the Board for ratification.

Aside from this audit arrangement by the organization, donor organizations may call for an audit of funds with the organization. This may be at the end of the year or they may come in the midway into the year either announced or unannounced.

FINANCIAL CONTROL

Internal control includes measures to safeguard and to check the accuracy and reliability of accounting records. The purpose of internal financial control is to minimize the possibility of theft, fraud, or financial error and to facilitate early detection if they should occur.

General Control

The following control measures are to be observed in the work process.

- a. All documentations and transactions should be authorize and approved by appropriate personnel.