



KABALEGA FOUNDATION FINANCE AND OPERATIONS MANUAL 2020

POLICY STATEMENT

It is the policy of Kabalega Foundation to be financially responsible and accountable. It means that Kabalega Foundation will endeavour to pay its bills on time and keep accurate records of all funds that come into and go out of the organisation. Financial responsibility also means that the organisation will endeavour to collect all funds owed to it as promptly as possible. Accountability means that Kabalega Foundation will endeavour to provide accurate and up to date financial report to its stakeholders. The Management committee has a duty of responsibility to ensure that the Kabalega Foundation finances are managed to the maximum advantage in the interest of the the organisation.

POLICY PURPOSE

The purpose of this policy is to set out how the finances of the organisation are managed. Following this policy will help to ensure that the organisation is financially responsible, accountable and prudent.

SCOPE

This policy covers all financial transactions carried out by, for and on behalf of Kabalega Foundation by all/any authorised persons.

RESPONSIBILITIES

MANAGEMENT COMMITTEE:

The Management Committee has ultimate responsibility for ensuring the effective implementation of this policy. The Finance officer has direct ultimate responsibility for ensuring the effective implementation of this policy and the effectiveness of organisation's financial management system.

The management Committee is responsible for approving all financial transactions

The Finance officer has direct responsibility for overseeing all financial transactions

The Management Committee is responsible for approving the annual budget and all variations to the budget before presentation to board of Directors for approval.

The person responsible for finance has direct responsibility for ensuring that proper budgets are prepared and any variations to an approved budget are properly evidenced before presentation to the Management Committee and subsequently the Board of directors.

The Management Committee is responsible for approving all expenditures including expenditures over which the Executive Director or Manager has been granted authority. The

Executive Director or Manager must present information on these expenditures to the Management Committee on a regular basis (quarterly) for approval. The person responsible for finance has direct responsibility for ensuring that the Management committee properly approves all expenditures including where authority has been granted to the Executive director or Manager.

The Management Committee is responsible for appointing the external auditor or independent examiner as appropriate.

The Management Committee has ultimate responsibility for reviewing this policy and is directly responsible for agreeing any amendments to the policy. The person responsible for finance has direct ultimate responsibility for ensuring that this policy is reviewed and any amendments are properly implemented.

THE EXECUTIVE DIRECTOR

The Executive Director has responsibility for ensuring the effective implementation of this policy and the effectiveness of the financial management system for Kabalega Foundation Where the Executive director has delegated responsibility to a Manager, the same responsibilities then lie with the Manager.

The Executive Director or delegated Manager is responsible for ensuring that all transactions are properly documented including where, the Management Committee has given him/her authority.

The Executive director or delegated Manager is responsible for ensuring that a proper budget is prepared annually for approval by the Management Committee. He/she is responsible for ensuring that any variations necessary to an approved budget are properly evidenced before being submitted to the Management Committee for re-approval.

The Executive Director is responsible for overseeing the effective day-to-day management of the finances of Kabalega Foundation

The Executive director/Manager is responsible for arranging the annual audit or examination of the accounts and financial management system of Kabalega Foundation with the external auditor or independent examiner appointed by the Management Committee.

The Executive director is responsible for ensuring that this policy is reviewed on regular basis to continue to meet the needs of the organisation. He/she is responsible for supervising the review of this policy and presenting it to the Management Committee for consideration and approval.

THE FINANCE OFFICER:

The Finance Officer is responsible for the effective day-to-day implementation of this policy. He/she is responsible for developing and implementing an effective financial management system for the organisation according to this policy.

The Finance Officer is responsible, in conjunction with the Executive director, for preparing an appropriate budget for submission to the Management Committee for consideration and approval.

The Finance Officer is responsible for devising and maintaining all relevant financial records for the effective management of the finances of the organisation.

The Finance Officer is responsible, in conjunction with the Executive director for ensuring that all bills and any other funds owed by the organisation are paid on time without incurring any surcharges, fines or penalties.

The Finance Officer is responsible for preparing all instruments necessary for the payment of bills and other funds owed by the organisation including wages/salaries and expenses. He/she is responsible for submitting such instruments to the appropriate persons for certification.

The Finance Officer is responsible, in conjunction with the managing director for ensuring that all funds owed to the organisation, including grant funding are collected promptly. He/she is responsible for recording and banking all funds collected except cash receipts.

The Finance Officer is responsible, in conjunction with the Executive director for producing and presenting regular financial management reports to the Management Committee.

The Finance Officer is responsible, in conjunction with the Executive director for preparing the annual accounts of the organisation. He/she is responsible for submitting the accounts to the external auditor or independent examiner.

THE ADMINISTRATIVE OFFICER:

The Administrative Officer may be responsible for collecting and receipting all cash coming into the organisation under the supervision of the Finance Officer.

He/she may be responsible for administering the petty cash account under the supervision of the Finance Officer.

PROCEDURE

A. ACCOUNTING:

1. A regular (quarterly) financial management report detailing the financial status of the organisation must be prepared and presented to the Management Committee.
2. The annual accounts must be prepared in accordance with all legal requirements
3. The draft accounts must be prepared not more than three months from the end of the financial year of the organisation. The review by management, board of Directors and external examiner must be completed in a timely manner so as to ensure that the accounts and returns are submitted to the responsible bodies ahead of any filing deadlines;
4. The organisation must retain all accounting records for as long as is required by relevant legislation
5. No financial record (e.g. payment vouchers or related documents) must be destroyed before the statutory period has expired

B. AUDIT / INDEPENDENT EXAMINATION AND SYSTEM REVIEW:

1. An annual external audit or examination by an appropriate professional chosen by the Management Committee must be arranged for the purpose of carrying out an examination of the financial and related systems of organisation to ensure transparency, accountability and prudence.
2. The Auditors / Independent Examiners will review, appraise and report on the annual accounts of the organisation, the effectiveness and adequacy of the internal control mechanisms and the suitability and reliability of financial and other management data.

C. AUTHORISATION AND CERTIFICATION:

1. The Executive director has delegated authority to certify, in consultation with the person responsible for finance, the following expenditures on behalf of the Management Committee and in accordance with the Expenditure Authorizations limits set for organisation orders for work, goods and services for employees, volunteers and interns;
 - payment of expenses from petty cash; and
 - preparation of salary and wages documents.

2. All other expenditures including the payment of salaries/wages and expenses not payable from Petty Cash (e.g. payment of sessional workers) must be signed by any two (2) of Executive Director and the Finance Officer of Kabalega Foundation

D. BANKING ARRANGEMENTS:

1. All funds must be held in a bank account in the name of Kabalega Foundation at a bank/building society decided upon by the Management Committee.

2. The organisation shall operate a current account for the purpose of receiving income and paying of bills. Any monies/funds not immediately in use must be deposited in a high interest yielding account in the same name.

3. The Management Committee must decide upon the interest yielding account for maximum benefit to the company after seeking professional advice.

4. All bank accounts must be reconciled with cashbooks at least once in each month.

5. All cheque books must be under the control of the managing director or any other officer to whom he/she may delegate the responsibility (e.g. the Finance Officer).

E. BUDGET:

1. The annual budget projections must show the actual income and expenditure for the previous financial year, the original approved and revised estimates of income and expenditures for this financial year and the estimated income and expenditure for the coming financial year.

2. Sufficient supporting information must be provided by the managing director in conjunction with the Finance Officer in order for variations between budget headings to be analysed. The detailed format of the annual budget must be decided by the Executive director in consultation with the person responsible for finance in line with the general directions of the Management Committee.

3. Monitoring actual income/expenditure reviews of the company's budget must be carried out by the person responsible for finance in conjunction with the Executive director and the Finance Officer. This must compare the actual income and expenditure to for the current year's budget. This review must form the basis of the quarterly report to be considered by the Management Committee. The Management Committee must decide upon any corrective action that is needed where significant differences occur between the two.

4. Financial resources must be used only for the approved budget purposes.

5. Designated or restricted funds must be recorded in the accounts as having been received for the purpose for which they were given, and must only be utilised for that purpose.

F. CLAIMS FOR EXPENSES AND ALLOWANCES:

1. All claims and expenses from employees must be submitted through line managers to the Finance Office who must prepare the relevant documents for the payment of such expense claims and authorised by the Executive director before payment is made.
2. Claims must only be allowed for expenses incurred for work done wholly and exclusively on behalf of organisation.
3. Certification by or on behalf of the Executive director must be taken to mean that such expenses were necessary and the claims have been authorised as satisfactory, and that the expenses were properly incurred and payable by the organisation

G. PETTY CASH ACCOUNT:

1. The Executive director has delegated authority to sign a cheque (with one other named signatory) for an amount not exceeding 16,000,000 million Uganda shillings for the purpose of operating a Petty Cash account. The amount in the petty cash account is to be decided by the Executive director and approved by the Management Committee.
2. All payments must be adequately evidenced, correctly calculated and properly supported by a third party receipt.
3. Claims for petty cash must be submitted within 2 months of the expense being incurred.
4. No income other than the original cash advance and reimbursement to the cash float must be treated as creditable to the petty cash account.

H. INCOME:

1. All income received by the organisation must be banked as soon as practically possible. All cash receipts must be banked within one business day of receipt.
2. Under no circumstance must monies belonging to organisation be taken out of the offices except in the process of taking it to the bank.
3. With the approval of the Management Committee, the Treasurer may authorise the write-off of any monies owing to the organisation that in all probability are irrecoverable.

I. INSURANCE:

The Executive director has the delegated authority to affect all insurance cover and negotiate claims on behalf of the organisation

J. INVENTORIES:

1. An inventory of all organisation's fixed assets must be maintained as a Fixed Asset Register. Recording an adequate description of the asset including date of purchase,

supplier, purchase price and term of depreciation, the Register will include all readily portable items of furniture, fittings equipment and machinery of an estimated life of more than twelve months

2. The Finance Officer in consultation with the managing director must determine the form of the inventory.
3. The Finance Officer has the delegated authority for maintaining an annual physical check of items on the inventories certified by the Executive director.

K. INVESTMENTS:

The Executive Director has delegated authority, after consultation with the Management Committee and on the advice of a professional independent financial adviser, to arrange for the independent management of any/all investments of the organisation

All such investments must be held in the name of the organisation.

L. ORDERS FOR WORK, GOODS AND SERVICES:

1. Official orders for work, goods and services must be in a form approved by the Management Committee and must be signed by the Executive director and countersigned by the senior person responsible for finance.
2. The Finance Officer must retain a copy of the order.
3. As no official order need be written out for public utility services (water, electricity, gas telephone etc.), a record must be maintained to avoid duplicate payments and to monitor significant trends in consumption.
4. Before a bill is paid the requisition must be endorsed and dated by any two of the three authorised signatories in to avoid duplicate payment and for the purposes of monitoring. The cheque payment number or online payment unique code must always be quoted on the vouchers.
5. Three written estimates must be obtained when ordering goods or services over five hundred thousand Uganda shillings to ensure value for money.
6. Payments for goods and services must always be made against an appropriate invoice or similar document.

M. SALARIES/WAGES AND PENSIONS:

1. The payments of all salaries, wages, pensions, compensations and other earning to all staff and volunteers or former employees must be made according the employee/Volunteer/intern Policy approved by the Management Committee.

2. The senior person responsible for finance must be informed of all matters affecting the payment of such earnings as; absences from duty for sickness or other reasons apart from approved leave; and information necessary to maintain records of service for pensions, income tax and Insurance.

3. All-time records, where kept or other pay documents must be in the form approved by the Management Committee.

N. SECURITY:

1. The Executive director has delegated authority for introducing and maintaining any security measures to ensure the safety and security of all of the organisation's personnel, assets and property.

2. No cash (except for petty cash) must be held at the organisation's offices.

Signed:

A handwritten signature in black ink, appearing to read 'T. King', written over a dotted line.

Date: 04/01/2020

Executive Chairperson